



# District of Columbia Water and Sewer Authority Board of Directors

**DC Retail Water and Sewer Rates Committee**

February 23, 2026 / 9:30 am

**Microsoft Teams meeting**

[Click here to join the meeting](#)

Meeting ID: 276 104 802 027 62 Passcode: sa6jp7Dx

Call in (audio only) [+1 202-753-6714](tel:+1202-753-6714),984230088#

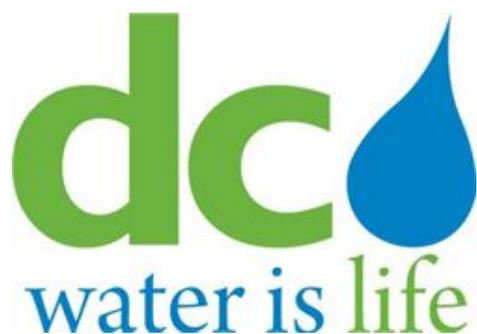
Phone Conference ID: 984 230 088#

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. [Independent Review of Proposed FY 2027 & FY 2028 \(Attachment B\) Rates, Charges & Fees](#) ..... Ed Markus, Consultant
5. [Proposed FY 2027 & FY 2028 Rates, Charges and Fees \(Attachment C\) and FY 2027 Budget](#).....Lola Oyeyemi
6. [Action Items \(Attachment D\)](#) ..... [Lola Oyeyemi](#)
  - Proposal of FY 2027 & FY 2028 Rates, Charges and Fees (Action Item 1)
  - Proposal of Ten-Year Financial Plan FY 2026- FY2035 (Action Item 2)
7. [DC Retail Water and Sewer Rates Committee Workplan \(Attachment E\)](#) ..... [Syed Khalil](#)
  - FY 2026 Proposed DC Retail Rates Committee Workplan
8. [Agenda for March 18, 2026, Committee Meeting \(Attachment F\)](#) ..... [Rachna Bhatt](#)
9. **Other Business**..... Rachna Bhatt
10. **Executive Session\***
11. **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](mailto: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 nder 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 January 31, 2026

**DEPARTMENT OF FINANCE**

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

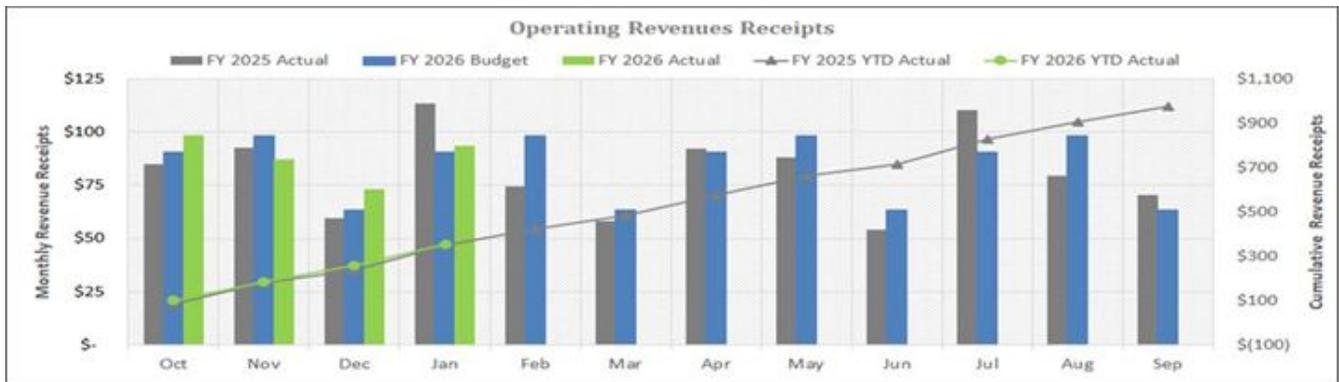
**Syed Khalil**, Vice President, Rates & Revenue

## Monthly Report to DC Retail Water and Sewer Rates Committee

Fiscal Year-to-Date  
As of January 31, 2026

### Operating Revenues (\$000's)

FY 2025 Actual		CATEGORY	FY 2026					
Total Annual	YTD January		Year-to-Date Performance					
			Annual Budget	YTD Budget	YTD Actual	% of Budget	Variance \$ Fav(Unfav)	Variance % Fav(Unfav)
\$576,751	\$189,102	Residential / Commercial / Multi-Family*	\$586,408	\$195,472	\$194,468	33.2%	(\$1,004)	(0.5%)
92,625	46,773	Federal	99,339	49,669	50,128	50.5%	459	0.9%
25,727	9,064	Municipal (DC Govt.)	28,256	9,419	6,503	23.0%	(2,916)	(31.0%)
14,990	5,304	DC Housing Authority	18,120	6,040	4,366	24.1%	(1,674)	(27.7%)
24,479	8,382	Metering Fee	24,083	8,284	8,435	35.0%	151	1.8%
43,382	15,335	Water System Replacement Fee (WSRF)	40,717	14,518	15,498	38.1%	980	6.7%
114,341	40,785	Wholesale	122,612	30,653	38,933	31.8%	8,280	27.0%
24,989	8,964	PILOT/ROW	24,156	8,548	8,888	36.8%	340	4.0%
61,225	27,344	All Other	67,695	21,099	25,773	38.1%	4,674	22.2%
<b>\$978,509</b>	<b>\$351,053</b>	<b>TOTAL</b>	<b>\$1,011,386</b>	<b>\$343,702</b>	<b>352,992</b>	<b>34.9%</b>	<b>9,290</b>	<b>2.7%</b>



At the end of January 2026, cash receipts totaled \$353.0 million, or 34.9 percent of the FY 2026 Budget. The YTD FY 2026 budgeted receipts were \$343.7 million. Several categories of customers make payments on a quarterly basis, including the Federal Government (which made their 2nd quarterly payment in January 2026), and wholesale customers (who made their first quarterly payment in November).

Favorable Variances	Unfavorable Variances
<p><b>Federal</b> - Actual receipts for FY2026 totaled \$50.1 million or 50.5 percent of the budget. The Federal government made its second quarter payment in January 2026.</p> <p><b>Metering Fee</b> - Receipts are on track at \$8.4 million or 35.0 percent of the budget.</p> <p><b>Water System Replacement Fee (WSRF)</b> - Actual Receipts for WSRF totaled at \$15.5 million or 38.1 percent of the budget.</p> <p><b>Wholesale</b> - The YTD actual receipts totaled \$38.9 million or 31.8 percent of the budget. Fairfax and Loudoun Counties made their second quarterly payment of \$8.2 million early in January 2026 instead of scheduled in February 2026.</p> <p><b>PILOT/ROW</b> - The YTD receipts are slightly higher at \$8.9 million or 36.8 percent of the budget.</p> <p><b>Other Revenue</b> - Receipts are higher at \$25.8 million or 38.1 percent of the budget mainly due to early payment of 2<sup>nd</sup> quarter Fire Protection Fee of \$4.4 million in January 2026 instead of scheduled February 2026. Interest Earnings (\$2.1 million), Washington Aqueduct Backwash (\$0.1 million), and Miscellaneous Revenue (\$2.5 million) are higher than the budget. The receipts for Developer Fees (\$0.9 million), System Availability Fee (SAF \$1.6 million), and IMA Indirect Cost Reimbursement for Capital Projects (\$1.9 million) and Stormwater (\$0.1 million) are lower than the budget.</p>	<p><b>Residential, Commercial, and Multi-Family</b> - Receipts for this category are slightly lower at \$194.5 million or 33.2 percent of the budget. The January 2026 receipts were lower by \$6.4 million as compared to the monthly budget of \$48.9 million due to lower consumption as compared to the monthly budget.</p> <p><b>District Government</b> - Receipts are lower at \$6.5 million or 23.0 percent of the budget. The District Government did not make their January 2026 payment for December 2025 billed amount. The monthly budget is \$2.4 million. The payment has been received in February 2026 and will be reflected in next month's report.</p> <p><b>DC Housing Authority</b> - Receipts are slightly lower at \$4.4 million or 24.1 percent of the budget. The receipts are lower mainly due to lower consumption as compared to the budget. The January 2026 receipts are lower by \$0.4 million as compared to the budget of \$1.5 million.</p>

## Monthly Report to DC Retail Water and Sewer Rates Committee

As of January 31, 2026  
(\$ in millions)

Revenue Category	FY 2026 Budget	Budget	Actual	Variance Favorable / (Unfavorable)		Actual % of Budget
Residential, Commercial, and Multi-family	\$586.4	\$195.5	\$194.5	(\$1.0)	-0.5%	33.2%
Federal	\$99.3	\$49.7	\$50.1	\$0.4	0.9%	50.5%
District Government	\$28.3	\$9.4	\$6.5	(\$2.9)	-31.0%	23.0%
DC Housing Authority	\$18.1	\$6.0	\$4.4	(\$1.6)	-27.7%	24.1%
Customer Metering Fee	\$24.1	\$8.3	\$8.4	\$0.1	1.8%	35.0%
Water System Replacement Fee (WSRF)	\$40.7	\$14.5	\$15.5	\$1.0	6.7%	38.1%
Wholesale	\$122.6	\$30.7	\$38.9	\$8.2	27.0%	31.8%
Right-of-Way Fee/PILOT	\$24.2	\$8.5	\$8.9	\$0.4	4.0%	36.8%
<b>Subtotal (before Other Revenues)</b>	<b>\$943.7</b>	<b>\$322.6</b>	<b>\$327.2</b>	<b>\$4.6</b>	<b>1.4%</b>	<b>34.7%</b>
IMA Indirect Cost Reimb. For Capital Projects	13.4	4.5	2.6	(1.9)	-42.2%	19.4%
DC Fire Protection Fee	17.6	4.4	8.8	4.4	100.0%	50.0%
Stormwater (MS4)	1.0	0.3	0.2	(0.1)	-33.3%	20.0%
Interest	9.2	3.1	5.2	2.1	67.7%	56.5%
Developer Fees (Water & Sewer)	9.0	3.0	2.1	(1.0)	-33.3%	23.3%
System Availability Fee (SAF)	7.7	2.6	1.0	(1.6)	-61.5%	13.0%
Washington Aqueduct Backwash	2.6	0.9	1.0	0.1	11.1%	38.5%
Others	7.2	2.4	4.9	2.5	104.2%	68.1%
<b>Subtotal</b>	<b>\$67.7</b>	<b>\$21.1</b>	<b>\$25.8</b>	<b>\$4.7</b>	<b>22.2%</b>	<b>38.1%</b>
Rate Stabilization Fund Transfer	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	0.0%
<b>Other Revenue Subtotal</b>	<b>\$67.7</b>	<b>\$21.1</b>	<b>\$25.8</b>	<b>\$4.7</b>	<b>22.2%</b>	<b>38.1%</b>
<b>Grand Total</b>	<b>\$1,011.4</b>	<b>\$343.7</b>	<b>\$353.0</b>	<b>\$9.3</b>	<b>2.7%</b>	<b>34.9%</b>

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

Customer Category	Water	Sewer	Clean Rivers IAC	Metering Fee	WSRF	Total
Residential	16,091	25,380	11,168	3,661	3,331	59,631
Commercial	32,129	36,377	13,289	2,386	5,676	89,856
Multi-family	21,543	33,135	5,356	1,260	2,823	64,118
Federal	18,200	20,689	11,239	769	2,838	53,735
District Govt	1,339	1,812	3,351	276	700	7,479
DC Housing Authority	1,594	2,361	410	82	130	4,578
<b>Total:</b>	<b>90,897</b>	<b>119,754</b>	<b>44,813</b>	<b>8,435</b>	<b>15,498</b>	<b>279,396</b>

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	11,074	11,168	94	1%	34%
Commercial	39,450	13,150	13,289	139	1%	34%
Multi-family	15,612	5,204	5,356	152	3%	34%
Federal	22,478	11,239	11,239	(0)	0%	50%
District Govt	9,892	3,297	3,351	54	2%	34%
DC Housing Authority	1,465	488	410	(78)	-16%	28%
<b>Total:</b>	<b>122,119</b>	<b>44,453</b>	<b>44,813</b>	<b>360</b>	<b>1%</b>	<b>37%</b>

## Monthly Report to DC Retail Water and Sewer Rates Committee

Fiscal Year-to-Date  
As of January 31, 2026

### 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 <sup>(1)</sup>	\$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 <sup>(2)</sup>	\$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
January 31, 2026	\$32.0	12,405

The overall delinquencies increased by \$1.0 million in January 2026 as compared to the last month. The Commercial Delinquencies increased by \$0.8 million mainly due to the back billing of Georgetown University. The customer is disputing the charges and requests a hearing. In October 2025, the Commercial Delinquencies declined by \$2.3 million mainly due to the \$2.2 million CSX Railroad settlement.

**Historical Notes:** (1) 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. (2) 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.

#### Greater Than 90 Days by Customer

	Number of Accounts			Month of Jan (All Categories)				Total Delinquent				
				Active		Inactive		Dec		Jan		
	W & S	Impervious Only	Total No. of	No. of	Amount	No. of	Amount	No. of	Amount	No. of	Amount	%
	a/c	a/c	a/c	a/c	(\$)	a/c	(\$)	a/c	(\$)	a/c	(\$)	
<b>Commercial</b>	8,392	1,827	10,219	1,048	6,407,865	128	\$824,546	1,157	\$6,448,501	1,176	\$7,232,412	23%
<b>Multi-family</b>	9,103	302	9,405	1,264	14,718,132	45	\$254,817	1,277	\$14,942,870	1,309	\$14,972,949	47%
<b>Single-Family Residential</b>	108,146	1,905	110,051	9,764	9,582,088	156	\$218,462	9,912	\$9,641,101	9,920	\$9,800,550	31%
<b>Total</b>	<b>125,641</b>	<b>4,034</b>	<b>129,675</b>	<b>12,076</b>	<b>\$30,708,085</b>	<b>329</b>	<b>\$1,297,825</b>	<b>12,346</b>	<b>\$31,032,471</b>	<b>12,405</b>	<b>\$32,005,910</b>	<b>100%</b>

Notes: Included in the above \$32.0M (or 12,405 accounts) of the DC Water Over 90 days delinquent accounts, \$2,775,547.32 (or 1,070 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 (12,405) as a percentage of total accounts (129,675) is 9.6 percent.  
 -Delinquent impervious only accounts (1,070) as a percentage of total accounts (129,675) is 0.8 percent.  
 -Delinquent impervious only accounts (1,070) as a percentage of total delinquent accounts (12,405) are 8.6 percent.  
 -Delinquent impervious only accounts (1,070) as a percentage of total impervious only accounts (4,034) are 26.5 percent

## Monthly Report to DC Retail Water and Sewer Rates Committee

Fiscal Year-to-Date  
As of January 31, 2026

### 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	2,205	\$11,971,295	1,494	\$9,085,447	1,176	\$7,232,412
Multi Family	2,065	19,341,950	1,553	16,770,374	1,309	14,972,949
Residential	19,632	13,343,969	12,891	11,198,577	9,920	9,800,550
<b>Total</b>	<b>23,902</b>	<b>\$44,657,214</b>	<b>15,938</b>	<b>\$37,054,398</b>	<b>12,405</b>	<b>\$32,005,910</b>

#### 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	1,181	\$735,870	699	\$599,704	523	\$527,450
2	549	214,919	346	161,914	200	129,335
3	576	298,603	308	230,903	218	190,973
4	3,296	2,006,728	2,004	1,629,517	1,496	1,397,193
5	3,998	2,597,275	2,572	2,153,007	2,019	1,862,056
6	1,060	556,764	650	459,259	477	389,722
7	5,704	4,311,901	3,998	3,739,315	3,153	3,337,587
8	3,268	2,621,910	2,314	2,224,959	1,834	1,966,235
<b>Total</b>	<b>19,632</b>	<b>\$13,343,969</b>	<b>12,891</b>	<b>\$11,198,577</b>	<b>9,920</b>	<b>\$9,800,550</b>

#### 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+	276	\$224,716	232	\$189,648	202	\$157,972
CAP	150	68,747	120	53,721	98	41,164
CAP2	16	8,705	11	6,288	10	5,251
CAP3	0	0	0	0	0	0
<b>Total</b>	<b>442</b>	<b>\$302,168</b>	<b>363</b>	<b>\$249,657</b>	<b>310</b>	<b>\$204,387</b>

\* Based on number of accounts that have been given credit in Jan 2026

#### 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	9	\$9,289	8	\$7,720	7	\$6,533
2	2	743	1	671	1	671
3	3	3,848	2	3,625	2	3,370
4	40	35,632	34	29,763	28	23,455
5	65	44,496	52	37,535	46	30,476
6	14	7,634	12	5,942	9	4,651
7	92	77,138	79	66,767	72	57,749
8	51	45,936	44	37,625	37	31,066
<b>Total</b>	<b>276</b>	<b>\$224,716</b>	<b>232</b>	<b>\$189,648</b>	<b>202</b>	<b>\$157,972</b>

\* Based on number of accounts that have been given credit in Jan 2026

## Monthly Report to DC Retail Water and Sewer Rates Committee

Fiscal Year-to-Date  
As of January 31, 2026

### 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	4	\$1,526	3	\$923	1	\$566
2	1	68	1	68	1	68
3	0	0	0	0	0	0
4	19	7,037	14	4,976	11	3,323
5	34	14,156	30	11,240	22	6,866
6	5	2,139	3	1,246	3	897
7	42	15,649	31	12,444	29	10,614
8	45	28,173	38	22,824	31	18,831
<b>Total</b>	<b>150</b>	<b>\$68,747</b>	<b>120</b>	<b>\$53,721</b>	<b>98</b>	<b>\$41,164</b>

\* Based on number of accounts that have been given credit in Jan 2026

#### 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	67	0	0	0	0
5	0	0	0	0	0	0
6	0	0	0	0	0	0
7	10	5,226	8	3,793	7	3,018
8	5	3,412	3	2,495	3	2,234
<b>Total</b>	<b>16</b>	<b>\$8,705</b>	<b>11</b>	<b>\$6,288</b>	<b>10</b>	<b>\$5,251</b>

\* Based on number of accounts that have been given credit in Jan 2026

#### 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
<b>Total</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>

\* Based on number of accounts that have been given credit in Jan 2026

## Monthly Report to DC Retail Water and Sewer Rates Committee

Fiscal Year-to-Date  
As of January 31, 2026

### 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 January 31, 2026, developer deposits had \$32.75 million in credit balances (liability) and \$11.54 million in debit balances (receivable).

