



# Executive Budget Summary

**Approved FY 2020 • Adopted April 4, 2019**  
(Fiscal year starting October 1)

Tommy Wells, Chairman of the Board  
David Gadis, Chief Executive Officer  
Matthew T. Brown, Chief Financial Officer

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY



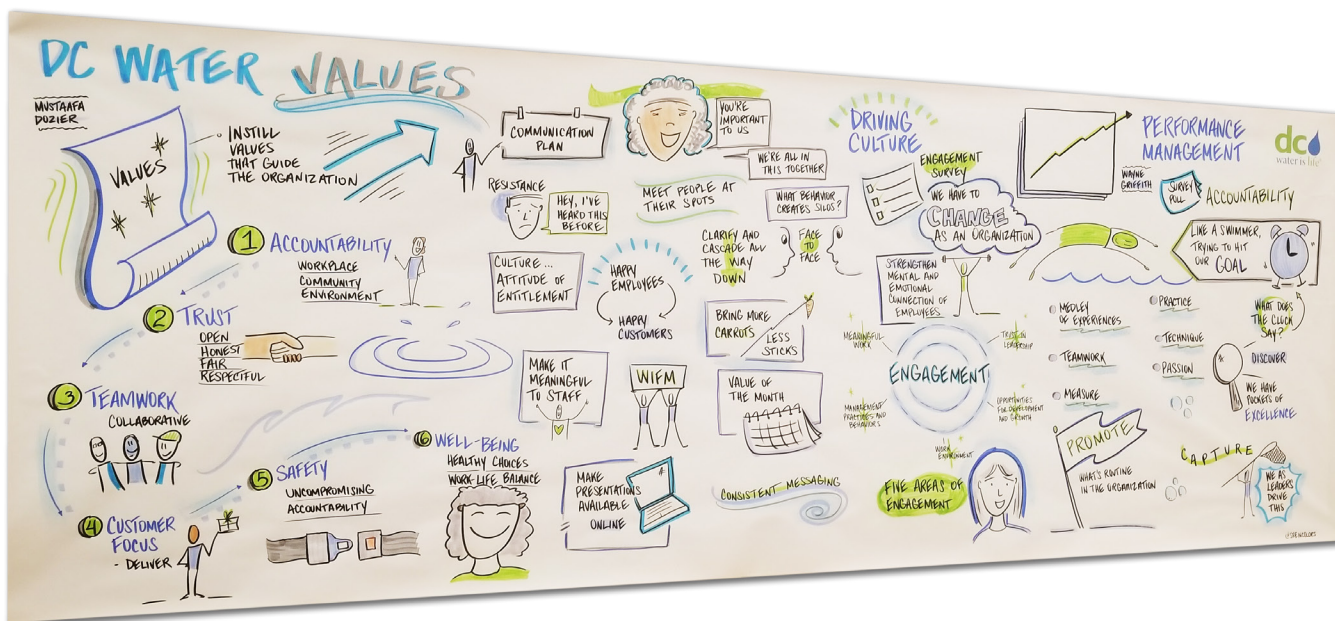
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The executive budget summary is a standalone document that provides information about DC Water to our diverse stakeholders. Additional information on the operating and capital budgets can be found in the detailed budget book, which is available online at [dcwater.com](http://dcwater.com).

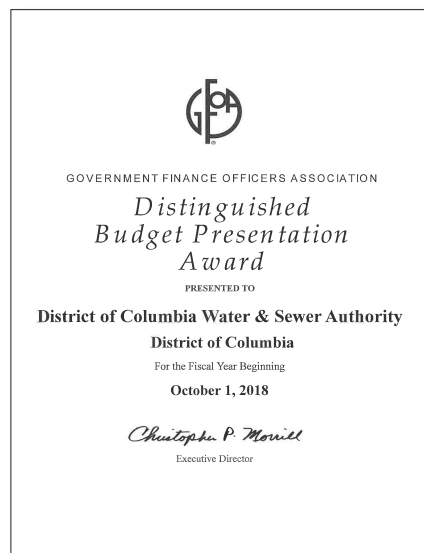
DC Water is an independent authority of the District of Columbia, established under District of Columbia and Federal law and is governed by 11 principal and 11 alternate members of the Board of Directors. DC Water provides drinking water to residents of the District of Columbia, and wastewater treatment services to both residents of the District of Columbia and wholesale customers in Maryland and Virginia.

DC Water’s Board of Directors and the Executive Management team continue to work and improve the Authority’s operations and processes to be a world class utility. In this effort, a new strategic plan “The Blueprint” was adopted by the Board of Directors in October 2018.



## Inside

A New and Better DC Water.....	2
Chief Executive Officer’s Message .....	3
New Organizational Alignment .....	4
Chief Financial Officer’s Message .....	5
Budget at a Glance .....	6
Ten-Year Financial Outlook .....	7
Operating Budget .....	8
Capital Improvement Program .....	9
Operational Impact of Major Capital Investments .....	10
Operating Revenues, Rates, Fees and Charges .....	11
Customer Assistance and Regional Demographics .....	13



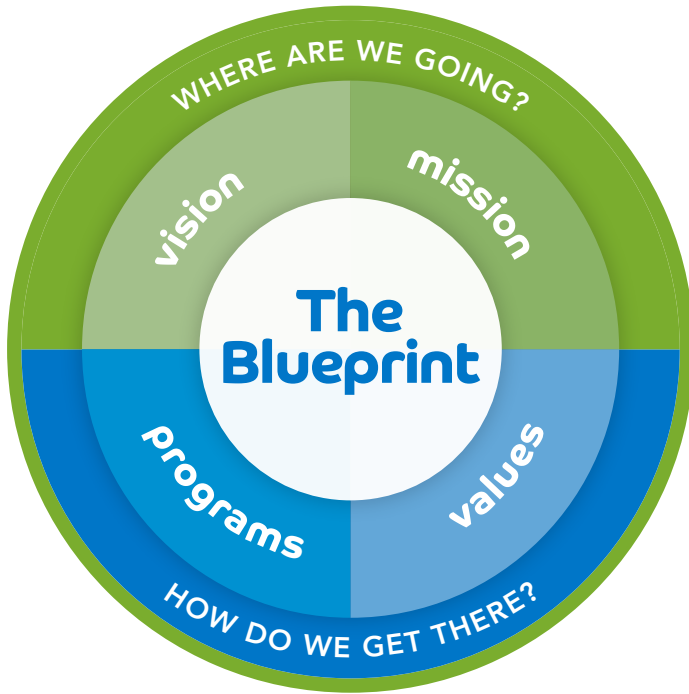
# A New and Better DC Water

## Vision

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

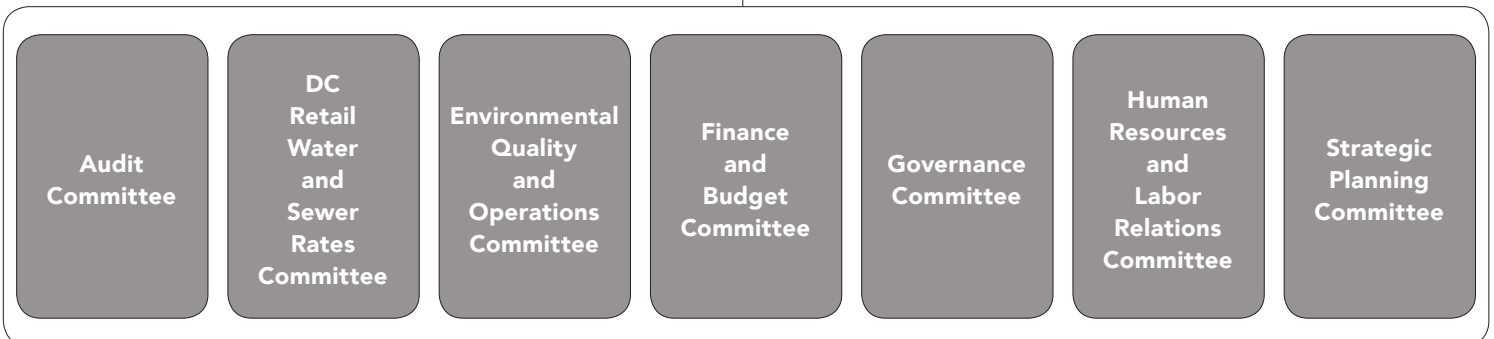
## Mission

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



- Redefined vision and focus
- Staff-driven with Board input
- Increased Board oversight
- Focused priorities
- Performance-based
- Greater staff engagement
- Connects enterprise interdependencies
- Two-year outlook

## DC Water Board Committees





Across the country, water and sewer utilities, especially those with older infrastructure, have faced the challenge of balancing ratepayer affordability with the dire need for capital investments in water and sewer systems.

DC Water ratepayers have been stretched in recent years, as the Authority has undertaken massive—and federally mandated capital projects to protect the environment and benefit the District. Across the country, conversations around infrastructure investments are getting more challenging as budgets get tighter. The Authority's water and sewer infrastructure continues to age faster than the assets can be replaced, thus exceeding their useful life. We cannot delay any further the much-needed capital investments in our wastewater, water and sewer infrastructure so that we can continue to maintain high quality services without disruption due to asset failure.

When I took the helm at DC Water less than a year ago, I wanted to hear from our customers and stakeholders about their challenges and how we can better work together towards equitable solutions. I established a Stakeholder Alliance composed of a diverse group of community members with a shared goal of partnership to best serve our communities. This group has provided perspective, insight and creativity that is helping to frame our priorities and inform solutions.

First on the agenda for the Stakeholder Alliance was to address the Clean Rivers Impervious Area Charge (CRIAC), which recovers the District rate payers' share of the \$2.7 billion mandated Clean Rivers Project. The CRIAC inched up over the first few years but has increased more dramatically for some customers in recent years. It had become overly burdensome for some groups and households, who brought their concerns to our attention.

We listened.

Through cooperation with District of Columbia Mayor Muriel Bowser, Council of the District of Columbia, the District Department of the Environment, and several other groups, we expanded eligibility and created additional financial assistance programs funded through DC Water and the District to specifically address CRIAC. We are not yet done. We continue to seek various alternatives and strategies to help guide how we fund and pay for the Clean Rivers project, similar to other utilities with large consent decree programs.

We are having to make some tough choices. During this year's budget process, we left no stone unturned as we sought better ways to operate our facilities and identify cost savings and new revenues. We will continue to pursue these in order to keep rates as low as possible while maintaining reliable delivery of critical services.

Since my arrival, we have finalized a new Strategic Plan (The Blueprint) with focus on measurable outcomes and reorganized our business units to provide an enhanced customer experience. As we entered the budget process, our emphasis included improving customer engagement, establishing a sustainable budget for efficient operations, and training our workforce. We challenged our staff to lower expenditures and find ways to do more with less.

Our goal is to demonstrate to the public that we are running the utility efficiently, and without excessive spending, while prioritizing the many necessary capital projects, and ensuring that all users pay their fair share for services provided. We will also continue to seek creative solutions and ideas from our Stakeholder Alliance, our jurisdictional partners, utility peers, employees and customers to continue to meet the needs of the District and the region.

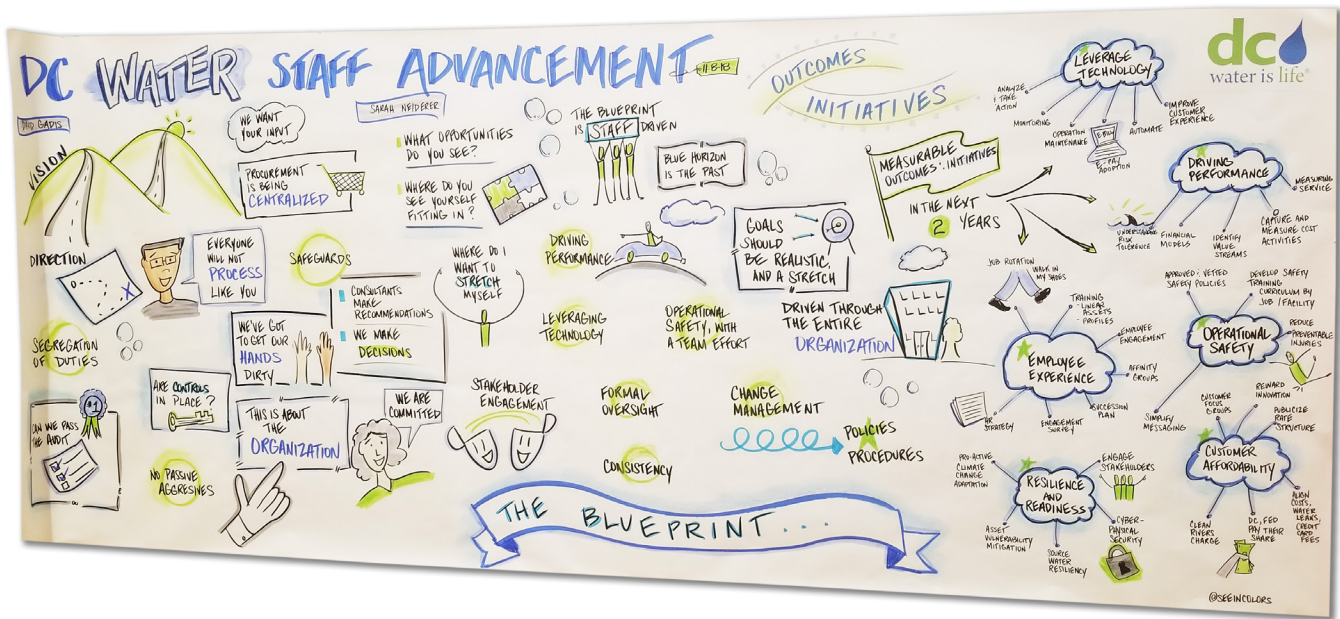
In closing, I appreciate the warm welcome by the staff, management and Board of DC Water for the collaborative effort undertaken during this budget process. Without a doubt, DC Water is the best utility, not only in North America, but in the world and this is a testament reflective of the commitment of our high performing workforce.