#### Balances by Year as of January 31, 2026

<b>Credit Balances (Liability)</b>	<b>Debit Balances (Receivables)</b>
\$32.75 million	\$11.54 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	\$ 167,133.38	43	\$ 31,642.85
2010	\$ (87,520.62)	23	\$ 118,723.61	36	\$ 31,202.99
2011	\$ (228,832.78)	47	\$ 532,836.93	52	\$ 304,004.15
2012	\$ (422,979.08)	97	\$ 433,552.63	82	\$ 10,573.55
2013	\$ (499,097.36)	86	\$ 245,969.44	76	\$ (253,127.92)
2014	\$ (796,328.80)	88	\$ 964,212.62	60	\$ 167,883.82
2015	\$ (862,295.93)	190	\$ 264,855.46	35	\$ (597,440.47)
2016	\$ (1,984,345.84)	280	\$ 447,839.64	52	\$ (1,536,506.20)
<b>Subtotal - 2001 through 2016</b>	<b>\$ (5,908,944.73)</b>	<b>977</b>	<b>\$ 5,002,602.77</b>	<b>700</b>	<b>\$ (906,341.96)</b>
2017	\$ (1,576,299.58)	358	\$ 449,300.76	112	\$ (1,126,998.82)
2018	\$ (2,131,620.29)	390	\$ 820,442.26	112	\$ (1,311,178.03)
2019	\$ (3,245,491.34)	345	\$ 1,601,446.65	153	\$ (1,644,044.69)
2020	\$ (3,353,780.73)	220	\$ 514,953.36	119	\$ (2,838,827.37)
2021	\$ (3,350,857.53)	267	\$ 533,305.71	141	\$ (2,817,551.82)
2022	\$ (5,201,446.35)	269	\$ 929,309.02	168	\$ (4,272,137.33)
2023	\$ (3,019,145.14)	168	\$ 992,102.13	123	\$ (2,027,043.01)
2024	\$ (2,549,396.98)	146	\$ 503,525.77	102	\$ (2,045,871.21)
2025	\$ (2,387,329.03)	157	\$ 155,873.75	77	\$ (2,231,455.28)
2026	\$ (21,550.00)	10	\$ 34,275.00	53	\$ 12,725.00
<b>Subtotal - 2016 through 2026</b>	<b>\$ (26,836,916.97)</b>	<b>2,330</b>	<b>\$ 6,534,534.41</b>	<b>1,160</b>	<b>\$ (20,302,382.56)</b>
<b>Total</b>	<b>\$ (32,745,861.70)</b>	<b>3,307</b>	<b>\$ 11,537,137.18</b>	<b>1,860</b>	<b>\$ (21,208,724.52)</b>

#### 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.	(5,908,944.73)	977

## Monthly Report to DC Retail Water and Sewer Rates Committee

Fiscal Year-to-Date  
As of January 31, 2026

### 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 2,079 accounts. The table below provides a summary of the progress made to date.

#### Construction Inspection Refund Data

	Number of Accounts	Amount (\$)
<b>Refund request received to date</b>	2079	
<b>Refunded this month</b>	10	\$58,536.36
<b>Refunded last month</b>	39	\$324,077.89
<b>Refunded FY26</b>	111	\$1,264,358.63
<b>Refunded FY25</b>	250	\$3,127,116.31
<b>Refunded in FY24</b>	369	\$6,931,447.14
<b>Refunded in FY23 (Oct 22 - Sept 23)</b>	105	\$1,756,574.39
<b>Refund requests that are debits (\$0 balance or owe DC Water)</b>	171	(\$105,847.63)
<b><i>Number of Refund Accounts Reviewed, Awaiting Information from Developers*</i></b>	320	\$1,505,510.73
<b><i>Number of Refund Account Requested after forfeiture date**</i></b>	74	\$318,031.73

\*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 January 31, 2026

### Payment Plan and Disconnection Report

Ward	Zip Code	Residential					Commercial					Multifamily					
		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.*	
<b>Total</b>		<b>12,825</b>	<b>3,521</b>	<b>1,571</b>	<b>867</b>	<b>329</b>	<b>1,453</b>	<b>87</b>	<b>28</b>	<b>16</b>	<b>8</b>	<b>1,543</b>	<b>359</b>	<b>65</b>	<b>57</b>	<b>0</b>	
1	20001	209	47	21	13	13	88	8	2	4		8					
	20009	124	29	5	1	3	37	5	1			47	12	3	1		
	20010	358	82	31	19	28	47	5	5	1		38	5				
	20059						3										
	20001	85	18	5	5	6	41	4	1			13	4	1	1		
2	20004						5										
	20005	6	1				23			1		1					
	20006						13										
	20007	197	10	3	3	6	59	2		1		5					
	20008	8			1		17	2				1					
	20009	36	11	4	1	4	15	3	1	2	2	17	4				
	20011	1															
	20036	2					25	3	3			2	1				
	20037	11	1				8					5	2				
	20057						3										
	3	20007	56	7	4		4	18	4				20				
20008		44	6	2	1	1	28	1				3	1		1		
20015		39	5	1		1	9	1				3					
20016		167	19	9	2	8	117	2				3	1				
4	20008						1										
	20010	32	7	4		3	4					5	1				
	20011	1579	442	195	106	78	110	12	2	1	1	129	32	4	3		
	20012	329	108	57	21	20	35	2	1	1		5	2		1		
	20015	56	21	8	4	3	1										
	20001	227	59	28	21	13	19	1				8	1				
5	20002	640	182	91	48	8	103	3	1			192	42	14	8		
	20011	223	69	35	17		2					7	3				
	20017	621	165	83	48	5	40	2		1	1	27	5	2			
	20018	850	271	116	60	15	119	7	5	2	1	22	7	3	1		
	20036											1					
	20001	15	9	5	4		14					6					
6	20002	364	83	26	23	1	95	6	2	1		16	5				
	20003	213	35	16	9		43	2	1			18	2				
	20024	49	11	6	7		13					12			1		
	20032	1															
	20001	4	1	1													
7	20002	237	77	31	15	2	14	1	1	1		26	8	2	1		
	20003	91	17	4	3	2	23					14					
	20007	1															
	20016	1	1														
	20019	3067	822	369	244	27	118	5	1			381	88	17	9		
	20020	580	149	66	35	9	8	2				59	22	2	2		
8	20002	4	1	1													
	20003	15	6	4			11										
	20009	1	1	1													
	20020	1271	384	193	87	43	56	1			1	232	58	9	11		
	20023	1															
	20032	1009	363	147	68	26	68	3	1		1	217	53	8	17		
	20332	1	1														

\*Note: inactive accounts in arrears are not included in the above and the accounts by customer class are as follows: Res. 394, Com. 144 and MF 94

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



# Independent Review of the Proposed Rates for FY 2027 and FY 2028

February 23, 2026



## Purpose

- To provide the findings and conclusions of Independent Review of the Rates



## Independent COS Study

- The Independent review of Proposed Rates and Budget is conducted every two years to provide independent assessment of Cost of Service Study for Water and Sewer. The last Independent Review was performed in FY2024
- The work is performed by independent consultants to 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
- Amawalk Consulting is experienced in providing consulting services for various COS studies for operating reserves, renewal and replacement reserves, rate stabilization funds, independent review of rates, charges and fee, and affordability benchmarking studies.
- Amawalk serves New York Water, the Boston Water and Sewer Commission, the Philadelphia Water, Sewer & Stormwater Rate Board and the North Texas Municipal Water District.
- Shan Lin and Ed Markus conducted the review and are presenting the results; they have worked together for over 20 years and collectively have over 68 years of experience in the water, wastewater and stormwater industry.

# Outline

- Objectives of the Review
- Financial Performance
- Operating & Capital Performance
- Industry Recognition
- Benefits of Strong Financial Performance
- Why are Rate Increases Necessary
- Why Invest in Capital Improvements
- Proposed 2027 and 2028 Rates
- Industry Comparisons
- Affordability of User Charges
- Conclusions
- Appendix



**Slide 4**

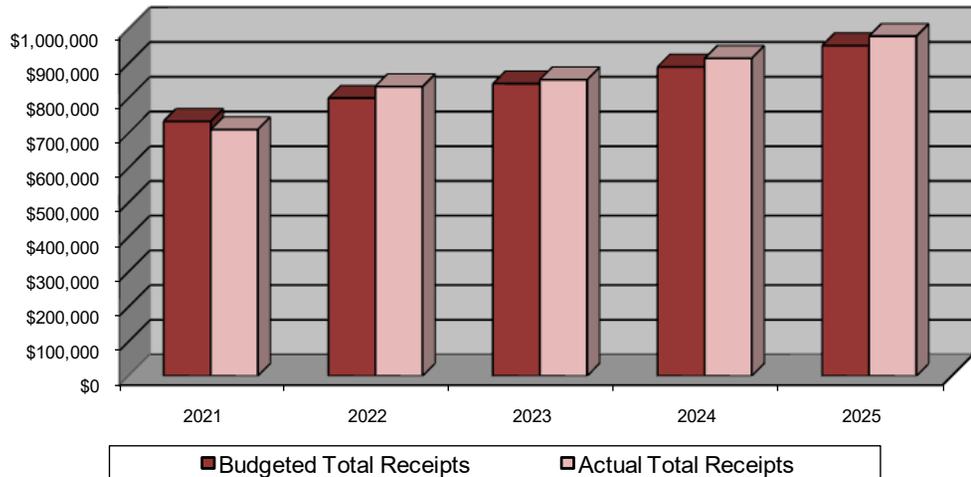
# Objectives of the Review

- **Rate Sufficiency:** Ensure that rates are sufficient to meet funding requirements for all current and long-term liabilities and debt obligations.
- **CSO Cost Assignment:** Understand the logic and confirm the reasonableness of costs assigned to the CRIAC and wastewater rates.
- **Policy Review:** Examine DC Water practices and policies relative to those of peer utilities in conducting the review. Ensure that the proposed rates are consistent with the Board of Directors' rate-setting policies.
- **Rate Model Assumptions:** Review the model assumptions for reasonableness and the equitable allocation of costs and retail rates.
- **Identify and Understand the Risks & Opportunities in the Budget.**
- **Customer Impact:** Understand and explain the impacts on typical customers in each class as well as examples of customers that may be significantly impacted by the proposed changes in rates and charges.
- **Affordability:** Understand and explain the impacts of DC Water's affordability assistance programs on the bills of qualifying customers under the rate proposals for 2027 and 2028.
- **Present the results to the Retail Rates Committee and the Board of Directors and testify at the public hearing about the efficacy of the proposed rates.**

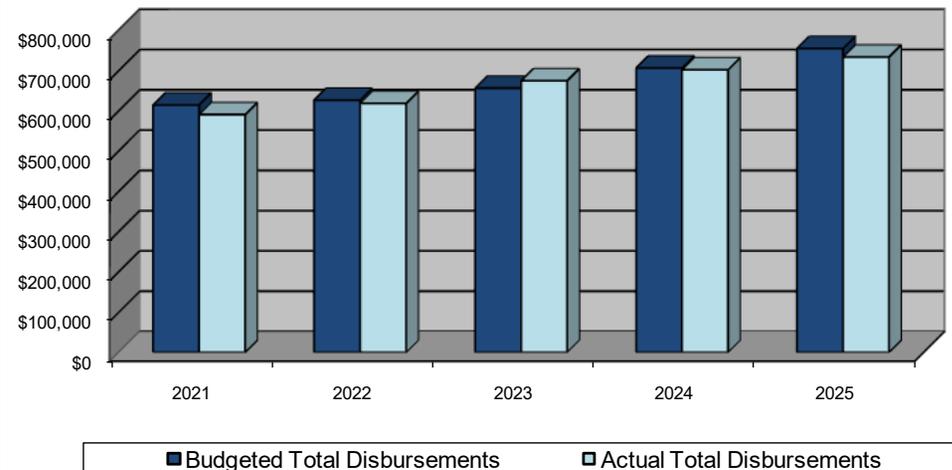
# Financial Performance – Receipts/Expenditures

- From 2021 – 2025: actual cash receipts averaged 1.6% > budget; in 2021 actual cash receipts were 3.3% < budget due to COVID impacts on customer usage.
- From 2021 – 2025: actual expenditures averaged 1.1% < budget.
- YTD 2026 results through Dec 31 are slightly better than budgeted. No material changes for 2027 and 2028.

**Actual vs. Revised Budget Cash Receipts (\$000s)**



**Actual vs. Budgeted Disbursements (\$000s)**



While not a guarantee of future results, this track record offers a degree of comfort that expenditure and revenue estimates, including those for 2027 & 2028, are prudently developed.

# Financial Performance – Coverage/Days Cash

## Debt Service Coverage & Days Cash on Hand – Actual & Projected (Cash Basis):

	Actual					Projected		
	2021	2022	2023	2024	2025	2026	2027	2028
Combined Coverage	1.86	2.29	2.07	2.32	2.40	2.24	2.39	2.11
Days Cash on Hand (Excl RSF, Assume 360 Days/Year)	214	268	267	290	283	282	283	283

### Compliance with Key Financial Policies:

- ✓ Minimum cash balance of 250 days of projected operating expenses, with a goal of achieving 350 days by 2032.
- ✓ Combined debt service coverage of 1.60 or greater.
- ✓ Funding of the CIP with the proceeds of debt as well as cash from operations.

While not a guarantee of future results, this track record offers a degree of comfort that coverage and reserve estimates, including those for 2027 & 2028, are prudently developed.

# Benefits of Strong Financial Performance

## Rating Agency Recognition (as of February 2026)

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

### The strong financial metrics of DC Water and rating agency recognition support efficient borrowing of funds:

- The Authority can borrow funds over 30 or more years at very competitive rates due to its excellent track record and strong bond ratings.
- DC Water secured a \$156M federal loan under the WIFIA Program at an interest rate of 1.87%, repayable over 38 years.

The ability of DC Water to borrow money over the long-term at attractive interest rates saves ratepayers millions of dollars in interest costs over the term of the borrowing. The prudent use of cash to compliment the borrowed funds helps keep total long-term debt more manageable – a practice that is highlighted favorably and very important by the bond rating agencies.

# Operating & Capital Performance

- The digester facilities & waste-to-energy facilities are yielding multiple benefits – lower expenses, fewer biosolids and a high quality product.
- Vacancy rates for jobs are somewhat higher than typical levels; not unusual among utilities in the post-COVID period.
- CIP projects are typically on time and close to budget; change orders and claims continue to be a small % of costs.
- The most recent Independent Engineering Report gave high grades to the facilities and people of DC Water; identified needs are being addressed.
- CIP spending in upcoming years is significant, and much higher than recent years: in 2021-25, average annual capital spending was \$447M; the 2026-2028 average is \$957M, more than double per year.
- Significant drivers of DC Water's CIP are: completion of the Clean Rivers Program, lead service line replacement, upgrading of aging infrastructure.

DC Water continues to meet or exceed the Board's operating goals. Capital needs are significant and will support the long-term delivery of reliable water and wastewater services in the District. Strong operating and capital performance helps manage the cost of providing service and mitigates risks.

Slide 9

# Industry Recognition

- The Authority earned the coveted ‘Triple Crown’ of governmental financial reporting awards for the second year in a row: the PAFR Award, Excellence in Financial Reporting and Distinguished Budget Presentation.
- In 2025, The National Association of Clean Water Agencies (NACWA) presented the Authority with a Platinum Peak Performance Award for 13 consecutive years of 100% compliance with the requirements of the U.S.EPA discharge permit.
- NACWA honored DC Water in 2024 with a National Environmental Achievement Award (NEAA) for Community Leadership; specifically recognizing the success in workforce development, contract compliance, and business development teams impacting lives in the community.
- DC Water was recognized by the Underground Construction Association at the annual North American Tunneling Conference. With the impressive success of the Northeast Boundary Tunnel, the group honored the Authority with the 2024 Project of the Year Award, among projects in the more than \$500 million category.

The high level of performance and industry recognition of DC Water provides assurances to ratepayers and investors that their dollars are being spent wisely.

# Why Are Rate Increases Necessary

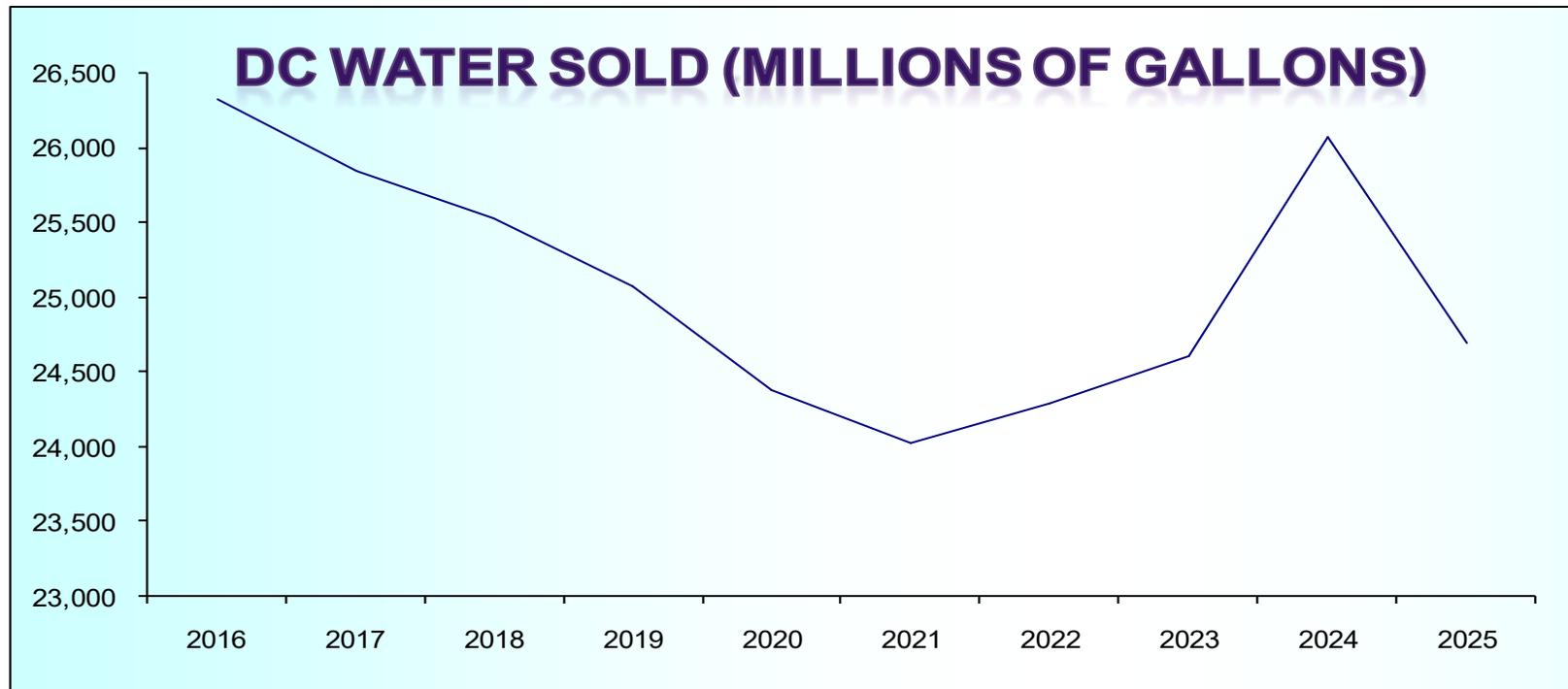
- Increases in capital spending:
  - Debt service will be 31.7% of total disbursements in 2027 and 34.1% in 2028, increasing by 4.2% and 16.6% vs. the prior year, respectively.
  - Cash-financed construction from all sources increases by an average of 10.7% for the period of 2027 and 2028 compared to 2025 and 2026; the use of cash for construction reduces the need to issue more debt and helps support the strong credit rating of DC Water.
- Increases in operating expenses:
  - Total O&M expenses, excluding PILOT/ROW, increase by \$15.8M or 3.6% for 2027 and by \$22.3M or 4.9% for 2028.
- Long-term water use is declining:
  - Long-term water demand is declining (next slide).
- The new inconvenience fee of the District increases charges for all customers.
- DC Water receives no subsidies:
  - Unlike cities such as Atlanta (sales tax) or Milwaukee (property tax), DC Water revenues pay all bills.

Many of these factors are driving rates up in other cities as well.

Slide 11

# Why Are Rate Increases Necessary – Declining Demand

- Long-term retail water demand is slowly declining; total usage has declined by 6.2% from 2016 through 2025. There was a major federal leak in 2024.
- Year-to-date 2026 water sales as of December 31 are 0.9% lower than in 2025.
- Usage is assumed to decline at the rate of 1.0% per year in 2027 and each year thereafter. New York, Boston & Philadelphia assume annual declines in sales.
- About 61% of total cash receipts from all sources in 2027 and 2028 are expected from consumption-related retail charges.