David L. Gadis

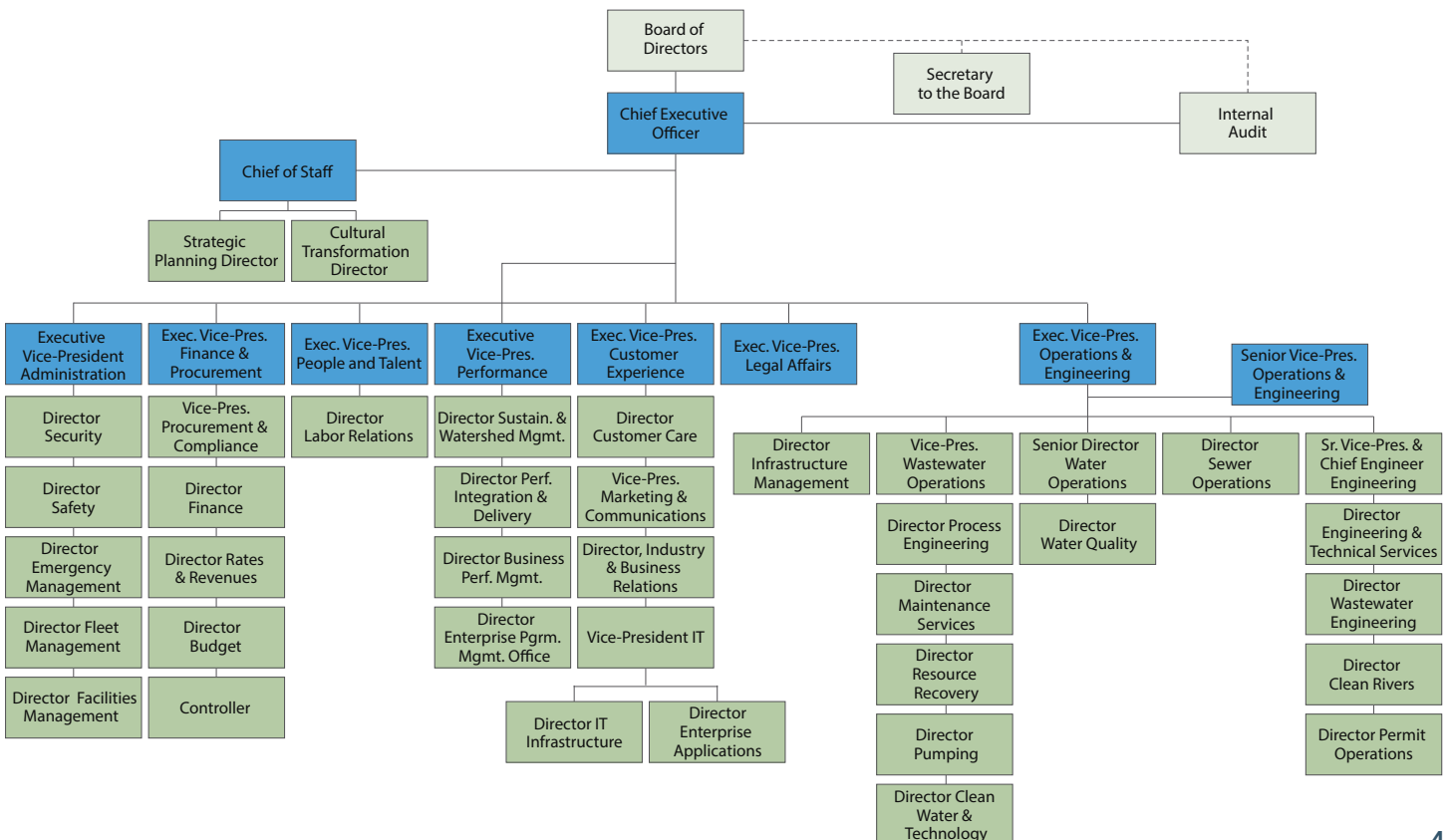
# New Organizational Alignment

The new structure aims to remove silos and supports enhancing both our culture and operations.

- Renews our strategic direction to continue to be the best utility in the world
- Enables us to achieve common goals by providing exceptional customer experience and best employee experience
- Fosters a collaborative environment for driving performance and improving employee engagement
- Delivers a unified and more responsive organization



## DC Water Organizational Structure





While the Board of Directors ultimately approves the budget and rates and fees, the budget process at DC Water involves staff at every level of the organization. DC Water's people are the best in the business. They strive every day to deliver water to our customers, and to improve the quality of our waterways. This budget builds a stronger DC Water by:

- Building on efforts that have taken \$27.7 million of cost out of the business including renegotiation of goods and services contracts, reduced hauling and energy costs from the Combined Heat & Power Facilities project, and optimization of usage of chemicals
- Eliminating 63 vacancies, a savings of \$7 million a year
- Increasing our investment in capital infrastructure including small diameter water mains that deliver water to our customers, and renews aging sewer infrastructure
- Shifting a portion of Clean Rivers costs from the Impervious Area Charge to the sewer volumetric rate, bringing more equity to Clean Rivers funding
- Helping to ensure that all users pay their fair share, by appropriately recovering costs from users through revised engineering fees and the new Fats, Oils, and Grease and Backflow Preventer programs.
- Holding rate increases for the average household customer to 5.7 percent, which was approved by the Board a year ago

### Infrastructure Improvements

The Board adopted a ten-year disbursement plan of \$4.96 billion, that increases capital spending by \$0.95 billion. Starting in FY 2021, this Plan increases investments in the Authority's water and sewer infrastructure and funds the federally mandated Clean Rivers Tunneling project.

The capital budget reflects our commitment to replacing one percent of water and sewer infrastructure annually, and undertaking major upgrades and rehabilitation of the stormwater pumping stations and critical facilities at our Blue Plains Advanced Wastewater Treatment Plant for permit compliance.

### Operational Efficiency

The approved operating budget of \$614.5 million represents an increase of \$31.7 million compared to the FY 2019 level, mainly for personnel, chemicals, water purchases and debt service costs. If not for the materialized results from prior years' investments and efforts mentioned above, the budget would be higher by at least \$27.7 million. We have also reduced our reliance on consultants and continue to leverage the use of technology to achieve efficiencies.

### Addressing Equity

Until this year, revenues from District rate payers' share of the \$2.7 billion Clean Rivers program came entirely from the Clean Rivers Impervious Area Charge (CRIAC). That assessment did not take into account a property's sanitary sewage that also adds to the Combined Sewer Overflows (CSOs), only the impervious (water that cannot soak through) surface area on a property.

Starting with this year's budget, our Board revised the rate structure to begin shifting a portion of Clean Rivers costs to the sewer volumetric rate, starting with 18 percent in FY 2020, 28 percent in FY 2021 and 37 percent for FY 2022 and beyond based on the amount of sanitary flow that is captured by the new tunnels. This method will help improve equity and give customers more ability to control their bill based on consumption.

Additionally, we have increased the CRIAC discount, from 4 percent to 20 percent for customers who take steps to manage stormwater on their properties, keeping it from entering the sewer or stormwater systems. This discount, better incentivizes residents to make these upgrades since it provides a better return on their investments.

Moving forward, we will continue to leverage innovation and discipline in creating budgets that best serve our customers, partners and stakeholders, while providing reliable services and responsible environmental stewardship.



Matthew T. Brown

# Budget at a Glance

## Operating Expenditures (\$ Thousands)

Category	FY 2019 Approved	FY 2020 Approved
Authorized Headcount	1,279	1,223
<b>Total Personnel Services</b>	<b>\$ 162,620</b>	<b>\$ 170,680</b>
Chemicals	23,558	25,181
Supplies	8,524	7,977
Utilities	26,915	26,953
Contractual Services	81,679	81,886
Water Purchases	30,520	34,929
Small Equipment	1,240	989
<b>Total Non-Personnel Services</b>	<b>\$ 172,435</b>	<b>\$ 177,914</b>
<b>Total Operations and Maintenance</b>	<b>\$ 335,055</b>	<b>\$ 348,594</b>
Debt Service	199,025	215,340
PILOT & ROW	21,702	22,034
Payment in Lieu of Taxes	16,602	16,934
Right of Way	5,100	5,100
Cash Financed Capital Improvements	26,999	28,556
<b>Total Debt Service/PILOT/ROW/ CFCI</b>	<b>247,726</b>	<b>265,929</b>
<b>Total Operating Expenditure</b>	<b>\$ 582,781</b>	<b>\$ 614,523</b>
Less: PS charged to Capital Projects	(18,259)	(22,748)
<b>Total Net Operating Expenditure</b>	<b>\$ 564,522</b>	<b>\$ 591,775</b>