Slide 12

# Why Invest in Capital Improvements

- Clean Rivers Program:
  - The program began in 2006 and continues through 2030 to build storage tunnels, pump stations, green infrastructure, other facilities.
  - Reduces flooding in the District during heavy rain; thousands of tons of trash, debris & solids removed; billions of gallons of sewage/stormwater captured instead of entering waterways; much cleaner waterways.
- Lead, Galvanized & Brass Service Line Replacement:
  - DC Water expects to spend \$1.8 billion to replace 51,000 lines in part by leveraging funds in the federal bi-partisan infrastructure package.
  - Prioritizes lead replacement for: (1) vulnerable populations most impacted by lead exposure (children and seniors) and (2) communities that are historically underserved, and experience disproportionately poorer health.
- Water Main & Sewers:
  - Many water mains & sewers are quite old and in need of repair or replacement.
  - The CIP includes nearly \$5 billion for water & sewer projects in 2026-2035.

These & many other investments support the quality of life in the District. **Slide 13**

# Proposed 2027 and 2028 Rates

	Units	2026	2027	2028	Change 2027 vs 2026		Change 2028 vs 2027	
					\$	%	\$	%
<b>DC Water Rates</b>								
Water								
Residential 0-4 Ccf (Lifeline)	Ccf	\$5.78	\$6.49	\$7.11	\$0.71	12.3%	\$0.62	9.6%
Residential > 4 Ccf	Ccf	\$7.60	8.40	\$9.40	0.80	10.5	1.00	11.9
Multi-Family	Ccf	\$6.47	7.21	\$7.98	0.74	11.4	0.77	10.7
Non-Residential	Ccf	\$7.84	8.66	\$9.71	0.82	10.5	1.05	12.1
Sewer (Excluding CRIAC)	Ccf	12.52	12.91	13.39	0.39	3.1	0.48	3.7
Clean Rivers IAC	ERU	24.23	25.50	27.22	1.27	5.2	1.72	6.7
Customer Metering Fee	5/8"	7.75	7.75	7.75	0.00	0.0	0.00	0.0
Water System Replacement Fee	5/8"	6.30	6.30	6.30	0.00	0.0	0.00	0.0
Groundwater Fee	Ccf	3.76	3.90	3.90	0.14	3.7	0.00	0.0
<b>District Rates</b>								
PILOT Fee	Ccf	0.62	0.62	0.63	0.00	0.0	0.01	1.6
Right of Way Fee	Ccf	0.20	0.20	0.20	0.00	0.0	0.00	0.0
Public Inconvenience Fee	Ccf		0.42	0.42	0.42	New	0.00	0.0
Stormwater Fee	ERU	2.67	2.67	2.67	0.00	0.0	0.00	0.0

■ Management Recommendations:

- Percentage increases in water rates are greater than increases in sewer rates in each year to better match revenues with the cost of service.
- CRIAC rates are increasing to correspond to higher debt service.
- The proposed rates are intended to raise retail revenue by 4.6% in 2027 and 5.2% in 2028.
- Reflects the draft Cost of Service Study findings of February 2026.

The new inconvenience fee of the District will apply to all customers starting in 2027.

Unchanged rates are: Metering Fee, WSRF, ROW Fee and DC Stormwater Fee.

**Slide 14**

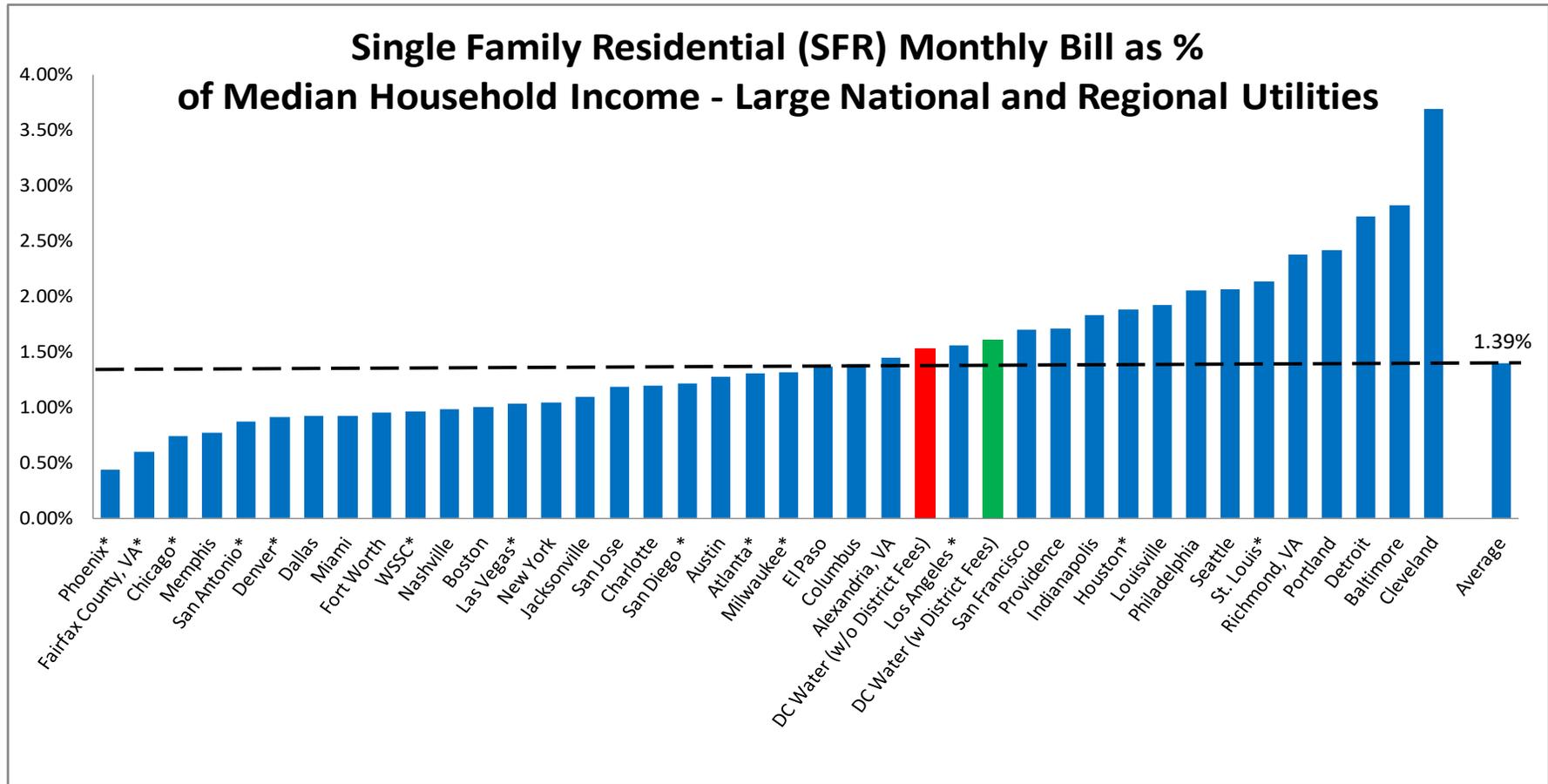
# Proposed 2027 & 2028 Rates: Billing Impacts

	Ave SFR	Ave SFR in CAP +	Ave SFR in CAP I	Ave Multi-Family	Sample Commercial	Sample Cemetery	Sample Non-Profit - Low Usage	Sample Non-Profit - High Usage
Monthly Bill - 2026 Rates (\$)	147	16	46	1,945	74,532	3,210	1,847	21,345
Monthly Bill - 2027 Rates (\$)	157	19	50	2,088	80,030	3,364	1,934	22,819
Monthly Bill - 2028 Rates (\$)	165	20	53	2,208	85,251	3,569	2,048	24,279
% Change 2026-2027	7%	16%	9%	7%	7%	5%	5%	7%
% Change 2027-2028	5%	2%	5%	6%	7%	6%	6%	6%
Assumptions:								
Consumption (Ccf/month)	5.42	5.42	5.42	86.14	3,332.33	4.7	7.36	804.07
Meter Size	5/8"	5/8"	5/8"	1.5"	8 x 2"	5/8"	2"	1" & 4"
ERU	1	1	1	6.83	52.2	115.1	59.2	128.6

- New District Public Inconvenience Fee will be first applied to all customers in 2027.
- Typical single family customers would experience increases of 7% and 2027 and 5% in 2028, or about \$8-\$10 per month.
- CAP+ customers would experience increases of 16% and 2% in 2027 and 2028, respectively, or about \$1-\$3 per month in each year. CAP 1 customers would have increases of 9% and 5%, respectively, or about \$3-\$4 per month in each year.

Impacts on customer classes other than single family residential in each year depend on water use and the number of ERUs.

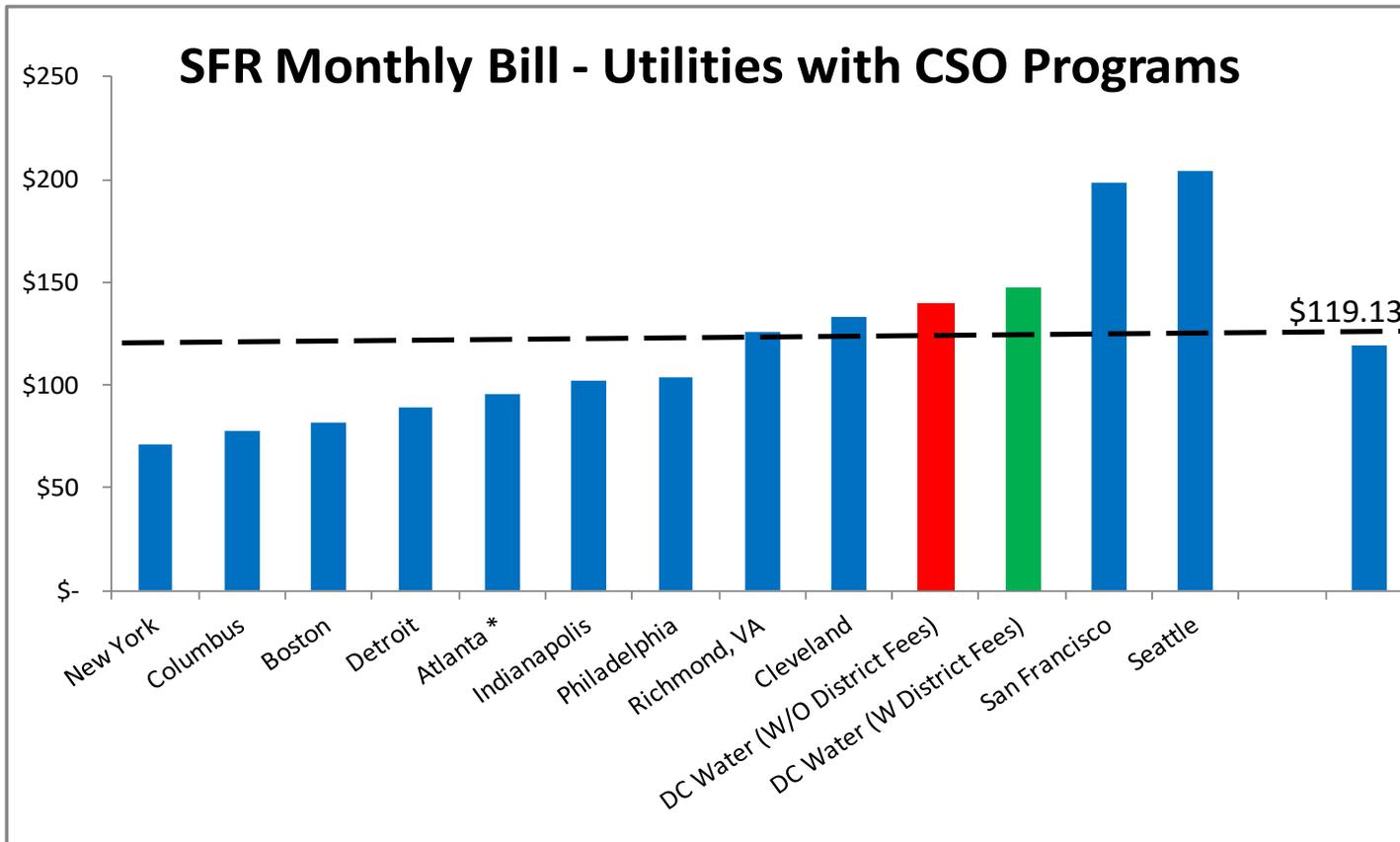
# Comparison: Affordability of User Charges



Note: Reflects rates and fees in place as of November 2025. Some cities utilities use property tax revenue or other revenues to pay for part of the cost of water, wastewater, or stormwater services, as indicated by \* in the graph above. Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748 gallons.

Water, sewer, stormwater charges (without District fees) as a % of median household income are reasonable at 1.53%, somewhat higher than peers.

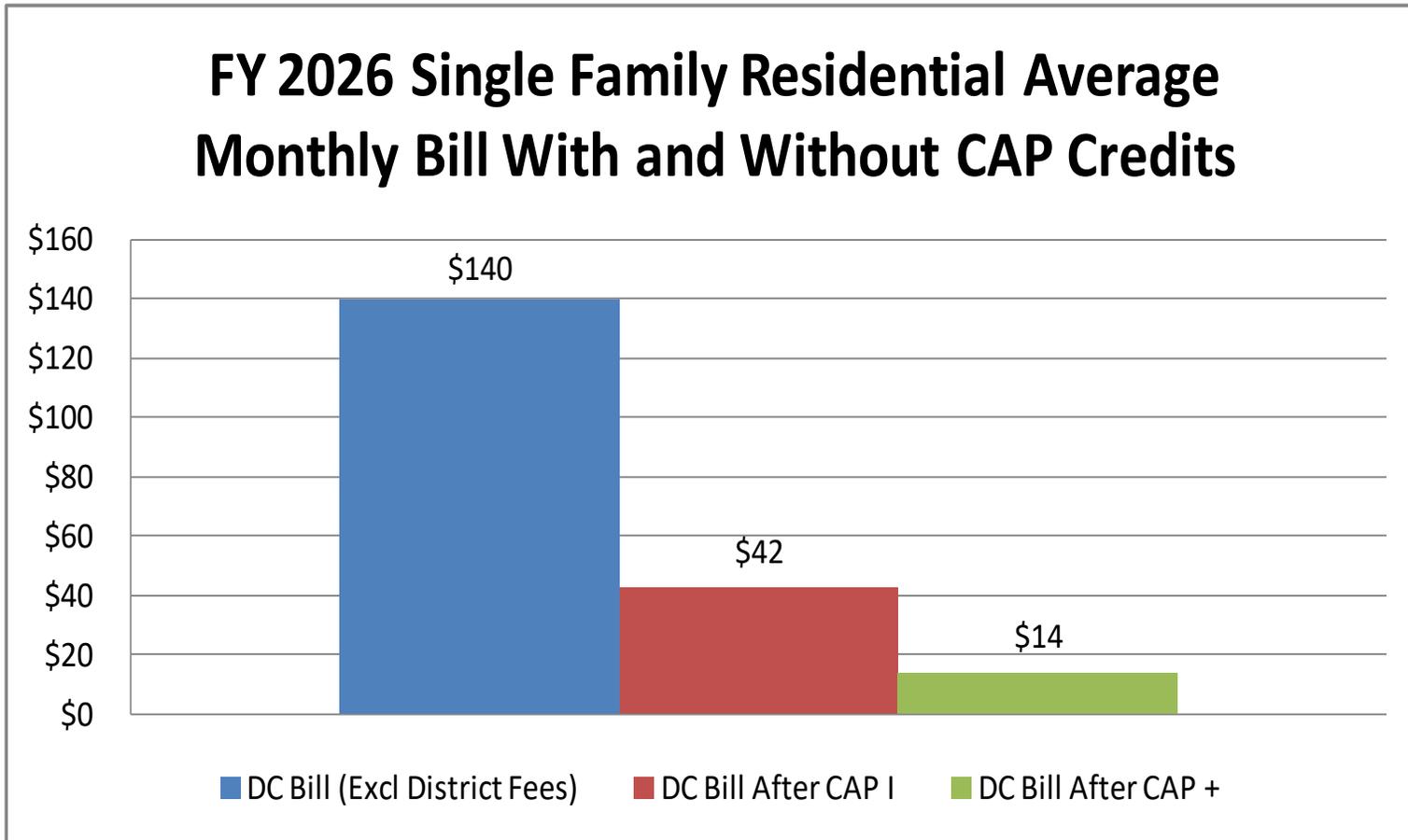
# Comparison of Charges: CSO Utilities



Note: Reflects rates and fees in place as of December 2021. Some cities utilities use property tax revenue or other revenues to pay for part of the cost of water, wastewater, or stormwater services, as indicated by \* in the graph above. Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748 gallons.

DC Water charges are comparable to the average of the utilities that we survey that have combined sewer and CSO control programs.

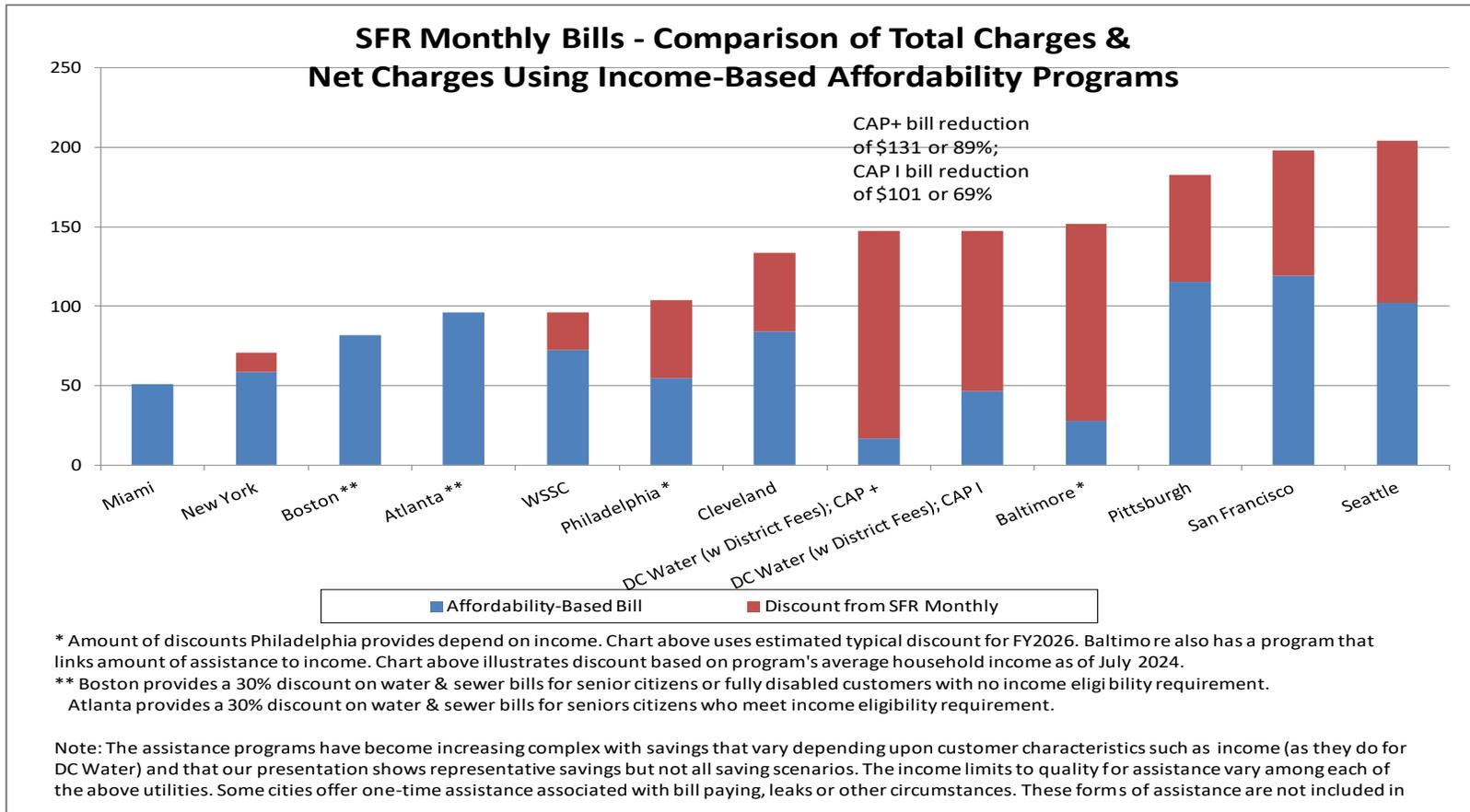
# Affordability of User Charges: DC Water Customer Assistance Program (CAP)



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

In 2025, 2,177 customers were eligible for the new CAP + and 5,086 customers qualified for CAP 1. An average of 6,438 customers used CAP 1 in 2021-25.