## Capital Disbursements (\$ Thousands)

Service Areas	FY 2019 Revised	FY 2020 Approved
Non-Process Facilities	\$ 15,309	\$ 36,002
Wastewater Treatment	69,979	66,620
Clean Rivers	187,859	147,208
Combined Sewer	7,491	4,219
Stormwater	4,220	8,571
Sanitary Sewer	44,927	43,646
Water	61,884	71,720
<b>Capital Projects</b>	<b>\$ 391,669</b>	<b>\$ 377,987</b>
Capital Equipment	34,518	26,823
Washington Aqueduct	12,930	15,532
<b>Additional Capital Programs</b>	<b>47,448</b>	<b>42,355</b>
<b>Total CIP</b>	<b>\$ 439,117</b>	<b>\$ 420,342</b>

## Operating Revenues (\$ Thousands)

Category	FY 2019 Revised	FY 2020 Proposed
Residential	\$ 118,531	\$ 124,353
Commercial	164,542	173,826
Multi-family	93,137	100,884
Federal Government	67,054	71,887
Municipal & Housing	27,869	28,110
Water System Replacement Fee (WSRF)	39,717	39,717
Metering Fee	10,776	10,776
Wholesale	82,992	82,539
Other Revenue	61,032	61,887
<b>Total Operating Revenue</b>	<b>\$ 665,650</b>	<b>\$ 693,979</b>

## Capital Revenues (\$ Thousands)

Source	FY 2019 Revised	FY 2020 Proposed
Wholesale Capital Payments	\$ 67,112	\$ 67,321
EPA Grants & CSO Appropriations	18,215	38,990
Interest Income on Bond Proceeds	2,981	3,658
Pay-Go Financing	98,540	103,852
Debt Proceeds	110,000	180,716
System Availability Fee	3,850	5,775
<b>Total Capital Revenue</b>	<b>\$ 300,698</b>	<b>\$ 400,312</b>



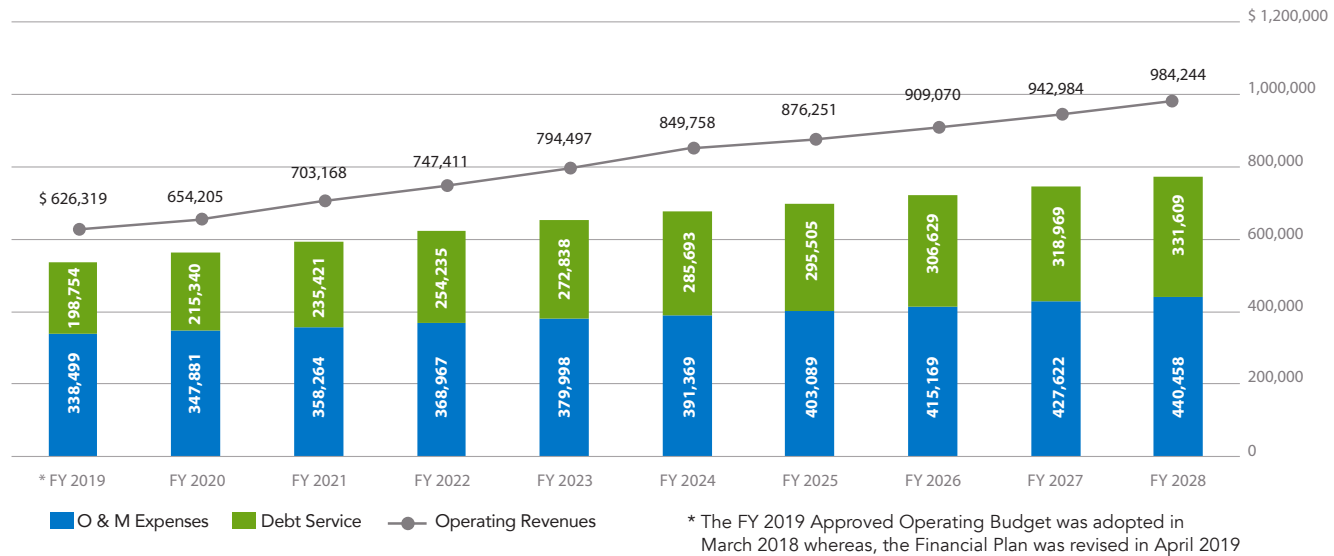
SCADA drill / Anacostia Pumping Station inspection



# Ten-Year Financial Outlook

DC Water’s ten-year financial plan provides a strong financial framework to support implementation of the Board strategic plan, policies, priorities and guidance in several key financial areas. This financial plan serves as one of management’s key tools to monitor progress in meeting financial goals and to proactively address future financial and operational issues. Given DC Water’s substantial borrowing needs over the next ten years, adherence to these Board policies is crucial to cost-effectively access the capital markets and retain our credibility with customers and regulators. The ten-year financial plan encompasses annual projected revenue requirements, operating expenditures, debt service costs, coverage ratios for indenture requirements, and sufficient liquidity to meet all the Authority’s financial obligations.

**FY 2019 - FY 2028 Financial Plan (\$ Thousands)**



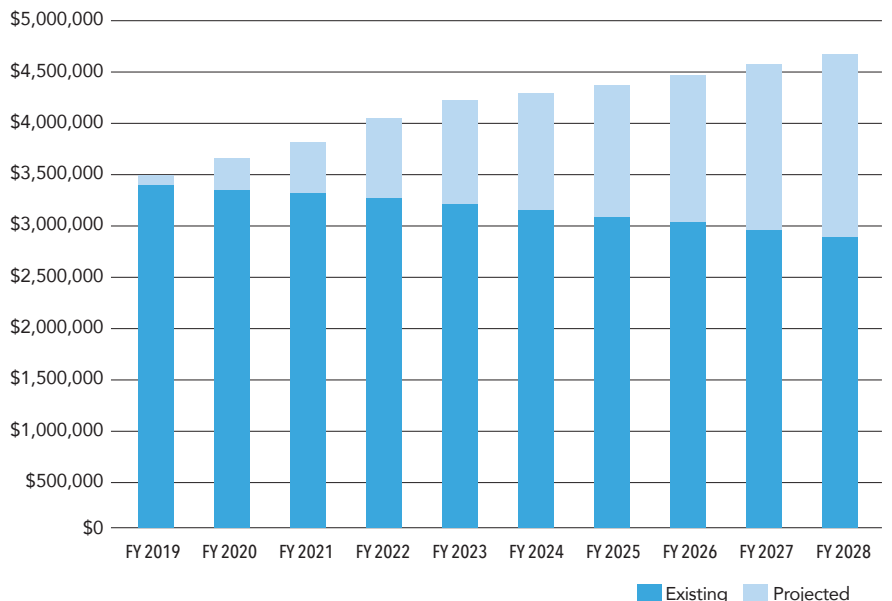
## Debt Management

DC Water continues to maintain strong financial performance and bond ratings. The credit ratings on our senior lien bonds remain at AAA, Aa1, and AA ratings by Standard and Poor’s Ratings Services, Moody’s Investors Service and Fitch Ratings. These notable results are due to the Authority’s solid financing team and strong financial performance, and diligent planning. Additional information for current and future investors is available at [dcwater.com](http://dcwater.com) and [dcwaterbonds.com](http://dcwaterbonds.com).

The Authority uses debt to finance its capital program and plans to issue approximately \$300 million (Series A/B/C) in revenue bonds during FY 2020. This will include fixed rate debt for Clean Rivers capital projects, and both fixed and variable rate debt for Non-Clean Rivers capital projects. DC Water also plans to apply for a

federal loan under the Water Infrastructure and Finance Innovation Act (WIFIA), administered by the Environmental Protection Agency (EPA). The Authority’s long term debt, including current maturities, total \$3.5 billion as of the end of FY 2018 and projected to increase over the next ten years mainly to invest in our aging infrastructure.