# Affordability of User Rates: DC Water CAP With Peers



Note: Reflects rates and fees in place as of November 2025. Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748 gallons.

The affordability assistance provided by DC Water is robust compared to other utilities, providing a meaningful impact on a customer bill.

# Affordability of DC Water User Charges - Available Programs

PROGRAM	DESCRIPTION	ELIGIBILITY	HOW TO APPLY
Customer Assistance Program (Monthly Discounts for Residential Customers)	<ul style="list-style-type: none"> <li>- Eligible households receive discounts on water and sewer services and/or discounts on some fees. (CAP+, CAP 1, CAP 2, CAP 3)</li> <li>- Discounts range from \$218 to \$1,572 annually.</li> </ul>	<ul style="list-style-type: none"> <li>- Income eligible customers verified by DOEE.</li> </ul>	Call DOEE at 202-350-9649, or visit <a href="https://doee.dc.gov/node/1375571">https://doee.dc.gov/node/1375571</a> .
CRIAC Relief for Nonprofit Organizations	<ul style="list-style-type: none"> <li>- Credits of up to 90% of the CRIAC portion of a nonprofit's water bill.</li> </ul>	<ul style="list-style-type: none"> <li>- Income eligible non-profit organizations, verified by DOEE.</li> </ul>	Visit <a href="https://doee.dc.gov/node/1375751">https://doee.dc.gov/node/1375751</a> or call 311.
Flexible Payment Plans	<ul style="list-style-type: none"> <li>- Repay past due balances over time. More flexible options now available. No late fees accrue while meeting payment plan obligations.</li> </ul>	<ul style="list-style-type: none"> <li>- Customers with a balance may be eligible.</li> </ul>	Call DC Water at 202-354-3600 or visit, <a href="http://mydcwater.com">mydcwater.com</a>
SPLASH (One-time Emergency Assistance)	<ul style="list-style-type: none"> <li>- Up to \$350.</li> <li>- DC Water employees, customers and others donate to this one-time assistance fund for those facing disconnection.</li> </ul>	<ul style="list-style-type: none"> <li>- Income eligible customers, verified by Greater Washington Urban League.</li> </ul>	Call the Greater Washington Urban League Mon-Fri 9am-5pm at 202-265-8200.

DC Water affordability programs to pay water/sewer bills are robust and compare favorably with other District utilities (i.e., gas, electric, telephone, cable).

# Conclusions

- DC Water's proposed 2027 and 2028 rates have been reasonably developed, reflect the anticipated revenue requirements of the System, adhere to Board policies and industry standards and are comparable to other utilities.
- If water usage declines at a faster rate than assumed rate, interest rates are higher than expected or unforeseen major expenses are encountered, the actual financial results could differ from current projections. The rate structure of DC Water with charges not tied to consumption helps mitigate a portion of the risks of lower usage. The potential for some underspending in 2027 and 2028, the ability to use some money designated for defeasance and the availability of the RSF also provides some flexibility and risk mitigation in such circumstances.
- Affordability is a current and long-term concern in the water and wastewater industry as the cost of providing service continues to increase. DC Water's CAP programs (original, II & III), CAP + and SPLASH and its use of a lifeline rate are: 1) consistent with industry practices and 2) robust in the level of assistance to low income billpayers compared to peers.

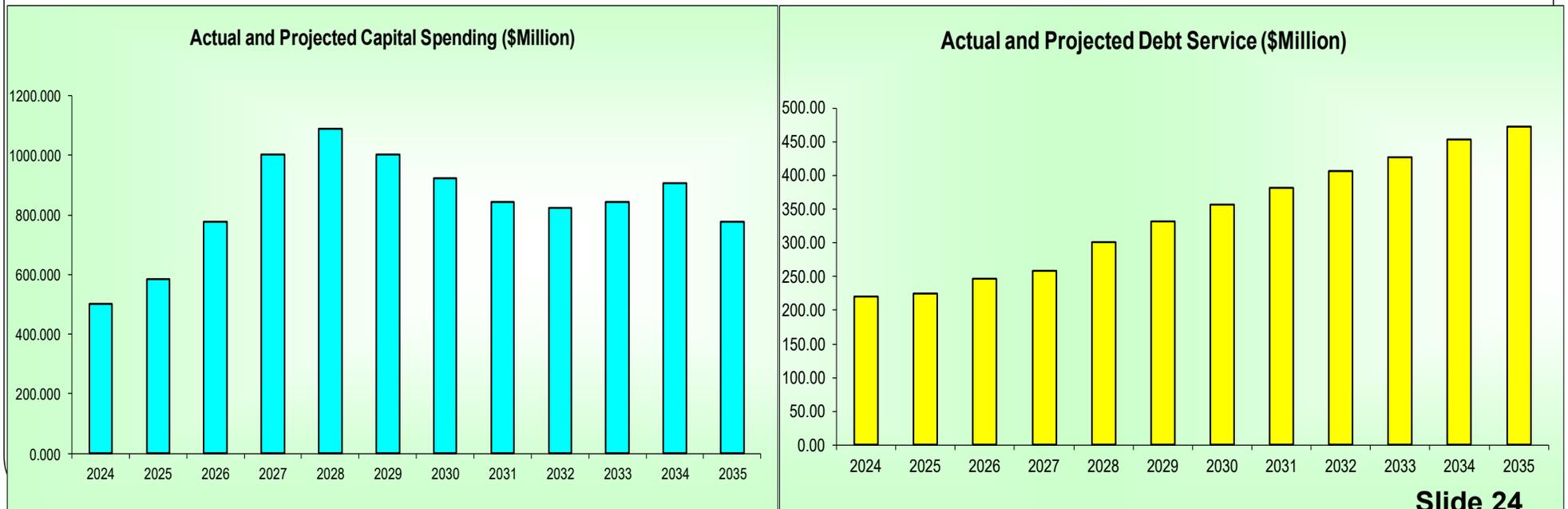
# Conclusions

- The annual spending for capital improvements is significant and the primary driver of increasing rates in future years. The need for the improvements is well-documented. The use of current cash plus prudent levels of borrowing will help manage increases in total debt as well as annual debt service.
- The reserve funds of DC Water provide liquidity and help support strong credit ratings. Such funds provide a prudent backup in the event that unexpected financial conditions are encountered. Strong credit ratings help optimize the cost of borrowing money for the capital program. DC Water's reserve fund practices are consistent with those of other highly-rated utilities.

## **Appendix – Supporting Information**

# Why Rate Increases Are Needed – Capital Investment/Debt Service

- DC Water is investing in its water and sewer infrastructure to ensure that high quality services are provided on a reliable basis. As result of the commitment by the Board to continue to address aging infrastructure challenges, DC Water is ramping up its investment to reach a 1.5% replacement cycle for small diameter water mains.
- Debt service compared to the prior year increases by \$10.5M in 2027 and \$42.9M in 2028; such payments are an important % of total disbursements: 31.7% in 2027 and 34.1% in 2028.



Slide 24

# Why Rate Increases Are Needed – O&M Expenses & Total Disbursements

- Total O&M expenses, excluding PILOT/ROW, are expected to increase by \$15.8M in 2027 and \$22.3M in 2028, or 3.6% and 4.9%, respectively.
- DC Water budgeted \$97.9M in 2026 for cash-financed construction/bond defeasance; the amounts in 2027 and 2028 are \$76.8M and \$80.8M, respectively. The purpose is to reduce the amount of debt to be issued, enhance coverage, provide cash flow flexibility and support the credit rating.

O&M Expenditure (\$ M)	2026 Projected	2027 Proposed Budget	2028 Proposed Budget	2027 Budget vs 2026 Projected	2028 Budget vs 2027 Budget
Personnel Services	186.6	195.6	203.4	4.8%	4.0%
Contractual Services	102.3	100.0	103.0	-2.2%	3.0%
Water Purchases	48.1	54.5	60.5	13.1%	11.0%
Chemicals & Supplies	57.5	60.2	64.0	4.7%	6.3%
Utilities & Rent	41.7	42.2	43.9	1.3%	4.0%
Small Equipment	1.5	1.0	1.0	-34.3%	3.0%
<b>Total</b>	<b>437.7</b>	<b>453.4</b>	<b>475.8</b>	<b>3.6%</b>	<b>4.9%</b>
PILOT/ROW Fees	24.2	24.6	24.9	1.6%	1.6%
Debt Service	247.4	257.9	300.8	4.2%	16.6%
Defeasance D.S./Cash Financed Capital Construction	97.9	76.8	80.8	-21.5%	5.2%
<b>Total Operating Disbursements</b>	<b>807.2</b>	<b>812.7</b>	<b>882.4</b>	<b>0.7%</b>	<b>8.6%</b>

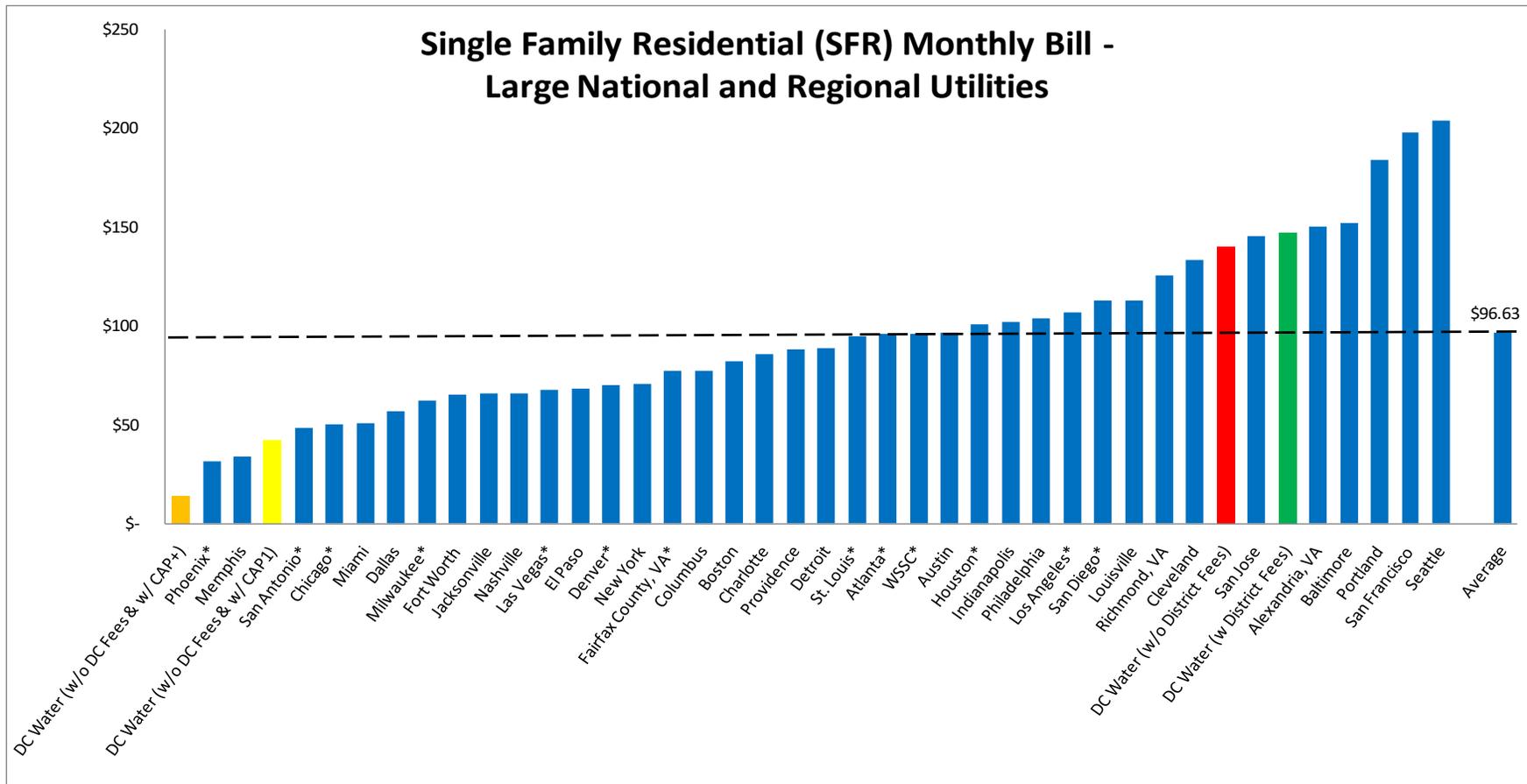
Slide 25

# Why Rate Increases Are Needed - Revenues

- Total revenues are expected to increase by \$61.2M in 2027 and \$52.0M in 2028, or 6.1% and 4.9%, respectively.
- Nearly all of the increase in Other Revenue in 2027 and 2028 (\$12.7M/year) is attributable to the new Inconvenience Fee of the District.

Revenue (\$ Million)	2026 Projected	2027 Proposed Budget	2028 Proposed Budget	2027 Budget vs 2026 Projected	2028 Budget vs 2027 Budget
Retail	816.0	853.8	898.2	4.6%	5.2%
Wholesale	124.2	134.1	140.1	7.9%	4.4%
Interest	13.0	12.5	12.3	-3.8%	-2.1%
Other	54.6	68.6	70.5	25.6%	2.9%
Transfers from Rate Stabilization Fund	0.0	0.0	0.0		
<b>Total</b>	<b>1,007.9</b>	<b>1,069.0</b>	<b>1,121.0</b>	<b>6.1%</b>	<b>4.9%</b>

# Industry Comparisons: Rates/Charges

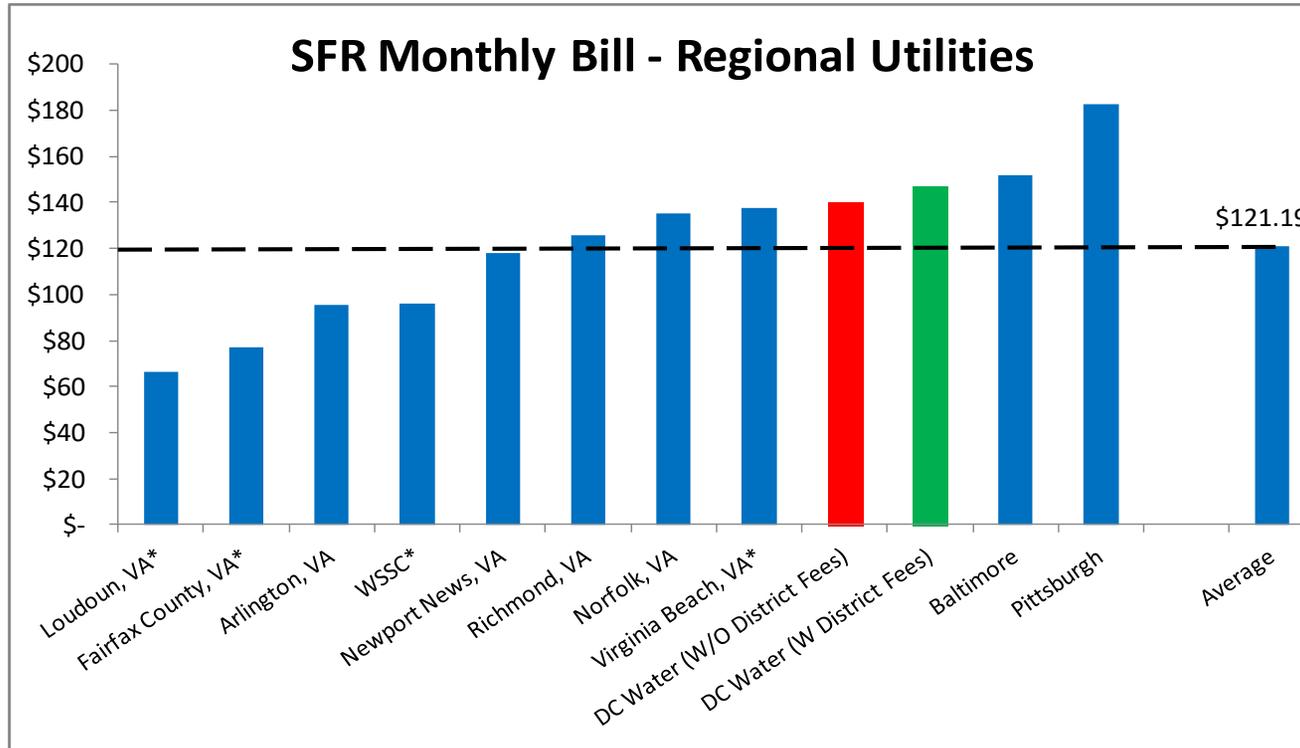


Note: Reflects rates and fees in place as of November 2025. Some cities use property tax revenue or other revenues to pay for part of the cost of water, wastewater, or stormwater services, as indicated by \* in the graph above. In such situations, the user charge will not reflect the full cost of water, wastewater or stormwater services.

DC Water charges, without the benefits of CAP, are higher than the average of the universe of national and regional utilities that we survey each year on behalf of DC Water. Charges with CAP are much lower than average.

Slide 27

# Industry Comparisons: DC Water & Regional Utilities



Note: Reflects rates and fees in place as of November 2025. Some cities utilities use property tax revenue or other revenues to pay for part of the cost of water, wastewater, or stormwater services, as indicated by \* in the graph above. Assumes average residential consumption of 5.42Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748 gallons.

DC Water charges are somewhat higher than the average of the regional utilities that we survey; however, unlike some utilities, DC Water receives no property tax revenue or other subsidies to reduce its user charges.