**FY 2019- FY 2028 Current and Outstanding Debt (\$ Thousands)**





# Operating Budget



DC Water Headquarters on the Anacostia River

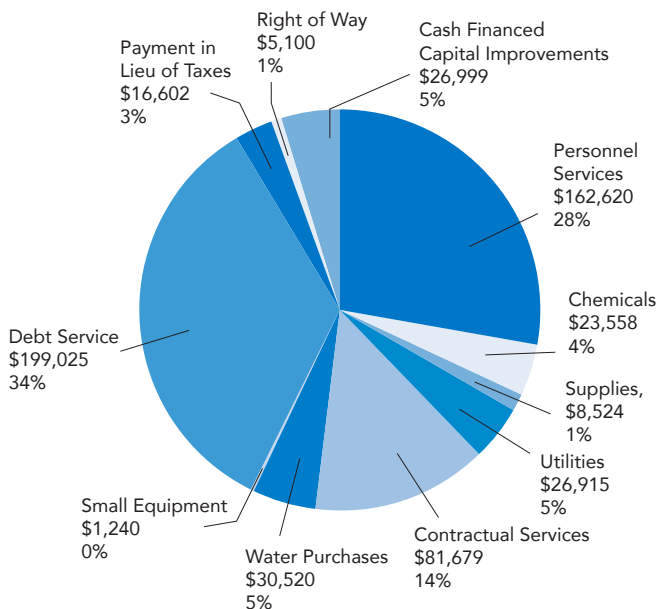
DC Water’s annual operating budgets provide the resources necessary to sustain a multi-billion dollar water distribution and sewage collection and treatment system. The Authority continues to deliver clean water, collect and treat the sewage before returning clean water to the local waterways and repair water main and sewer breaks as needed. The budget reflects management’s focus on stewardship, accountability and sustainability while maintaining our high level of customer service.

The approved FY 2020 budget totals \$614.5 million, an increase of \$31.7 million or approximately 5.4 percent above the FY 2019 budget. The increase is mainly for the Operations & Maintenance (O&M) costs, and debt service required to finance the Authority’s Capital Improvement Program.

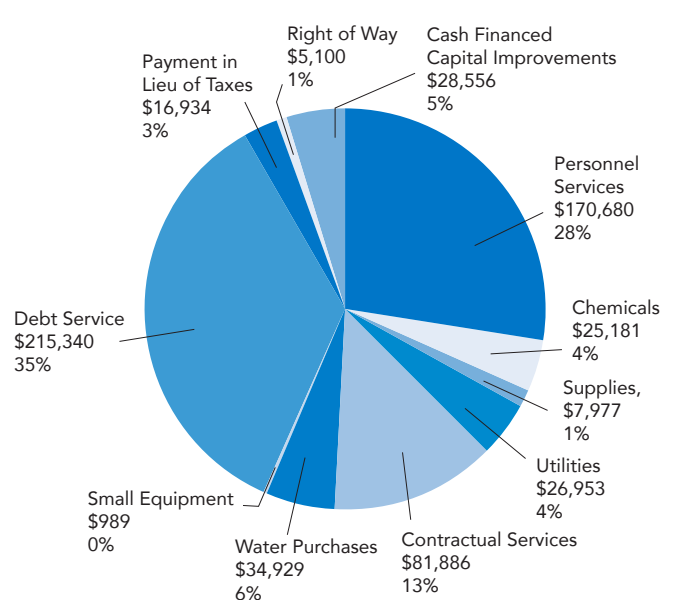
Detailed descriptions of the approved FY 2019 and FY 2020 operating budgets are available online at [dcwater.com](http://dcwater.com)

## Comparative Operating Budgets by Category (\$ Thousands)

### Approved FY 2019 \$582,781



### Approved FY 2020 \$614,523





# Capital Improvement Program (CIP)

DC Water’s ten-year Capital Improvement Program (CIP) provides a framework for the development, prioritization, implementation and measurement of the capital projects undertaken. The Board-approved FY 2019 – FY 2028 CIP disbursement budget increased by \$954.7 million over the previous plan. The capital program increases investment in our aging water and sewer infrastructure, and funds major upgrades to the stormwater pump stations and critical wastewater facilities.

The FY 2019 and FY 2020 capital budgets total \$439.1 million and \$420.3 million, respectively (cash disbursement basis), while the ten-year disbursement plan totals \$4.96 billion and lifetime budget is \$12.1 billion (total commitments for active projects prior to, during, and beyond the ten- year window).

Detailed description of major CIP changes and program details can be found in Section V – Capital Improvement Program of the budget book and online at [dcwater.com](http://dcwater.com).

## FY 2019 – FY 2028 Capital Improvement Program (\$ Thousands)

FY 2019 Revised	FY 2020 Approved	Service Area	Ten-Year Disbursement Plan	Total Lifetime Budget
\$15,309	\$36,002	Non Process Facilities	\$138,067	\$212,833
69,979	66,620	Wastewater Treatment	978,738	3,566,060
195,350	151,427	Combined Sewer Overflow	1,341,767	3,033,549
4,220	8,571	Stormwater	68,608	123,574
44,927	43,646	Sanitary Sewer	957,135	2,070,599
61,884	71,720	Water	945,015	2,204,622
<b>\$391,669</b>	<b>\$377,987</b>	<b>Capital Projects</b>	<b>\$4,429,330</b>	<b>\$11,211,236</b>
34,158	26,823	Capital Equipment	340,324	340,324
12,930	15,532	Washington Aqueduct	187,127	187,127
<b>\$47,448</b>	<b>\$42,355</b>	<b>Additional Capital Programs</b>	<b>\$527,450</b>	<b>\$527,450</b>
		Labor		389,258
<b>\$439,117</b>	<b>\$420,342</b>	<b>Total Capital Budgets</b>	<b>\$4,956,780</b>	<b>\$12,127,945</b>

## Measure of Priority (\$ Thousands)

	Mandates Agreements, Regulatory standards, Court orders, Issues and Permits requirements, Stipulated Agreements, Etc.	Health and Safety Required to address Public Safety	Board Policy Undertaken as a result of the Board’s commitment to outside agencies	Potential Failure Related to Facilities in danger of failing, or critical to meeting permit requirements	High Profile / Good Neighbor Address Public Concern	Good Engineering / High Payback Need to fulfill Mission and upgrade Facilities	Good Engineering / Lower Payback Lower priority projects	Total
FY 2019	\$210,807 48%	\$13,874	\$33,472	\$36,117	\$8,132	\$87,332 20%	\$49,385	<b>\$439,117</b>
FY 2020	150,388 36%	3,821	67,776	42,5600	501	98,520 23%	56,776	<b>420,342</b>
FY 2021	139,790 30%	5,858	72,529	41,437	924	112,534 24%	93,994	<b>467,016</b>
FY 2022	191,411 34%	6,928	53,535	37,742	3,315	149,552 27%	119,241	<b>561,724</b>
FY 2023	151,297 29%	2,099	42,382	72,801	1,281	151,811 29%	108,335	<b>530,006</b>
FY 2024	64,692 15%	5,368	50,055	34,511	558	158,304 37%	109,120	<b>422,607</b>
FY 2025	55,919 12%	12,457	54,634	35,514	1,415	183,675 41%	106,744	<b>450,358</b>
FY 2026	144,295 25%	18,848	48,081	40,102	2,679	162,071 28%	169,379	<b>585,454</b>
FY 2027	97,067 18%	8,604	44,926	31,137	89	152,165 28%	201,677	<b>535,666</b>
FY 2028	83,286 15%	1,511	65,369	33,705	-	167,928 31%	192,690	<b>544,490</b>
<b>TOTAL</b>	<b>\$1,288,951</b>	<b>\$79,366</b>	<b>\$532,760</b>	<b>\$405,626</b>	<b>\$18,893</b>	<b>\$1,423,892</b>	<b>\$1,207,291</b>	<b>\$4,956,780</b>
% of Total	26%	1.6%	10.7%	8.2%	0.4%	28.7%	24.4%	<b>100%</b>

# Operational Impact of Major Capital Investments

DC Water's Capital Improvement Program (CIP) includes operational impacts of significant capital investments on several large projects such as the Biosolids Management Plan (BMP), DC Clean Rivers (DCCR) and Blue Plains Total Nitrogen Program (BTN). Below is a list of pertinent information on current and future operational impacts for these non-routine capital investments.