# Affordability of User Charges – Other Utility Assistance Programs in the District

Residential Utility Assistance Program	Level of Assistance	Eligibility
<b>DC Water: Customer Assistance Program (CAP+, CAP1, CAP2, and CAP3)</b>	CAP+: discount on the first 6Ccf of water and sewer use each month, a 75% reduction in CRIAC fee, and a Water Service Replacement CAP1: discount on the first 4Ccf of water and sewer use each month, a 75% reduction in CRIAC fee, and a Water Service Replacement Fee waiver CAP2: discount on the first 3Ccf of water and sewer use each month (exclude PILOT/ROW) and 50% reduction in CRIAC fee CAP3: 75% off the monthly CRIAC fee	Income eligible customers verified by DOEE (October 2025 – September 2026 for a family of 4, \$39,642 for CAP+, \$118,926 for CAP1, \$131,100 for CAP2, and \$163,900 for CAP3)
<b>PEPCO: Residential Aid Discount Program (RAD)/Part of DOEE Utility Discount Program</b>	Potential discounts of \$300-\$475 annually on electric bills	Income eligible customers certified by DOEE (October 2025 – September 2026 for a family of 4 up to \$131,100 annually)
<b>Washington Gas: Residential Essential Service/Part of DOEE Utility Discount Program</b>	About 48% discount on the total bill during winter heating season and 50% discount on the monthly customer charge during the non-winter heating season	Income eligible customers certified by DOEE (October 2025 – September 2026 for a family of 4 up to \$131,100 annually)
<b>Washington Gas: Arrearage Management Program</b>	Forgiveness of up to \$3,000 of past due balance if the customer successfully complete a 12-month payment plan	Income eligible customers verified by DOEE are automatically enrolled
<b>Xfinity (Comcast): Internet Essentials</b>	Provides 75/10 Mbps internet service for \$14.95 a month or 100/20 Mbps internet service for \$29.95 a month. No activation fees and no equipment rental fees. Option to purchase a laptop for \$149.99 plus tax.	Eligible for public assistance programs or with income at or below 200% of federal poverty guideline (\$64,300 for a family of 4) and is not an existing customer. Should not have outstanding debt to Comcast that is less than one year old
<b>Verizon Wireless</b>	No discounted service was found in DC	N/A
<b>Verizon (home phone or Fios home internet): Lifeline Discount Program</b>	Voice is \$1-3/month; broadband is \$9.25 monthly discount off any Fios plan.	Either eligible for a qualifying federal assistance program or with income at or below 135% of federal poverty guidelines (\$43,403 for a family of 4)
<b>Verizon Internet: Forward Program</b>	Up to \$30/month credit on internet bills, setup charge applies	Enrolled in the Lifeline Program or another qualified assistance program
<b>Astound (RCN): Internet First</b>	150 Mbps Internet for \$19.95 a month plus tax. First 3 months are free for new customers. No installation fees and modem is included	Participate in public assistance programs and have not subscribed to RCN services within the sixty (60) day period immediately prior to applying for the program
<b>DirecTV and Dish</b>	N/A	N/A
<b>AT&amp;T: Access</b>	Up to 100Mbps is \$30 per month plus tax or for fiber plans up to 1Gig receive \$20 discount. No installation fees and modem is included	Either eligible for a qualifying public assistance program or with income at or below 200% of federal poverty guidelines (\$64,300 for a family of 4).
<b>Assurance Wireless: Lifeline</b>	Free phone (new customers), unlimited text and talk, and 10GB data per month	Either eligible for a qualifying federal assistance program or with income at or below 135% of federal poverty guidelines (\$43,403 for a family of 4).
<b>Amazon</b>	About 53% discount on membership	Participates in public assistance programs

DC Water’s affordability programs are strong compared to other utilities in the region.

Attachment C



# Proposed FY 2027 and FY 2028 Rates, Charges and Fees

Presentation to Retail Rates Committee, February 23, 2026

District of Columbia Water and Sewer Authority



Blue Plains Advanced Wastewater Treatment Plant



# Purpose

- **Review management’s budget and rates proposal**
- **Seek Committee’s recommendation to the Board on the:**
  - **Multi-year Rate Proposal for FY 2027 and FY 2028**
    - Water and Sewer Rates, Charges & Fees
    - Retail Groundwater Sanitary Sewer Service Rate
    - High Flow Filter Backwash Sewer Rate
    - Establish new District of Columbia Public Inconvenience Fee
  - **FY 2026 – FY 2035 Financial Plan**
    - Projected Residential Water and Sewer rates
    - Projected Average Residential Customer bills
    - 10-year CIP Disbursement Budget





# Budget & Rates Adoption Calendar

Timeline	Activity	Status
January 15	Budget Workshop with Board of Directors	√
<b>Customer &amp; Stakeholder Briefings</b>		
January 16	Wholesale Customer	√
January 23	Office of People's Counsel	√
January 27	Stakeholder Alliance Group	
<b>Committee Discussions &amp; Reviews</b>		
January 22	Environmental Quality & Operations	√
January 27	Joint DC Retail Water & Sewer Rates and Finance & Budget Committee	√
February 5	Board Meeting (No Board Action Required)	√
<b>Committee Reviews, Recommendations &amp; Actions</b>		
February 19	Environmental Quality & Operations	√
February 23	DC Retail Water & Sewer Rates	
February 26	Finance & Budget	
<b>March 5</b>	<b>Board Adoption of Budgets</b>	
April	Submit Budget via the District to U.S. Congress	
October 1	Fiscal Year 2026 Begins	



## Public Rates Outreach

- DC Water will hold Town Hall Meetings in Spring, in advance of the rates public hearing, to:
  - Inform customers about the Proposed FY 2027 and FY 2028 rates
  - Discuss the Capital Improvement Program, and
  - Promote all the existing and new customer assistance programs
- The meetings will be widely publicized through numerous channels, including:
  - Councilmember Offices
  - Advisory Neighborhood Commissions (ANCs)
  - DCWater.com website
  - X (formerly Twitter), Facebook, Instagram, and BlueSky
  - Nextdoor
  - Paid digital and print advertising





## Board Policy in Setting Rates (Resolution #11-10)

- DC Water strives to achieve the following, per Board policy:
  - Cover current costs and meet or exceed all bond and other financial requirements as well as goals set by the Board
  - Yield a reliable and predictable stream of revenues
  - Based on annually updated forecasts or operating and capital budgets
  - A rate structure that is legally defensible, based on objective criteria, and transparently designed
  - A rate structures that customers can understand and DC Water can implement efficiently
  - Rate increases that are implemented transparently and predictably
- To the extent annual revenues exceed costs, the Board will utilize all available options to mitigate future customer impacts and annual rate increases, including transferring excess funds to the Rate Stabilization Fund





## Establishment of Rates

- 💧 The Board of Directors approves the Budget and the Financial Plan that determines the revenue requirements to operate and maintain water and sewer infrastructure, upgrade our facilities, and improve the environment.
- 💧 The Board of Directors approves DC Water's proposed rates, charges and fees after:
  - ✓ Presentation of Operating and Capital Costs for the applicable rate period to the Environmental Quality and Operations, Finance and Budget, and DC Retail Water and Sewer Rates Committee;
  - ✓ Presentation of the Cost of Service Study and publication on DC Water's website;
  - ✓ Presentation of the Independent Review of Rates and Budget by Consultant and publication on DC Water's website;
  - ✓ Submittal of Cost of Service Study and Independent Review of Rates and Budget to Mayor and Council;
  - ✓ Publication of the rate proposal in the *D.C. Register* for public comment;
  - ✓ Holding a Public Hearing to receive comments on the rate proposal, held not less than 45 days after publication of the rate proposal in the *D.C. Register*;
  - ✓ Review of comments received during the public comment period and during the Public Hearing and DC Water's response to comments, and publication of both on DC Water's website; and
  - ✓ Recommendation from the DC Retail Water and Sewer Rates Committee and General Manager



# Multi-Year Rate Proposal

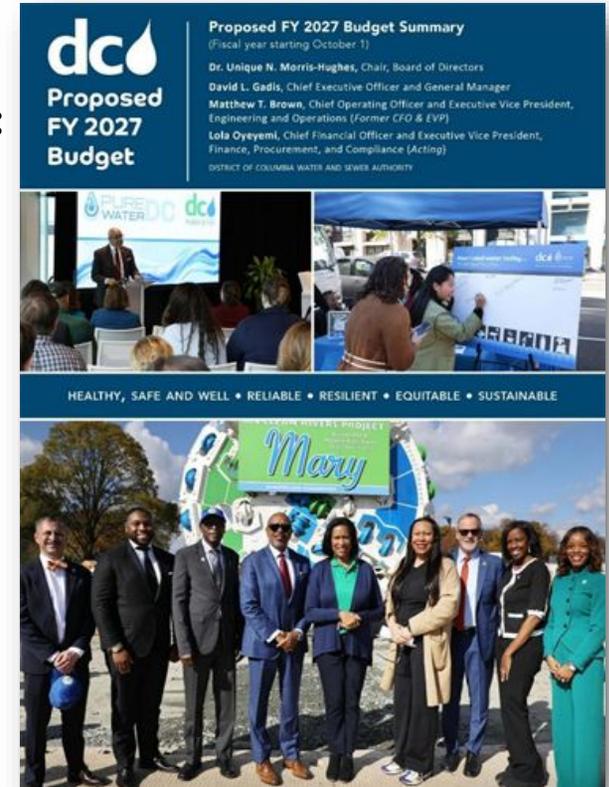
## Proposed Rates, Charges & Fees are for FY 27 and FY 28

### Multi-year rates, charges and fees provide many benefits:

- Budget discipline
- Expenditures better aligned with revenues
- Favorable credit rating agency treatment
- Better predictability for our ratepayers

### Potential risks / considerations:

- Reduced financial flexibility
- Limited ability to modify approved rate increases, if necessary
- Conservatism in financial projections





# Rate Proposal

- DC Water recovers only the funds necessary to fund the Operating and Capital Budgets through rates, charges and fees
- One of the fastest growing expenditure category is debt service for the capital program, which has grown an average of 5.3% a year since 2016
- As part of the budget, DC Water presents the rates, charges and fees required to support the CIP and forecasted operating expenditures
  - Rates, charges & fees are reviewed and approved by the Board the DC Water Board every two years
  - The financial plan, including the forecast of rates, is proposed to the Board for consideration
- Customer Assistance Programs provide discounts for residential customers
  - Income requirements for those programs change every year
  - In FY 2021 the CRIAC discount was increased to 75% for customers in the CAP program to ensure that rates comprised a lower portion of household income
  - Continue programs for FY 2027; CAP+, Payment Incentive, Leak Assessments





# Multi-Year Rate Proposal for FY 2027 and FY 2028

## Proposed rate, charges & fee changes:

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

## Rates and fees charges that remain the same:

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

## Proposed new District of Columbia Public Inconvenience Fee:

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

## Cost of Service Study aligned with rate proposal

## Combined rate increases lower than last year’s forecast

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

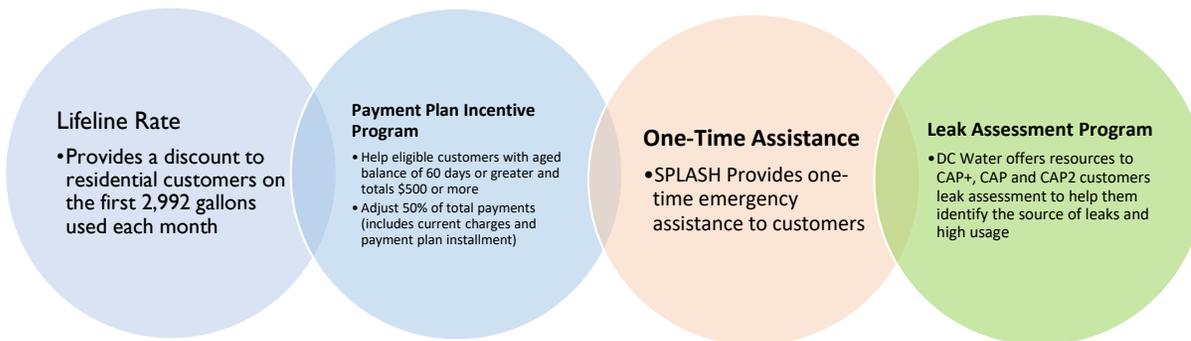


# Commitment to Customer Affordability



<p><b>CAP+</b> 20% AMI \$39,642 (family of 4) Discount on the first 600 cubic ft. of water and sewer services + 75% reduction in the monthly CRIAC fee + WSRF waiver \$131/month discount</p>	<p><b>CAP</b> 60% SMI \$118,926 (family of 4) Discount on the first 400 cubic ft. of water and sewer services + 75% reduction in the monthly CRIAC fee + WSRF waiver \$101/month discount</p>	<p><b>CAP 2</b> 80% AMI \$131,100 (family of 4) Discount on the first 300 cubic ft. of water and sewer services + 50% reduction in the monthly CRIAC fee \$67/month discount</p>	<p><b>CAP3</b> 100% AMI \$163,900 (family of 4) Discount of 75% off the monthly CRIAC fee \$18/month discount</p>	<p><b>CRIAC Non-Profit Relief</b> District-funded program to assist Non-profit organizations with Clean Rivers Impervious Area Charge (CRIAC)</p>
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\* These CAP amounts are for FY 2026



*DC Water offers some of the nation's most financially supportive customer assistance programs*



# Public Communication

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

**Rate Making Process**

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

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

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

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

**Online Tools**

Rate Comparison Tool

Impervious Area Calculator

**In This Section**

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

DEVELOPMENT	REVIEW	RECOMMENDATION	BOARD	PUBLIC REVIEW (RATE MARKING)	BOARD APPROVAL
Operating - Capital - Rates and Revenue - Financial Plan	Departments - Management - Executive Team	- Annual Operating Budget - 10 Year Capital Budget - 10 Year Financial Plan - Operating Revenue - Proposed Multi-Year Rates	- Reviews - Recommendation - Adoption	- Publish Notice of Proposed Rulemaking (NPRM) in D.C. Register for Proposed Rates - Outreach and Public Comment Period - Public Hearing	- Board approves NCR for Rates, Charges & Fees - Publish NCR in D.C. Register for Amended Rates - Amended Rates, Charges and Fees Go-Live

**Budget And Rate Review Documents**

Budget Review Documents

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





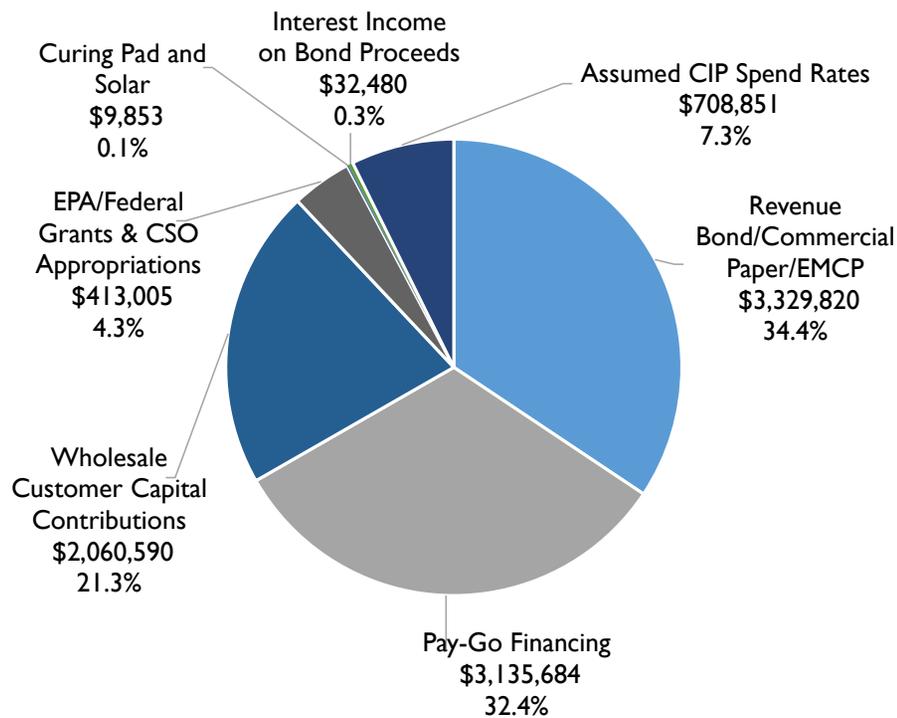
# Proposed Capital, Operating and Revenue Budgets



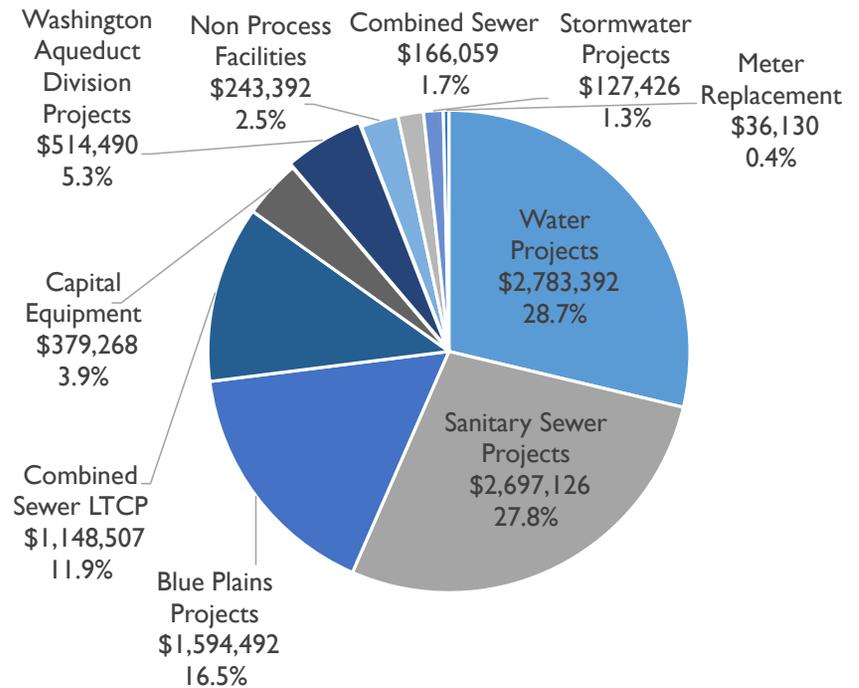
# Ten Year CIP: Sources and Uses of Funds

\$ in thousands

## Sources - \$9.69 Billion



## Uses - \$9.69 Billion



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

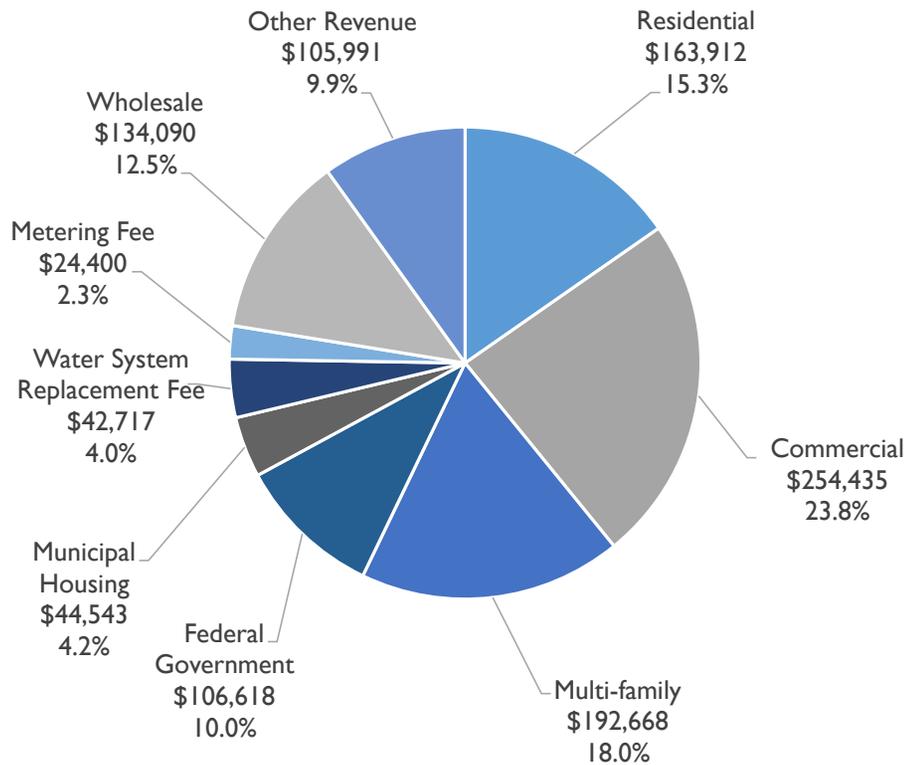
1: "Assumed CIP Spend Rates" is meant to represent the expectation that DC Water will spend less than the authorized CIP over the next 10 years, based on historical results



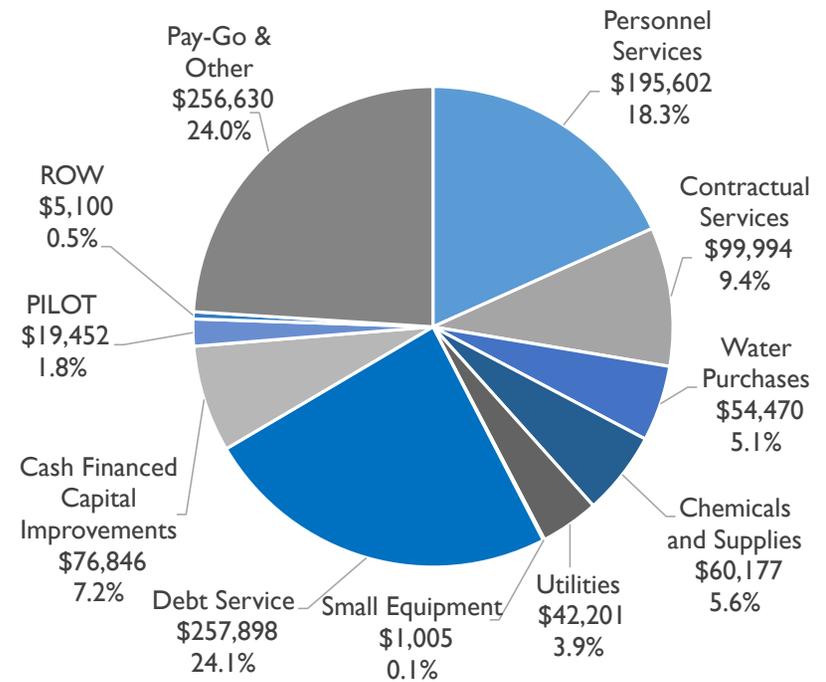
# FY 2027 Operating: Sources and Uses of Funds

\$ in thousands

## Sources - \$1.07 billion



## Uses - \$1.07 billion

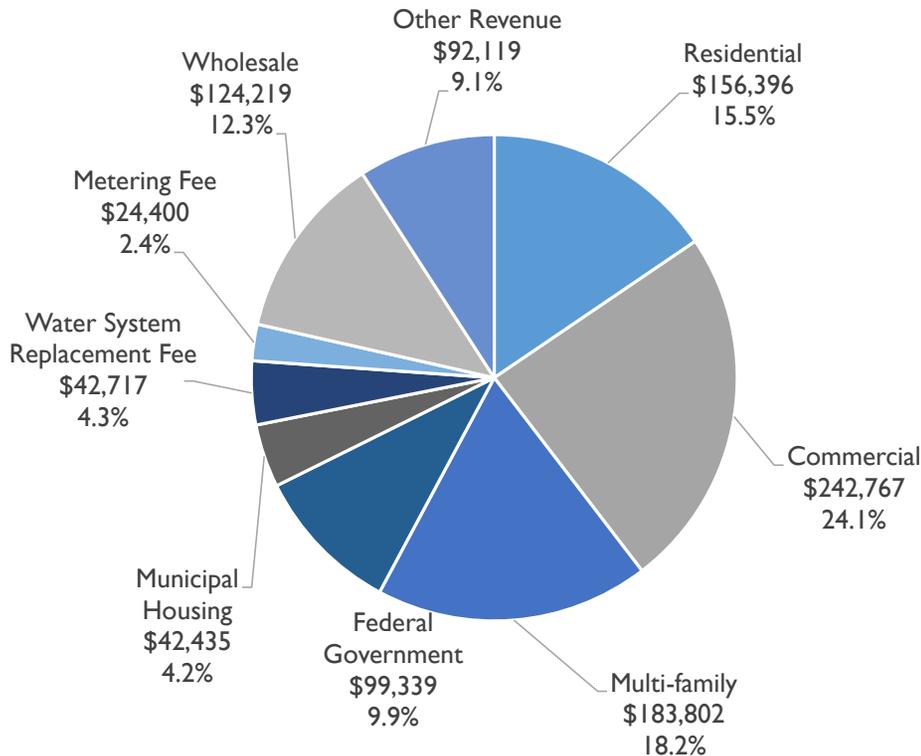




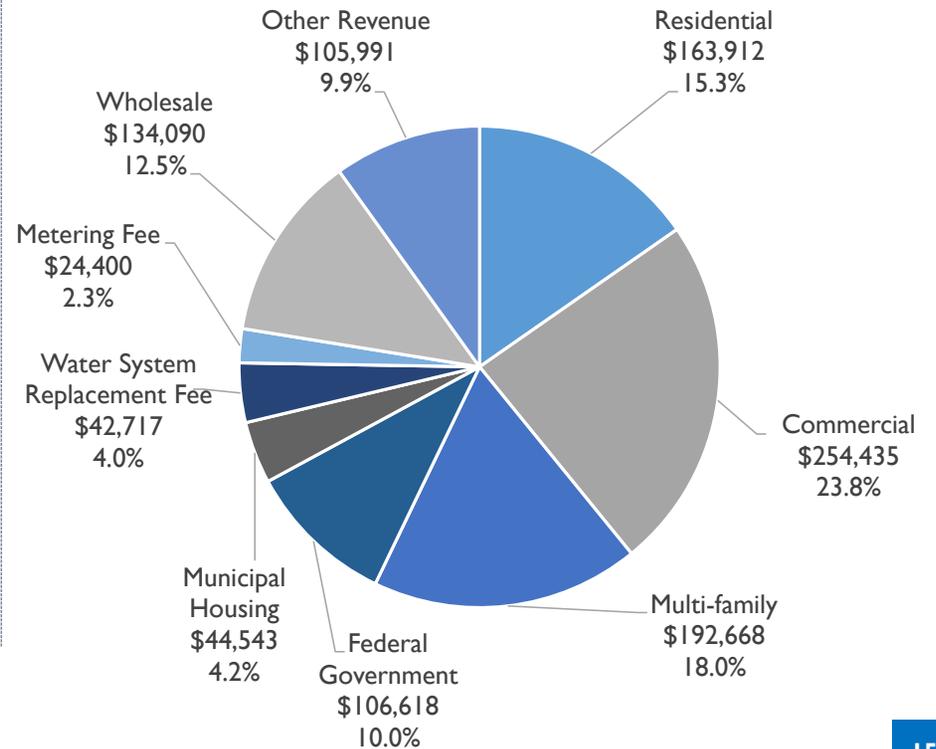
# FY 2026 vs. FY 2027 Operating Revenues

\$ in thousands

**Revised FY 2026**  
**\$1.01 billion**



**Proposed FY 2027**  
**\$1.07 billion**





# Revenue Comparison by Customer Class

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

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



# Proposed Rates, Charges and Fees



# Proposed FY 2027 & FY 2028 Rates, Charges & Fees

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

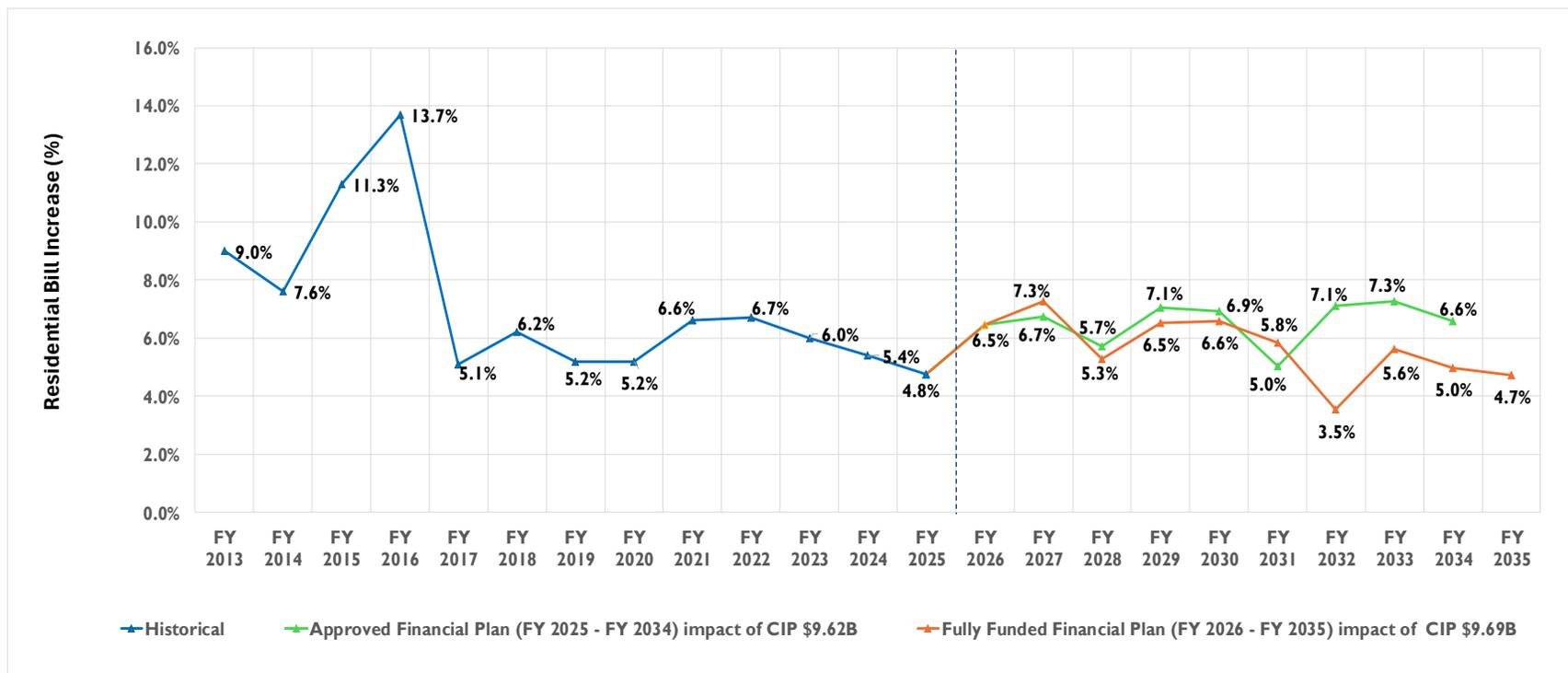
	Units	Current FY 2026	Proposed FY 2027	Proposed FY 2028	Incr. /(Decr.) FY 2026 vs FY 2027		Incr. /(Decr.) FY 2027 vs FY 2028	
					\$	%	\$	%
DC Water Retail Rates – Water:								
Residential – Lifeline (0- 4 Ccf)	Ccf	\$5.78	\$6.49	\$7.11	\$0.71	12.28%	\$0.62	9.55%
Residential – (> 4 Ccf)	Ccf	7.60	8.40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

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



# Impact of Fully Funded CIP: Historical and Projected Combined Rate Increases

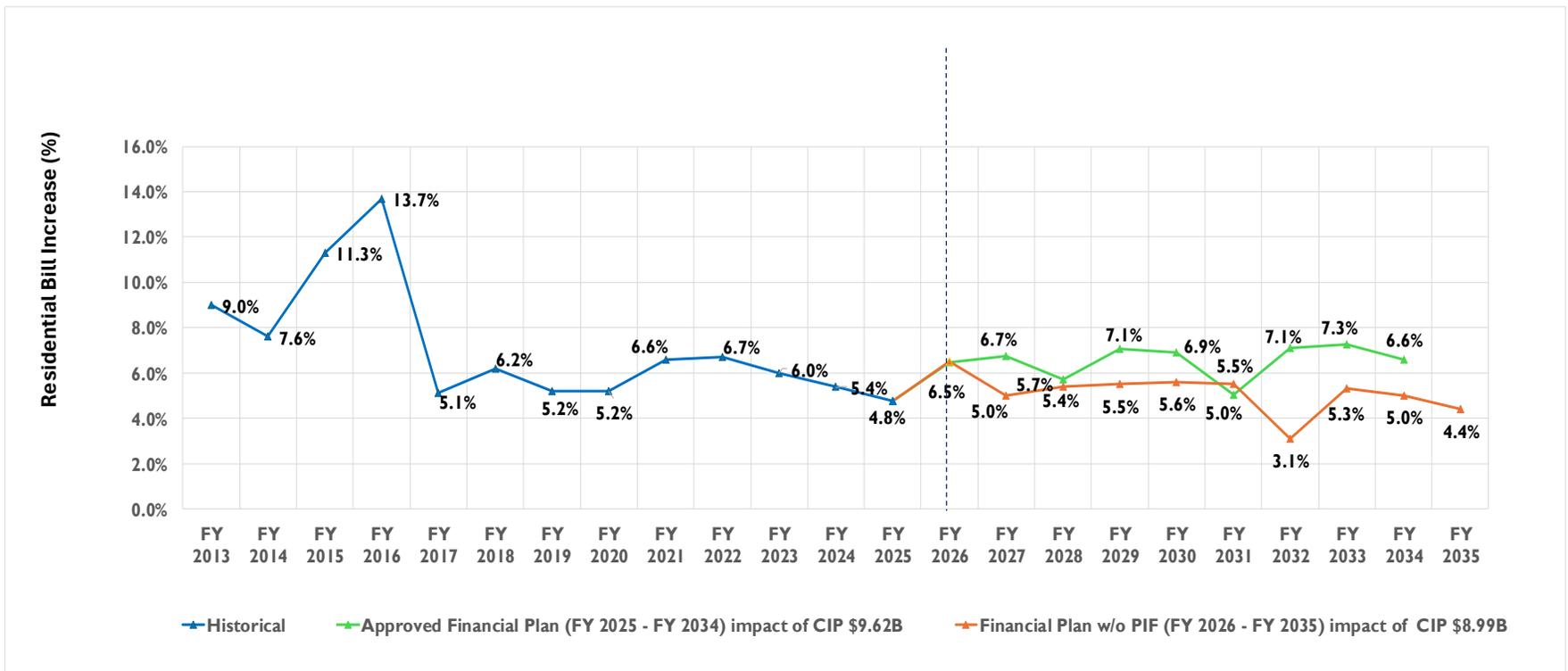
- From FY 2027 and beyond, forecasted rates (including the DC Public Inconvenience Fee) are generally lower than previously estimated – CIP \$9.69B





# Financial Plan without the Public Inconvenience Fee: Historical and Projected Combined Rate Increases

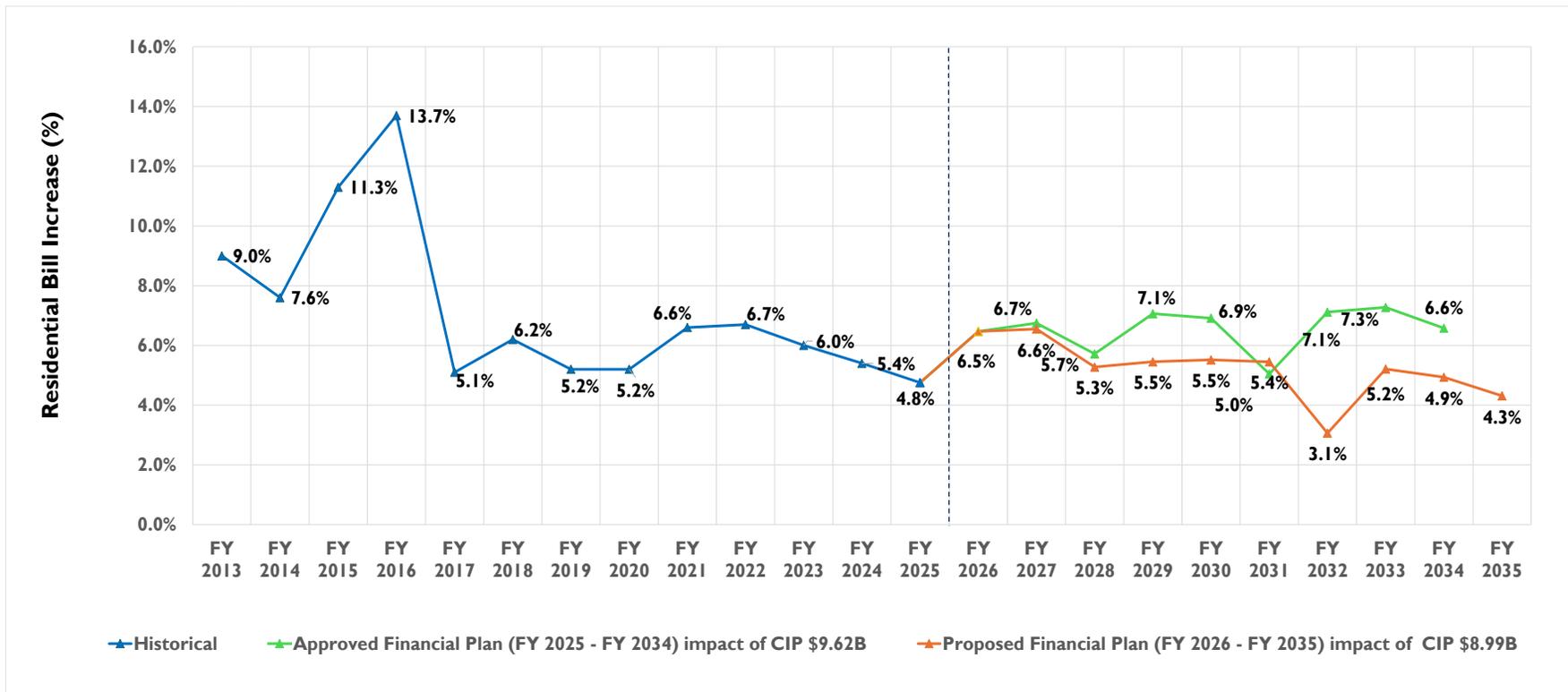
- From FY 2027 and beyond, forecasted rates (excluding the DC Public Inconvenience Fee) are lower than previously estimated – CIP \$8.99B