## Tunnel Dewatering Pump Station

This facility is now operational and dewateres the Anacostia River Tunnel system. The tunnel captures and stores combined sewage, preventing it from overflowing into the Anacostia River.

## Filtrate Treatment Facilities

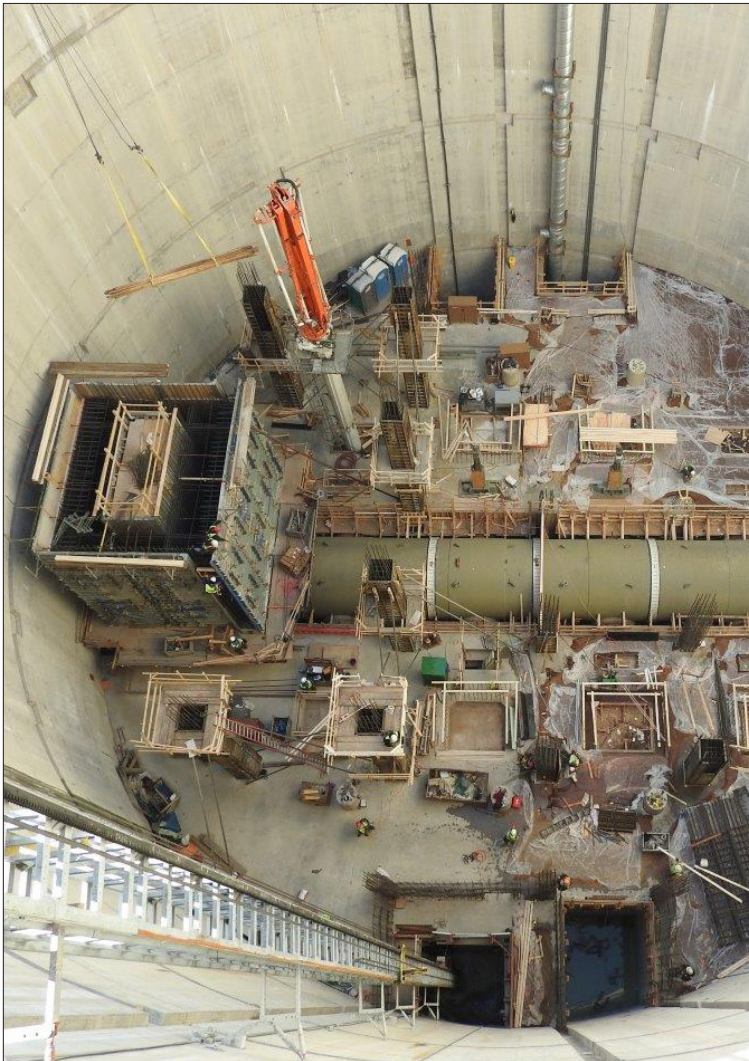
The project assists in nitrogen removal from the water processed and lowers the use of methanol. This new facility uses six sequencing batch reactors to treat a nitrogen-rich stream from the Final Dewatering Facility's belt filter presses.

## Ongoing and Local Sewer Rehabilitation

Renewal of small diameter sewer infrastructure will reduce emergency repair including overtime and maintenance demands for these neighborhood sewers.

## Water Pumping and Storage

The rehabilitation or upgrades to storage facilities supports changing development patterns, regulatory compliance, additional water pressure to certain areas of the District, and redundant service during unplanned outages.



Clean Rivers Tunnel Dewatering Pump Station



Saint Elizabeth Water Tower



# Operating Revenues, Rates, Fees and Charges

## Operating Revenues

To provide continuous delivery of water and wastewater services, it is vital that DC Water has a consistent revenue stream to cover operating and maintenance (O&M) costs, debt service, and other liquidity requirements. DC Water has a diverse customer base and receives revenues from a variety of sources. Retail rates are charges for water, sewer and other services to DC Water’s customers. Wholesale revenues are received from suburban water and sewer authorities for their share of the O&M costs of the Blue Plains Advanced Wastewater Treatment Plant.

DC Water maintains a combination of fixed and variable fees. Fixed fees are charged regardless of water usage, and include the metering fee and the Clean Rivers Impervious Area Charge. Variable fees are based on water usage, and include the water and sewer fees. Every three years DC Water conducts a Cost of Service Study (COS) to help ensure that costs are appropriately allocated. For example, the cost of delivering water to our customers is reflected in the water rate, and the cost of wastewater treatment is part of the sewer rate.

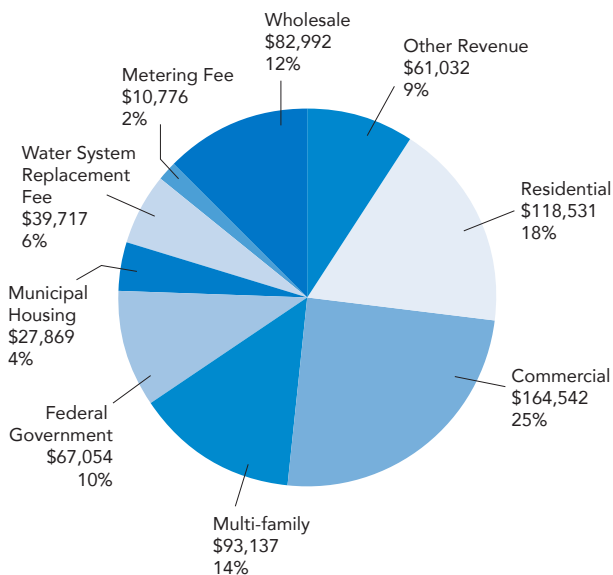
## Multi-Year Rates:

DC Water Board approved its second multi-year rate proposal in FY 2018 covering the period FY 2019 and FY 2020. The FY 2019 rate became effective from October 1, 2018. The benefits of multi-year rates include: greater revenue certainty, increased budget discipline and better alignment between revenues and expenditures.

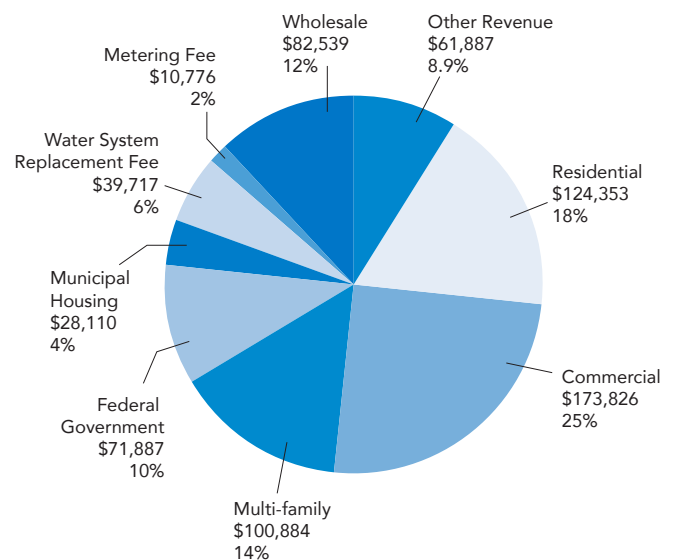
Based on feedback from the new Stakeholder Alliance and discussions with customers about the Clean Rivers Impervious Area Charge (CRIAC) that funds the Clean Rivers Program, there is a proposal for FY 2020 to shift 18 percent of the costs for the Clean Rivers program from the CRIAC to the sewer volumetric rate. This will increase to 28 percent in FY 2021 and 37 percent in FY 2022. This is based on an assessment that, on average, 37 percent of the volume in the new tunnels is from wastewater. With the proposed shift, the overall household charges increase of 5.7 percent is the same as previously forecasted for FY 2020. The FY 2019 revised revenue budget totals \$665.6 million and is projected to increase to \$693.9 million in FY 2020.

Comparative Operating Revenues by Category (\$ Thousands)

Revised FY 2019 \$665,650



Proposed FY 2020 \$693,979

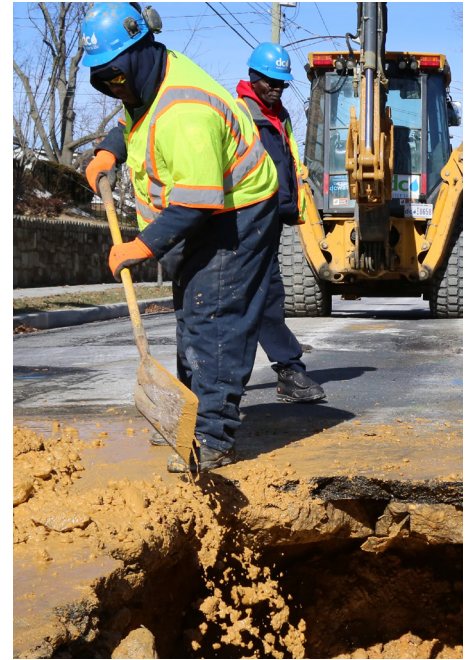


## FY 2019 - FY 2020 Retail Rates and Fees

Description of Fees	Units	FY 2019 Approved	FY 2020 Proposed	Increase/Decrease	
DC Water Retail Rates – Water		\$	\$	\$	%
• Residential 0-4 Ccf (Lifeline) <sup>2</sup>	Ccf	\$2.91	\$3.06	\$0.15	5.2%
• Residential – > 4 Ccf <sup>2</sup>	Ccf	\$3.90	\$4.10	\$0.20	5.1%
• Multi-family / DC Housing <sup>2</sup>	Ccf	\$3.37	\$3.54	\$0.17	5.0%
• Non-Residential	Ccf	\$4.05	\$4.25	\$0.20	4.9%
DC Water Retail Rates – Sewer	Ccf	\$7.75	\$8.89	\$1.14	14.7%
DC Water Clean Rivers IAC	ERU	\$23.00	\$20.94	(\$2.06)	(9.0%)
DC Water Customer Metering Fee	5/8"	\$3.86	\$3.86	\$0.00	0.0%
DC Water System Replacement Fee <sup>1</sup>	5/8"	\$6.30	\$6.30	\$0.00	0.0%
District of Columbia PILOT Fee	Ccf	\$0.50	\$0.51	\$0.01	2.0%
District of Columbia Right-of-Way Fee	Ccf	\$0.18	\$0.19	\$0.01	5.6%
District of Columbia Stormwater Fee	ERU	\$2.67	\$2.67	\$0.00	0.0%

(1)DC Water WSRF of \$6.30 effective October 1, 2015

(2) Proposed Class-Based rates



### Clean Rivers Impervious Area Charge (CRIAC)

The CRIAC is a separate sewer service fee established in FY 2009 to recover the \$2.7 billion cost of implementing the DC Clean Rivers Project (the District's CSO-Long Term Control Program). The proposed monthly CRIAC ranges from \$23.00 per Equivalent Residential Unit (ERU) in FY 2019 to \$29.31 per ERU in FY 2028. From 2009 until 2019, all funds for the Clean Rivers program have come from the Clean Rivers Impervious Area Charge (CRIAC) which is assessed for all customers based on the amount of impervious surface on each property. The ten-year plan assumes no external funding beyond the special Congressional appropriation. DC Water has received \$252.8 million through Federal appropriations as of September 30, 2018.

During FY 2019, the Board approved a proposed change in the way Clean Rivers costs are recovered starting in FY 2020. The proposed plan is to phase-in a CRIAC

shift of 18 percent in FY 2020, 28 percent in FY 2021 and 37 percent in FY 2022 and beyond to sewer volumetric rate based on methodology that allocates the volume of Sanitary Wastewater, Stormwater runoff and CSO in the Clean Rivers Tunnel. Shifting some of the Clean Rivers cost recovery to the volumetric rate gives customers more control over the amount that they pay towards the project. The change is expected to improve equity in the funding for the Clean Rivers program. Small volume customers in every class would generally pay less and average Residential customers would pay about the same. The FY 2020 budget also increases the CRIAC discount from 4 percent to 20 percent for Stormwater Best Management Practices.



## Customer Affordability

DC Water seeks to balance its operating and financial needs with consideration to the financial impact upon its customers. EPA guidelines suggest that fees and charges should be within 4 percent of the median household income to be considered affordable (2 percent for water and 2 percent for sewer). Using the last available census data (2016), DC Water's rates are well under that target and they are comparable with similar water and wastewater utilities.

DC Water, in partnership with the District, supports the following programs to assist low income customers in paying their water bills.

**Customer Assistance Program (CAP):** The Authority implemented the CAP in 2001 providing a discount of 4 Ccf per month of water service for single family residential homeowners that meet income eligibility guidelines. In FY 2004, the Authority expanded the CAP to include tenants who meet the financial eligibility requirements and whose primary residence is separately metered by the Authority. In January 2009, the Authority further expanded the CAP to provide a discount of 4 Ccf per month of sewer services to eligible customers. In FY 2011, the discount was expanded to the first 4 Ccf associated with the PILOT/ROW fee in addition to the current discount provided on water and sewer services. In FY 2016, the CAP discount was expanded to include a 100 percent credit/discount for the Water System Replacement Fee (WSRF). In FY 2017, the Authority further expanded CAP to include a 50 percent discount for CRIAC. In FY 2018, Management recommended, and the Board approved, expansion of the CAP to low-income customers to include Clean Rivers Impervious Surface Area Charge (CRIAC) credit in their monthly bills. In FY 2018, CAP assisted over 4,324 customers and provided \$1,188,574.48 in discounts to low-income customers.

**CAP 2:** was implemented in December 2018 to expand the CAP program for low-income residential customers with household income up to 80 percent Area Median Income(AMI) who do not qualify for CAP. Eligible customers receive a discount of up to 3Ccf per month for water and sewer and a 50 percent discount for CRIAC.

**CAP 3:** is a new District- funded program that provides benefits to DC Water customers with household income greater than 80 percent and up to 100 percent Area Median Income (AMI) who do not qualify for CAP or CAP2. Eligible customers receive 75 percent discount for CRIAC.

**CRIAC Non-profits Relief Program:** is a new District -funded program to provide up to 90 percent of CRIAC discounts to nonprofit organizations as determined by the District Department of the Environment (DDOE).