# Management Recommendation: Historical and Projected Combined Rate Increases

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





# Average Residential Customer Monthly Bill

	Units	Current FY 2026	Proposed FY 2027	Proposed FY 2028
DC Water Water and Sewer Retail Rates (1)	Ccf	\$ 101.77	\$ 107.86	\$ 114.36
DC Water Clean Rivers IAC (2)	ERU	24.23	25.50	27.22
DC Water Customer Metering Fee	5/8"	7.75	7.75	7.75
DC Water Water System Replacement Fee (4)	5/8"	6.30	6.30	6.30
<b>Subtotal DC Water Rates &amp; Charges</b>		<b>\$ 140.05</b>	<b>\$ 147.41</b>	<b>\$ 155.63</b>
Increase / Decrease		\$ 8.84	\$ 7.36	\$ 8.22
Percent Increase in DC Water Portion of Bill		<b>6.74%</b>	<b>5.26%</b>	<b>5.58%</b>
District of Columbia PILOT Fee (1)	Ccf	3.36	3.36	3.41
District of Columbia Right-of-Way Fee (1)	Ccf	1.08	1.08	1.08
District of Columbia Right of Way / PILOT Fee		4.44	4.44	4.49
District of Columbia Public Inconvenience Fee	Ccf	-	2.28	2.28
District of Columbia Stormwater Fee (3)	ERU	2.67	2.67	2.67
<b>Subtotal District of Columbia Charges</b>		<b>\$ 7.11</b>	<b>\$ 9.39</b>	<b>\$ 9.44</b>
<b>Total Amount Appearing on DC Water Bill</b>		<b>\$ 147.16</b>	<b>\$ 156.80</b>	<b>\$ 165.07</b>
Increase / Decrease Over Prior Year		\$ 8.94	\$ 9.64	\$ 8.27
<b>Percent increase in Total Bill</b>		<b>6.5%</b>	<b>6.6%</b>	<b>5.3%</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	Current FY 2026	Proposed FY 2027	Proposed FY 2028
DC Water Water and Sewer Retail Rates <sup>(1)</sup>	Ccf	\$ 101.77	\$ 107.86	\$ 114.36
DC Water Clean Rivers IAC <sup>(5)</sup>	ERU	24.23	25.50	27.22
DC Water Customer Metering Fee	5/8"	7.75	7.75	7.75
DC Water Water System Replacement Fee <sup>(3)</sup>	5/8"	6.30	6.30	6.30
<b>Subtotal DC Water Rates &amp; Charges</b>		<b>\$ 140.05</b>	<b>\$ 147.41</b>	<b>\$ 155.63</b>
Increase / Decrease		\$ 140.05	\$ 7.36	\$ 8.22
District of Columbia PILOT Fee <sup>(2)</sup>	Ccf	\$ 3.36	\$ 3.36	\$ 3.41
District of Columbia Right-of-Way Fee <sup>(2)</sup>	Ccf	1.08	1.08	1.08
District of Columbia Public Inconvenience Fee	Ccf	-	2.28	2.28
District of Columbia Stormwater Fee <sup>(4)</sup>	ERU	2.67	2.67	2.67
<b>Subtotal District of Columbia Charges</b>		<b>\$ 7.11</b>	<b>\$ 9.39</b>	<b>\$ 9.44</b>
<b>Total Amount</b>		<b>\$ 147.16</b>	<b>\$ 156.80</b>	<b>\$ 165.07</b>
Less: CAP Discount (4Ccf per month)		(76.48)	(80.88)	(85.32)
CAP Discount (100% WSRF per month)		(6.30)	(6.30)	(6.30)
CAP Discount (75% CRIAC per month)		(18.17)	(19.13)	(20.42)
<b>Total CAP Discount</b>		<b>(100.95)</b>	<b>(106.31)</b>	<b>(112.04)</b>
<b>Total Amount Appearing on DC Water Bill</b>		<b>\$ 46.21</b>	<b>\$ 50.49</b>	<b>\$ 53.03</b>
Increase / Decrease Over Prior Year		\$ 2.53	\$ 4.28	\$ 2.54
<b>CAP Customer Discount as a Percent of Total Bill</b>		<b>-68.60%</b>	<b>-67.80%</b>	<b>-67.87%</b>

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

(2) Expansion of CAP program in FY2009 assumes discount to first 4 Ccf of water, sewer, and further expansion in FY2011 assumes discount to first 4 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



# CAP+, CAP, CAP2 and CAP3 Discounts

## 💧 CAP+, CAP, CAP2 and CAP3 discounts and income thresholds

Program	Income Treshhold <sup>6</sup>	Charges (Discounts)	Current FY2026	Proposed FY2027	Proposed FY2028
CAP+ <sup>2</sup>	\$39,642 (20% SMI)	Total Amount before Discounts <sup>1</sup>	\$ 147.16	\$ 156.80	\$ 165.07
		Discounts	(130.68)	(137.73)	(145.58)
		Total Amount Appearing on DC Water Bill	\$ 16.48	\$ 19.07	\$ 19.49
CAP <sup>3</sup>	\$118,926 (60% SMI)	Total Amount before Discounts <sup>1</sup>	\$ 147.16	\$ 156.80	\$ 165.07
		Discounts	(100.95)	(106.31)	(112.04)
		Total Amount Appearing on DC Water Bill	\$ 46.21	\$ 50.49	\$ 53.03
CAP2 <sup>4</sup>	\$131,100 (80% AMI)	Total Amount before Discounts <sup>1</sup>	\$ 147.16	\$ 156.80	\$ 165.07
		Discounts	(67.02)	(70.95)	(75.11)
		Total Amount Appearing on DC Water Bill	\$ 80.14	\$ 85.85	\$ 89.96
CAP3 <sup>5</sup>	\$163,900 (100% AMI)	Total Amount before Discounts <sup>1</sup>	\$ 147.16	\$ 156.80	\$ 165.07
		Discounts	(18.17)	(19.13)	(20.42)
		Total Amount Appearing on DC Water Bill	\$ 128.99	\$ 137.67	\$ 144.65

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

(2) CAP+ provides a discount on the first 600 cubic feet (4,488 gallons) of water, sewer, PILOT and ROW fee, 75 percent reduction in the monthly CRIAC fee and WSRF waiver

(3) CAP provides a discount on the first 400 cubic feet (2,992 gallons) of water, sewer, PILOT and ROW fee, 75 percent reduction in the monthly CRIAC fee and WSRF waiver

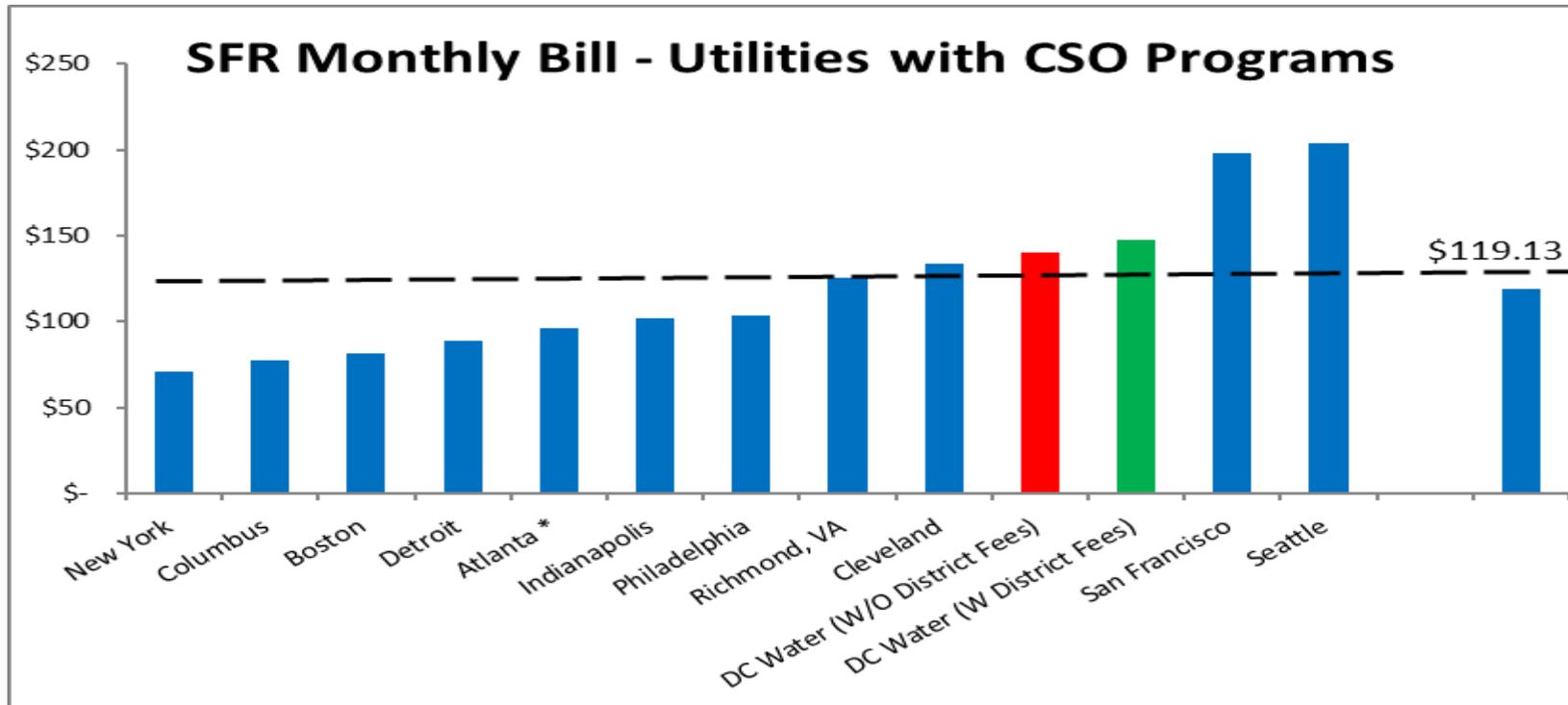
(4) CAP2 provides a discount on the first 300 cubic feet (2,244 gallons) of water and sewer services (with the exception of PILOT and ROW fees) and a 50 percent reduction in the monthly CRIAC fee

(5) CAP3 provides a discount of 75 percent of the monthly CRIAC

(6) Income Thresholds are based on a family of four



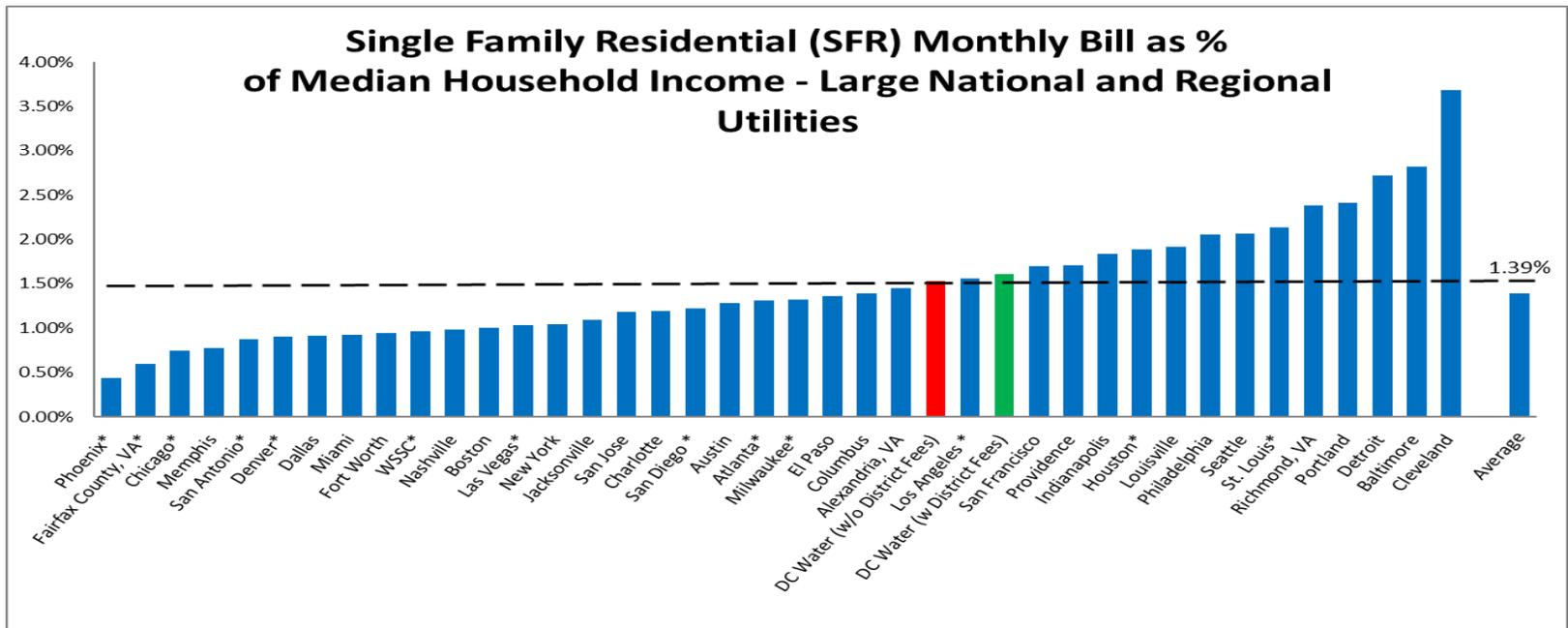
# DC Water Compared to CSO Communities



- Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748 gallons.
- Reflects rates and fees in place as of November 1, 2025. Some cities use property tax revenue or other revenues to pay for part of the cost of water, wastewater, or stormwater services, as indicated by \* in the graph above. In such situations, the user charge will not reflect the full cost of water, wastewater or stormwater services.



## Comparative User Charges as % of Median HH Income – Large National & Regional Utilities



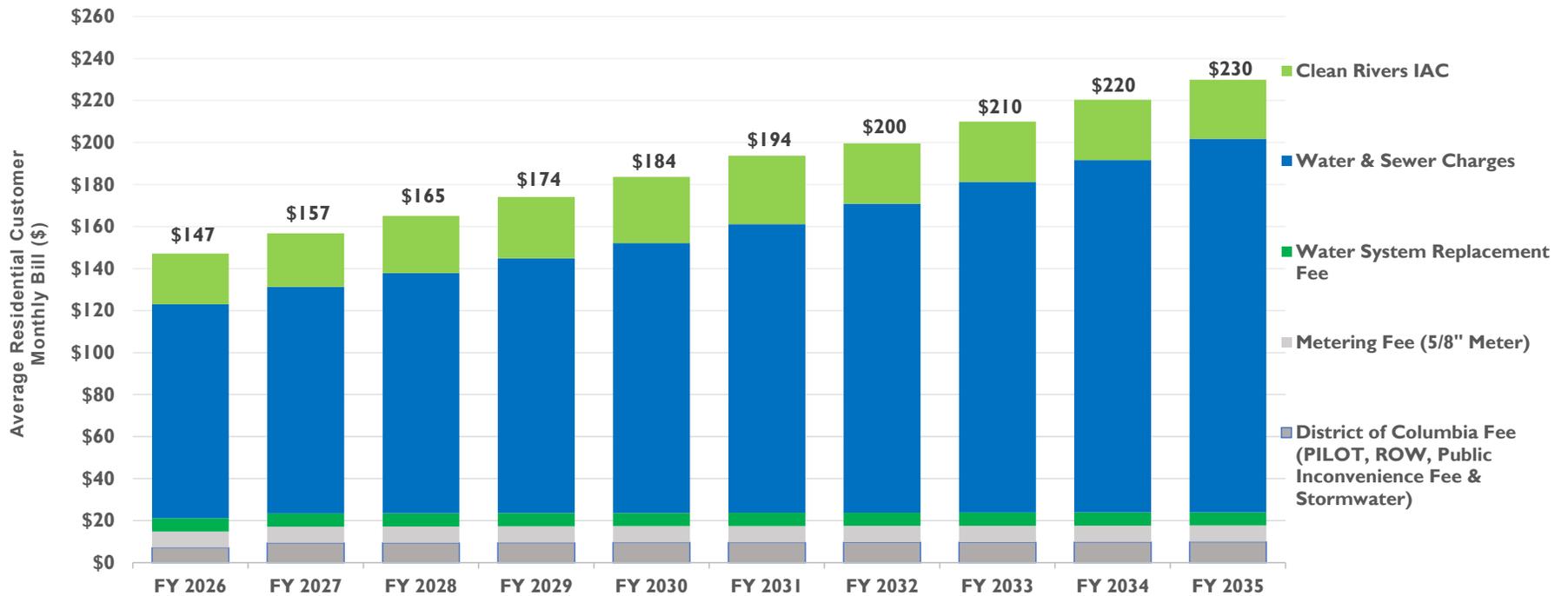
- Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748 gallons. Median household income from U.S. Census Bureau, 2022 American Community Survey 1-Year Estimates

Note: Reflects rates and fees in place as of November 1, 2025. Some cities use property tax revenue or other revenues to pay for part of the cost of water, wastewater, or stormwater services, as indicated by \* in the graph above. In such situations, the user charge will not reflect the full cost of water, wastewater or stormwater services.



# Projected Average Residential Customer Bill

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



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



# Financial Plan



## 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+



## Ten-Year Financial Plan Assumptions

- 💧 Maintain Debt Service as a percentage of revenue equal to 33.0 percent or less
- 💧 Maintain combined coverage of 160 percent
- 💧 Maintain 282 days of cash excluding Rate Stabilization Fund. On October 5, 2023, the Board approved a revised Statement of Financial Policies that set a cash target of 350 days of projected operating expenses to be achieved gradually by 2032 through the use of year end surplus.
- 💧 FY 2025 actual consumption declined by 5.4 percent. Assumed 0.7 percent conservation for FY 2026 and 1.0 percent conservation for FY 2027 and onwards
- 💧 FY 2025 Debt Service was lower as compared to budget due to refinancing benefits and deferred borrowing
- 💧 Assume CIP spend rate of 90 percent based on historical results, except for the mandated Clean Rivers program, Capital Equipment and the Washington Aqueduct



## Financial Metrics

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

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



# Ten-Year Financial Plan

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

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

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

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



# Recommendations & Action Items



# Management Recommendation

## • Recommend to the full Board the adoption of the proposed FY 2027 and FY 2028 rates, charges and fees; and begin the public hearing process

- **Water and Sewer Rates:**
  - 6.0% increase in FY 2027
  - 6.0% increase in FY 2028
- **Clean River IAC:**
  - \$1.27 increase to \$25.50 per ERU in FY 2027
  - \$1.72 increase to \$27.22 per ERU in FY 2028
- **Groundwater Rate:**
  - 3.7% increase in FY 2027
  - No increase in FY 2028
- **High Flow Filter Backwash Sewer Rate:**
  - No increase in FY 2027 and FY 2028
- **District of Columbia Public Inconvenience Fee: (New)**
  - \$0.42 per Ccf for FY 2027 and FY2028

## • Recommend to the full Board the adoption of the Proposed FY 2026 – FY 2035 Financial Plan

- 10-year CIP disbursement budget
- Projected water and sewer rate increases
- Financial Plan for FY 2026 – FY 2035 including the revenue requirement to support the operating and capital budgets.



# Committee Actions & Budget Adoption

	Environmental Quality & Operations	DC Retail Water & Sewer Rates	Finance & Budget
Committee Meeting Dates	Feb. 19	Feb.23	Feb. 26
FY 2026 - FY 2035 Capital Budget <ul style="list-style-type: none"> <li>Revised FY 2026 Capital Budget</li> <li>Proposed FY 2027 Capital Budget</li> <li>Ten-Year Capital Improvement Program</li> <li>Lifetime Project</li> </ul>	<b>Action Taken</b>		Action Required
Annual Operating Budgets <ul style="list-style-type: none"> <li>Revised FY 2026 Operating Expenditure</li> <li>Revised FY 2026 Operating Revenue</li> <li>Proposed FY 2027 Operating Expenditure</li> </ul>			Action Required
Proposed FY 2026 - FY 2035 Financial Plan		<b>Action Required</b>	Action Required
Proposed FY 2027 & FY 2028 Revenues, Rates, Charges and Fees		<b>Action Required</b>	
Intent to Reimburse Capital Expenditures with Proceeds of a Borrowing			Action Required





# Committee Workplan Timelines

DC Retail Water & Sewer Rates Committee Reviews, Recommendations, and Actions	Dates
Update Committee on Proposed FY 2027 & FY 2028 Rates	January 27, 2026
Committee Recommendation on Proposed FY 2027 & FY 2028 Rates	February 23, 2026
Independent Review of Proposed FY 2027 & FY 2028 Rates and Budget by Consultant	February 23, 2026
Board approval of Notice of Proposed Rulemaking (NOPR) for Proposed FY 2027 & FY 2028 Rates	March 5, 2026
Public Hearing	May 14, 2026
Committee Recommendation on Final FY 2027 & FY 2028 Rates	June 23, 2026
Board approval of Notice of Final Rulemaking (NOFR) for Proposed FY 2027 & FY 2028 Rates	July 2, 2026
Rates go-live	October 1, 2026 (FY 2027) October 1, 2027 (FY 2028)



# Appendix



# The Capital Improvement Program

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

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



# Operating Budget Comparison by Cost Category

**FY 2026** – Amended budget reflects reprogramming of \$24.0 million from debt service to CFCI

- Reduces future borrowing costs
- No changes to the overall adopted budget

**FY 2027** – Proposed operating budget is \$844.1 million, an increase of \$6.0 million

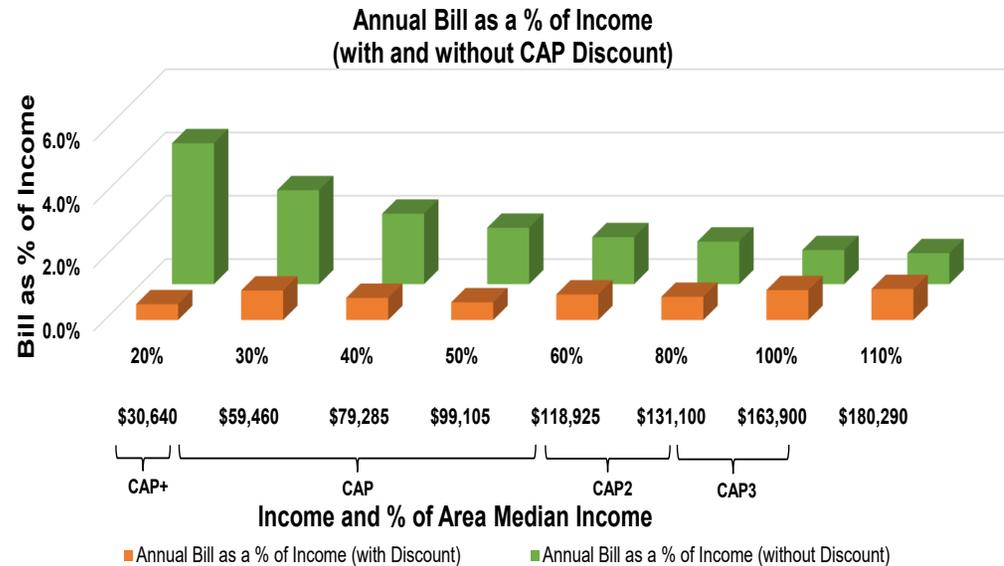
- Operations & Maintenance (O&M) covers the resources necessary to provide clean water and treatment services and maintain DC Water’s critical assets
- Debt Service and Paygo supports the capital program
- PILOT & ROW payments to the District

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



# The Proposed Budget

- 💧 The average residential customer bill as a percentage of median household income (MHI at 60%) is about 1.5%, an affordability metric
- 💧 For residential customers with incomes below MHI, DC Water offers robust assistance programs
- 💧 This budget continues our Customer Assistance Programs:
  - 1) CAP+ for 20% AMI
  - 2) CAP I for 60% SFI
  - 3) CAP II for 80% MFI
  - 4) Household Leak program will help CAP customers with leaks identify issues



## Attachment D

### DC Retail Water and Sewer Rates Committee

#### Action Items

1. FY 2027 & FY 2028 Water and Sewer Rates, Charges & Fees, Retail Groundwater Sanitary Sewer Service Rate and High Flow Filter Backwash Sewer Rate  
(Action Item 1)
2. Proposed Ten-Year Financial Plan FY 2026 – FY 2035  
(Action Item 2)

# ACTION ITEM 1

## FY 2027 & FY 2028 Water and Sewer Rates, Charges & Fees, Retail Groundwater Sanitary Sewer Service Rate And High Flow Filter Backwash Sewer Rate (Effective October 1, 2026 and October 1, 2027)

Management recommends the following revisions to the Retail Water and Sewer Rates, Charges and Fees, Groundwater Sanitary Sewer Service Rates, and High Flow Filter Backwash Sewer Rates for FY 2027 & FY 2028:

### 1. FY 2027 & FY 2028 Rates, Charges & Fees

#### Water Service Rates

- Propose increasing the retail rates for **Metered Water Service** for FY 2027 and FY 2028 as follows:

Metered Water Services										
	FY 2026		FY 2027		FY 2028		FY 2027 vs. FY 2026		FY 2028 vs. FY 2027	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential - Lifeline (0-4 Ccf)	\$5.78	\$7.73	\$6.49	\$8.68	\$7.11	\$9.51	\$0.71	\$0.95	\$0.62	\$0.83
Residential - (>4 Ccf)	\$7.60	\$10.16	\$8.40	\$11.23	\$9.40	\$12.57	\$0.80	\$1.07	\$1.00	\$1.34
Multi-Family	\$6.47	\$8.65	\$7.21	\$9.64	\$7.98	\$10.67	\$0.74	\$0.99	\$0.77	\$1.03
Non-Residential	\$7.84	\$10.48	\$8.66	\$11.58	\$9.71	\$12.98	\$0.82	\$1.10	\$1.05	\$1.40

#### Sanitary Sewer Service Rates

- Propose increasing the retail rate for Sanitary Sewer Service per 1 Ccf of water use for FY 2027 and FY 2028 as follows:

Metered Sewer Services										
	FY 2026		FY 2027		FY 2028		FY 2027 vs. FY 2026		FY 2028 vs. FY 2027	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential Customers	\$12.52	\$16.74	\$12.07	\$16.14	\$12.52	\$16.74	-\$0.45	-\$0.60	\$0.45	\$0.60
Multi-Family	\$12.52	\$16.74	\$12.07	\$16.14	\$12.52	\$16.74	-\$0.45	-\$0.60	\$0.45	\$0.60
Non-Residential	\$12.52	\$16.74	\$12.91	\$17.26	\$13.39	\$17.90	\$0.39	\$0.52	\$0.48	\$0.64

- Propose increasing the **annual CRIAC** from \$290.76 to \$306.00 per Equivalent Residential Unit (ERU) in FY 2027 from \$306.00 to \$326.64 per ERU in FY 2028.
- The proposed CRIAC charge per ERU billed monthly for FY 2027 and FY 2028 is as follows:

**Clean River Impervious Area Charge (CRIAC)**

	FY 2026	FY 2027	FY 2028	FY 2027 vs. FY 2026 Incr. / (Decr.)	FY 2028 vs. FY 2027 Incr. / (Decr.)
	ERU	ERU	ERU	ERU	ERU
<b>Residential Customers</b>	\$24.23	\$25.50	\$27.22	\$1.27	\$1.72
<b>Multi-Family</b>	\$24.23	\$25.50	\$27.22	\$1.27	\$1.72
<b>Non-Residential</b>	\$24.23	\$25.50	\$27.22	\$1.27	\$1.72

**District of Columbia Pass Through Charges  
Right-of-Way Occupancy / PILOT Fee**

- For FY 2027 and FY 2028, there is no increase of the **Right-of-Way Occupancy Fee, which remains at \$0.20 per Ccf.**

**ROW**

	FY 2026		FY 2027		FY 2028		FY 2027 vs. FY 2026 Incr. / (Decr.)		FY 2028 vs. FY 2027 Incr. / (Decr.)	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
<b>Residential Customers</b>	\$0.20	\$0.27	\$0.20	\$0.27	\$0.20	\$0.27	\$0.00	\$0.00	\$0.00	\$0.00
<b>Multi-Family</b>	\$0.20	\$0.27	\$0.20	\$0.27	\$0.20	\$0.27	\$0.00	\$0.00	\$0.00	\$0.00
<b>Non-Residential</b>	\$0.20	\$0.27	\$0.20	\$0.27	\$0.20	\$0.27	\$0.00	\$0.00	\$0.00	\$0.00

- For FY 2027, there is no increase of the **Payment-in-Lieu of Taxes Fee, which remains at \$0.62 per Ccf.**
- Propose increasing the **Payment-in-Lieu of Taxes Fee** for FY 2028 as follows:

**PILOT**

	FY 2026		FY 2027		FY 2028		FY 2027 vs. FY 2026 Incr. / (Decr.)		FY 2028 vs. FY 2027 Incr. / (Decr.)	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
<b>Residential Customers</b>	\$0.62	\$0.83	\$0.62	\$0.83	\$0.63	\$0.84	\$0.00	\$0.00	\$0.01	\$0.01
<b>Multi-Family</b>	\$0.62	\$0.83	\$0.62	\$0.83	\$0.63	\$0.84	\$0.00	\$0.00	\$0.01	\$0.01
<b>Non-Residential</b>	\$0.62	\$0.83	\$0.62	\$0.83	\$0.63	\$0.84	\$0.00	\$0.00	\$0.01	\$0.01

**2. Retail Groundwater Sanitary Sewer Service Rate**

- Propose increasing the retail **Groundwater Sanitary Sewer Service** rate for the discharge of groundwater from an unimproved real property, property under construction, or under groundwater remediation for FY 2027 and FY 2028 as follows:

**Groundwater**

FY 2026		FY 2027		FY 2028		FY 2027 vs. FY 2026 Incr. / (Decr.)		FY 2028 vs. FY 2027 Incr. / (Decr.)	
Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
\$3.76	\$5.03	\$3.90	\$5.21	\$3.90	\$5.21	\$0.14	\$0.18	\$0.00	\$0.00

**3. High Flow Filter Backwash Sewer Rate**

- For FY 2027 and FY 2028, there is no increase of the **High Flow Filter Backwash Sewer Rate, which remains at \$3.54 per Ccf.**

**High Flow Filter Backwash Wastewater Retail Sewer Rate**

FY 2026		FY 2027		FY 2028		FY 2027 vs. FY 2026 Incr. / (Decr.)		FY 2028 vs. FY 2027 Incr. / (Decr.)	
Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
3.54	4.73	3.54	4.73	3.54	4.73	\$0.00	\$0.00	\$0.00	\$0.00

**4. District of Columbia Public Inconvenience Fee**

- Propose establishing new District of Columbia Public Inconvenience Fee of \$0.42 per Ccf for FY 2027 and FY 2028 to recover the charges associated with occupancy permits when construction projects in public spaces extend beyond 30 days.

**District of Columbia Public Inconvenience Fee**

FY 2026		FY 2027		FY 2028		FY 2027 vs. FY 2026 Incr. / (Decr.)		FY 2028 vs. FY 2027 Incr. / (Decr.)	
Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
\$0.00	\$0.00	\$0.42	\$0.56	\$0.42	\$0.56	\$0.42	\$0.56	\$0.00	\$0.00

## ACTION ITEM 2

### **Proposed Ten Year Financial Plan FY 2026 – FY 2035**

1. Attached is a summary of the 10-year Financial Plan, which is based on the following key assumptions for FY 2027 and FY 2028:

#### **FY 2027**

- Operating receipts totaling \$1,069.37 million, an increase of \$61.18 million over FY 2026 funded through;
  - Retail Revenue – increase of \$37.44 million
  - Wholesale Revenue – increase of \$9.87 million
  - Other Revenue – decrease of \$13.87 million
- Operating disbursements of \$812.74 million in FY 2027; and
- A ten-year capital improvement plan (FY 2026 – FY 2035) of \$8.99 billion on a cash disbursement basis.

#### **FY 2028**

- Operating receipts totaling \$1,121.37 million, an increase of \$51.99 million over FY 2027 funded through;
  - Retail Revenue – increase of \$43.92 million
  - Wholesale Revenue – increase of \$5.96 million
  - Other Revenue – increase of \$2.11 million
- Operating disbursements of \$882.39 million in FY 2028; and
- A ten-year capital improvement plan (FY 2026 – FY 2035) of \$8.99 billion on a cash disbursement basis.

The FY 2026 – FY 2035 Financial Plan is projected to meet the Board's Statement of Financial Policies' requirement of combined debt service coverage of 160 percent and an operating reserve of 282 days of budgeted operations and maintenance costs.

**District of Columbia Water & Sewer Authority**  
**FY 2026 – FY 2035 Financial Plan**  
*(In 000's)*

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

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

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

**District of Columbia Water & Sewer Authority**  
**Average Residential Customer Monthly Bill**  
**FY 2026- FY 2035**

		Current	Proposed	Proposed								
	Units	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
DC Water Water and Sewer Retail Rates (1)	Ccf	95.93	101.77	107.86	114.36	121.21	128.47	137.45	147.10	157.43	167.68	177.78
DC Water Clean Rivers IAC (2)	ERU	21.23	24.23	25.50	27.22	29.25	31.54	32.51	28.74	28.75	28.76	28.11
DC Water Customer Metering Fee	5/8"	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75
DC Water Water System Replacement Fee (4)	5/8"	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30
<b>Subtotal DC Water Rates &amp; Charges</b>		<b>\$ 131.21</b>	<b>\$ 140.05</b>	<b>\$ 147.41</b>	<b>\$ 155.63</b>	<b>\$ 164.51</b>	<b>\$ 174.06</b>	<b>\$ 184.01</b>	<b>\$ 189.89</b>	<b>\$ 200.23</b>	<b>\$ 210.49</b>	<b>\$ 219.94</b>
Increase / Decrease		\$ 6.27	\$ 8.84	\$ 7.36	\$ 8.22	\$ 8.88	\$ 9.55	\$ 9.95	\$ 5.88	\$ 10.34	\$ 10.26	\$ 9.45
<b>Percent Increase in DC Water Portion of Bill</b>		<b>5.0%</b>	<b>6.7%</b>	<b>5.3%</b>	<b>5.6%</b>	<b>5.7%</b>	<b>5.8%</b>	<b>5.7%</b>	<b>3.2%</b>	<b>5.4%</b>	<b>5.1%</b>	<b>4.5%</b>
District of Columbia PILOT Fee (1)	Ccf	\$ 3.31	\$ 3.36	\$ 3.36	\$ 3.41	\$ 3.47	\$ 3.52	\$ 3.58	\$ 3.63	\$ 3.69	\$ 3.74	\$ 3.79
District of Columbia Right-of-Way Fee (1)	Ccf	1.03	1.08	1.08	1.08	1.14	1.14	1.14	1.14	1.14	1.19	1.19
District of Columbia Right of Way / PILOT Fee		4.34	4.44	4.44	4.49	4.61	4.66	4.72	4.77	4.83	4.93	4.98
District of Columbia Public Inconvenience Fee	Ccf	-	-	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28
District of Columbia Stormwater Fee (3)	ERU	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67
<b>Subtotal District of Columbia Charges</b>		<b>\$ 7.01</b>	<b>\$ 7.11</b>	<b>\$ 9.39</b>	<b>\$ 9.44</b>	<b>\$ 9.56</b>	<b>\$ 9.61</b>	<b>\$ 9.67</b>	<b>\$ 9.72</b>	<b>\$ 9.78</b>	<b>\$ 9.88</b>	<b>\$ 9.93</b>
<b>Total Amount Appearing on DC Water Bill</b>		<b>\$ 138.22</b>	<b>\$ 147.16</b>	<b>\$ 156.80</b>	<b>\$ 165.07</b>	<b>\$ 174.07</b>	<b>\$ 183.67</b>	<b>\$ 193.68</b>	<b>\$ 199.61</b>	<b>\$ 210.01</b>	<b>\$ 220.37</b>	<b>\$ 229.87</b>
Increase / Decrease Over Prior Year		\$ 6.27	\$ 8.94	\$ 9.64	\$ 8.27	\$ 9.00	\$ 9.60	\$ 10.01	\$ 5.93	\$ 10.40	\$ 10.36	\$ 9.50
<b>Percent increase in Total Bill</b>		<b>4.8%</b>	<b>6.5%</b>	<b>6.6%</b>	<b>5.3%</b>	<b>5.5%</b>	<b>5.5%</b>	<b>5.4%</b>	<b>3.1%</b>	<b>5.2%</b>	<b>4.9%</b>	<b>4.3%</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

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

	<b>Units</b>	<b>Current FY 2026</b>	<b>Proposed FY 2027</b>	<b>Proposed FY 2028</b>
DC Water Retail Rates – Water:				
Residential – Lifeline (0- 4 Ccf)	Ccf	\$5.78	\$6.49	\$7.11
Residential – (> 4 Ccf)	Ccf	7.60	8.4	9.40
Multi-family	Ccf	6.47	7.21	7.98
Non-Residential	Ccf	7.84	8.66	9.71
DC Water Retail Rates – Sewer				
Groundwater	Ccf	3.76	3.90	3.90
High-Flow Filter Backwash	Ccf	3.54	3.54	3.54
DC Water Clean Rivers IAC	ERU	24.23	25.5	27.22
DC Water Customer Metering Fee	5/8”	7.75	7.75	7.75
DC Water System Replacement Fee	5/8”	6.30	6.30	6.30
District of Columbia PILOT Fee	Ccf	0.62	0.62	0.63
District of Columbia Right of Way Fee	Ccf	0.20	0.20	0.20
District of Columbia Public Inconvenience Fee	Ccf	0.00	0.42	0.42
District of Columbia Stormwater Fee	ERU	2.67	2.67	2.67

**Attachment E**

**FY 2026 Proposed RRC Committee Workplan**

Objective/Activities/Task	Date of Activity	Completed	Responsible Department
<b>1. Establish Retail Rates, Fees &amp; Charges for FY 2027 &amp; FY 2028</b>	Date of Activity	Completed	Responsible Department
a. Present FY 27 & FY 28 Budget & Rates to Board	January 15, 2026	√	Rates and Revenue
b. Present FY 27 & FY 28 Proposed Rates, Fees & Charges to RRC	January 27, 2026	√	
c. Present Independent Review of Rates-by Consultants	February 23, 2026		
d. RRC recommendation on Proposed FY 27 & FY 28 Rates, Fees & Charges	February 23, 2026		Rates and Revenue
e. Board approves Notice of Proposed Rulemaking (NOPR) for Proposed FY 27 & FY 28 Rates, Fees & Charges	March 5, 2026		
f. Submit Independent Review of Proposed Rates and 2025 Cost of Service Study to Mayor and Council and post both on DC Water's website	March 17, 2026		Rates and Revenue
g. Publish NOPR in D.C. Register for Proposed FY 27 & FY 28 Rates, Fees & Charges	March 20, 2026		DGLA
h. Outreach and Public Comment Period	March 20 - May 21, 2026		Marketing & Comm.
i. Public Hearing	May 14, 2026		
j. Public Hearing Record Closes	May 21, 2026		
k. Submit Response to Public Comments report to Board and post on DC Water website and respond to OPC Comments, if applicable	May 31, 2026		
l. Present final FY 27 & FY 28 Rates, Fees & Charges to RRC for recommendation to Board	June 23, 2026		Rates and Revenue
m. Board approves Notice of Final Rulemaking (NOFR) for FY 27 & FY 28 Rates, Charges & Fees	July 2, 2026		
n. Publish NOFR in D.C. Register for Amended Rates, Fees & Charges	July 17, 2026		DGLA
o. Amended Rates, Fees & Charges Go-Live	October 1, 2026 (FY '27) October 1, 2027 (FY '28)		Customer Care
<b>2. 2025 Cost of Service Study (COS) for Water, Sewer and CRIAC</b>			
a. Present 2025 Cost of Service Study for Water, Sewer and CRIAC to RRC	January 27, 2026		Rates & Revenue
b. Post Final COS on DC Water's website	March 17, 2026		Rates & Revenue
<b>3. 2026 Cost of Service Study to Amend System Availability Fee (SAF)</b>			
a. Present COS Update and Propose Amendments to SAF for RRC Recommendation	March 18, 2026		Rates & Revenue/ Permit Operations

**Attachment E**

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



**Attachment F**

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

**Tuesday, March 18, 2025; 9:00 a.m.  
AGENDA**

<b>Call to Order</b>	Committee Chairman
<b>Monthly Updates</b>	Chief Financial Officer
<b>Committee Workplan</b>	Chief Financial Officer
<b>Agenda for April 28, 2026 Committee Meeting</b>	Committee Chairman
<b>Other Business</b>	Chief Financial Officer
<b>Adjournment</b>	

\*Detailed agenda can be found on DC Water’s website at [www.dewater.com/about/board\\_agendas.cfm](http://www.dewater.com/about/board_agendas.cfm)