### Serving People by Lending a Supporting Hand



**(SPLASH):** the SPLASH program was implemented in FY 2001. Through the SPLASH program, DC Water offers assistance to families in need so that they can maintain critical water and sewer services until they get back on their feet. The program is administered by the Greater Washington Urban League. Every dollar received by DC Water is distributed to eligible customers. In FY 2018, SPLASH assisted 212 households and provided \$104,361 in contributions to low-income customers.

## Regional Demographics

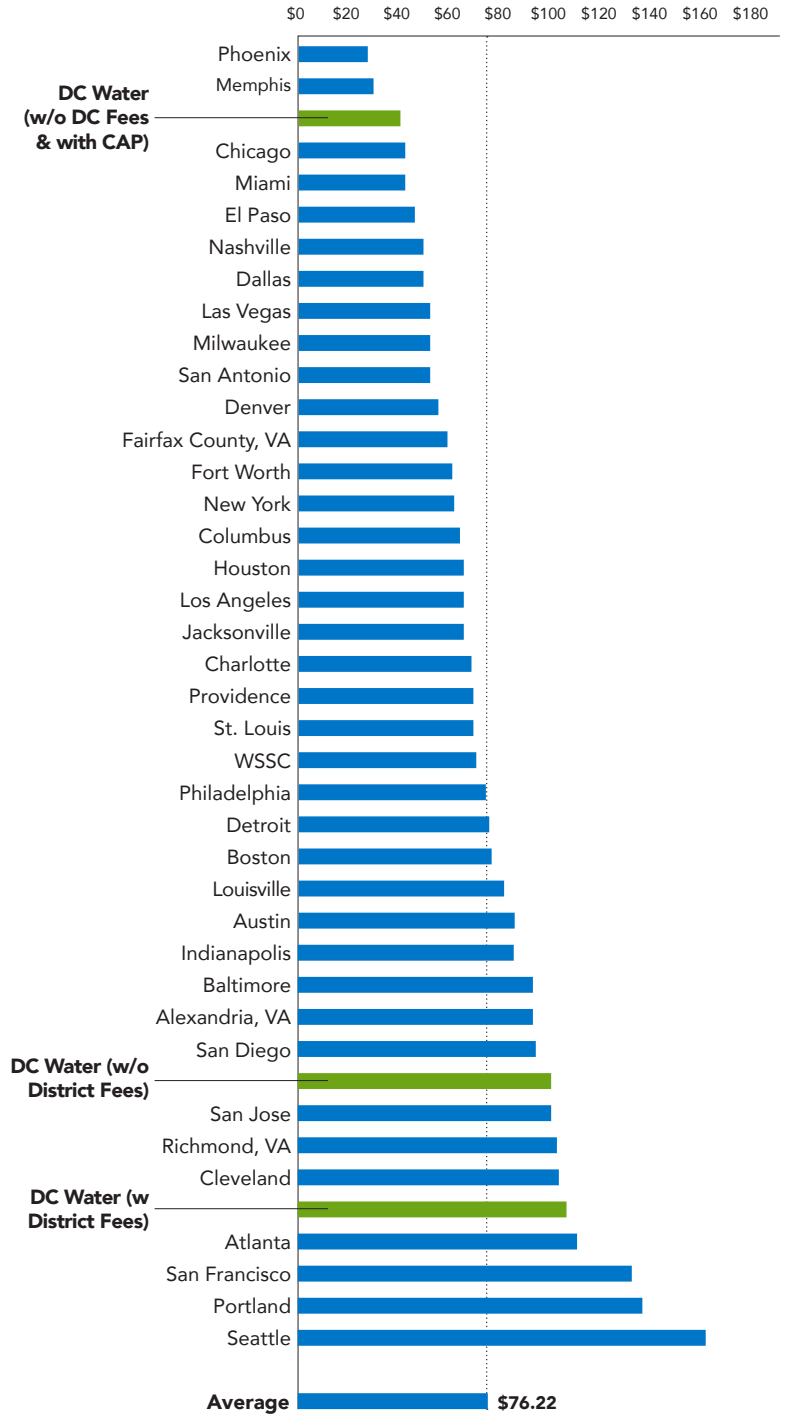
DC Water provides water and wastewater services to retail customers in the District and wastewater treatment services on a wholesale basis to portions of Montgomery County and Prince George's County in Maryland and Fairfax and Loudoun Counties in Virginia, serving about 1.6 million people. Despite increasing population and visitors, water consumption is declining through improved fixture efficiency and conservation. Reduced usage is good for the environment but places more strain on the 134,000 retail customers with the responsibility to pay for majority of the operations, maintenance and replacement of the water and sewer infrastructure throughout Washington, DC. Wholesale customers pay a relatively modest portion of the total cost of service.

The FY 2020 budget incorporates trends and statistics impacting DC and the region. It also highlights how the diversity of the DC Water revenue stream is helping to address the need for continuous improvement in the water, wastewater and stormwater system.

## FY 2019 - FY 2020 Average Residential Customer Monthly Bill

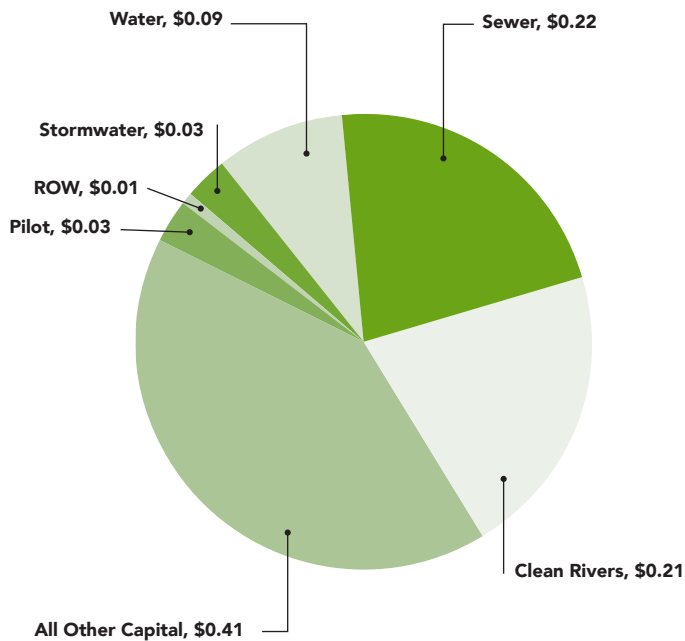
		
DC WATER RATES AND FEES	Approved (FY 2019)	Proposed (FY 2020)
Water / Sewer Retail Rates	\$68.27	\$76.38
Clean Rivers IAC	\$23.00	\$20.94
Customer Metering Fee	\$3.86	\$3.86
Water System Replacement Fee	\$6.30	\$6.30
<b>DC Water Subtotal</b>	<b>\$101.43</b>	<b>\$107.48</b>
		
DISTRICT OF COLUMBIA CHARGES		
PILOT	\$3.10	\$3.16
Right-of-Way Fee	\$1.12	\$1.18
Stormwater Fee	\$2.67	\$2.67
<b>District Subtotal</b>	<b>\$6.89</b>	<b>\$7.01</b>
<b>Total Bill</b>	<b>\$108.32</b>	<b>\$114.49</b>
(% Increase)	5.9%	5.7%

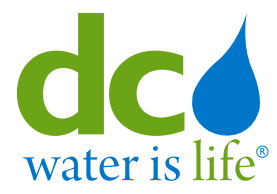
## DC Water Retail Rates Compared to other Large Utilities



## FY 2020: Where Does Your Money Go?

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





[dcwater.com](http://dcwater.com)