



Approved FY 2025 Budget & Proposed Two-Year Rates

Adopted by the Board of Directors on March 7, 2024

District of Columbia Water and Sewer Authority

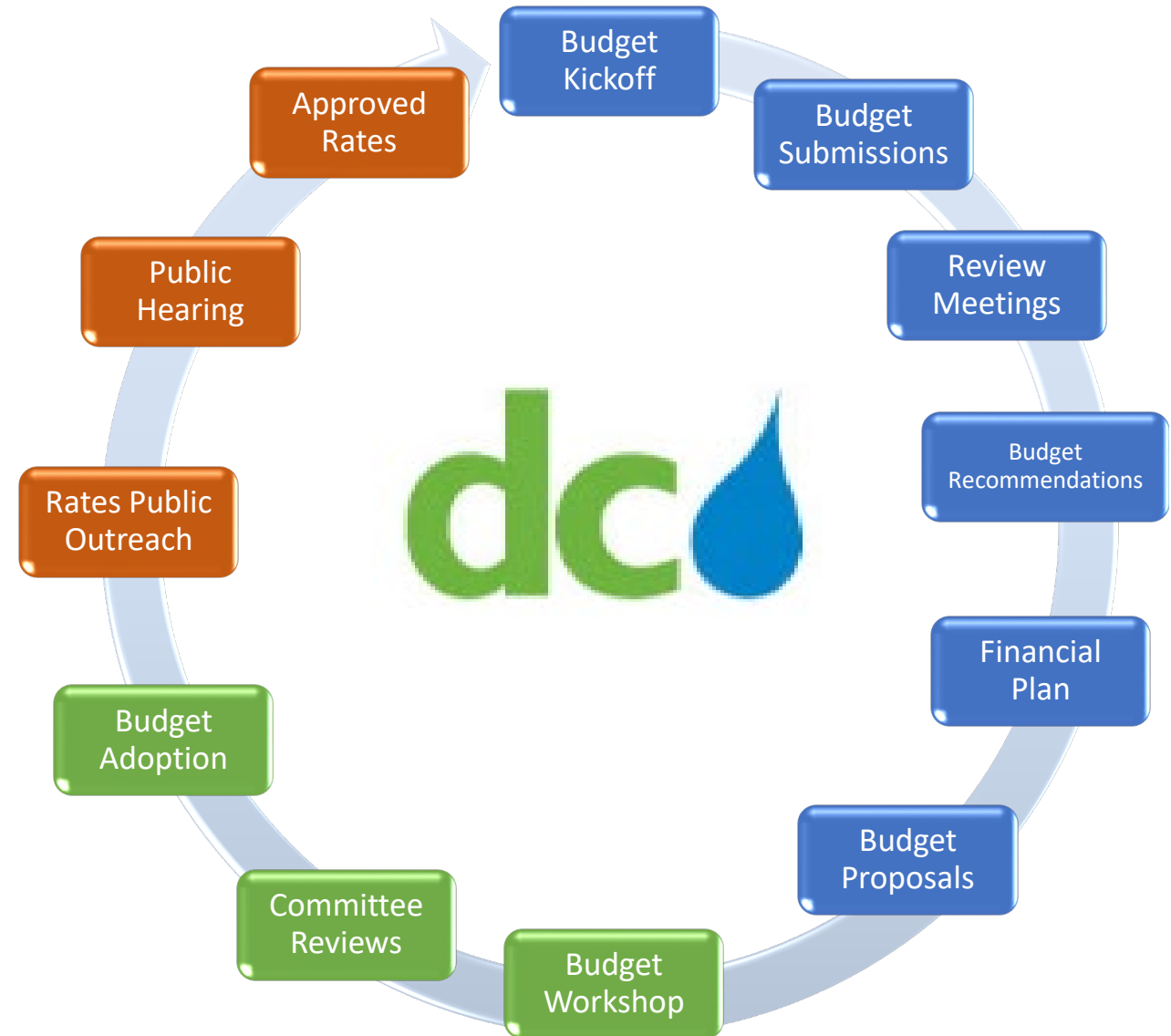


Blue Plains

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Executive Budget Summary

- 💧 **Preparation** of Proposed Budget
- 💧 Board review of proposals
 - Two months of detailed review by Finance and Budget, Environmental Quality and Operations, and Retail Rates Committees
- 💧 Customer **Briefings** and **Feedback**
 - Wholesale Customer Briefing
 - Office of People’s Counsel Budget Briefing
 - Town Halls in May 2024
- 💧 Board **Budget Adoption** on March 7, 2024
- 💧 **Public Hearing** on May 9, 2024
- 💧 **Board adoption** of rates on July 3, 2024
- 💧 Fiscal year begins on October 1, 2024



FY2024-2033 Capital Investments of \$7.7 billion



Fully funds DC Clean Rivers projects to meet Consent Decree requirements



\$347 million

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

Invests in the Aqueduct's capital infrastructure



\$732M

To continue lead service line replacements

Continues investment in Water & Sewer infrastructure



\$1.62 billion

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



\$1.92 billion

Ramps up to 1% rehabilitation for small/local sewer lines per year



Improves stormwater pump stations to relieve local flooding



Renovates Non-Process Facilities including the Historic Main Pump Station, Bryant Street Pump Station, non-process buildings at Blue Plains, laboratory upgrades, and solar installations

\$1.33 billion

Funds rehabilitation and upgrades at Blue Plains



FY 2025 Operating Budget of \$788.2 million

\$209.6 million

Funds salaries, steps, merit increases and bonus payments for 1325 employees, pays for Summer Internship and Apprenticeship programs and overtime primarily used for emergency response



\$23.8 million

PILOT & ROW payments to the District of Columbia

\$1.7 million

Implements the Leak Assessment Program for customers to repair property side leaks impacting water bills and continues initiatives to improve customer engagement and stakeholder communication



\$310 million

Other non-operational needs for debt service and Paygo for the capital program

paygo

\$100.5 million



Funds core operations including critical infrastructure and facilities maintenance and repairs, software technology, legal, compliance, insurance, audit services, biosolids hauling services, legal & government affairs, and workforce development

\$1.4 million



Funds the maintenance of the Green Infrastructure (GI) facilities to manage stormwater

\$141.2 million



Funds fixed and nondiscretionary costs for chemicals, critical spare parts, water purchases, and utilities

Budget is Aligned to Strategic Plan



\$732 million for **Lead Removal**; Increased research to **tackle contaminants** of emerging concern; robust **employee benefits**, wellness and **education assistance** programs



\$3.5 billion for **Critical Water and Sewer Infrastructure Investments**; Proactive and Predictive **Maintenance Programs**



Efforts to increase **water resiliency**; **Emergency Response** and Disaster Preparedness programs; **Enterprise Resilience** and **Risk Management** initiatives; **flood protection**



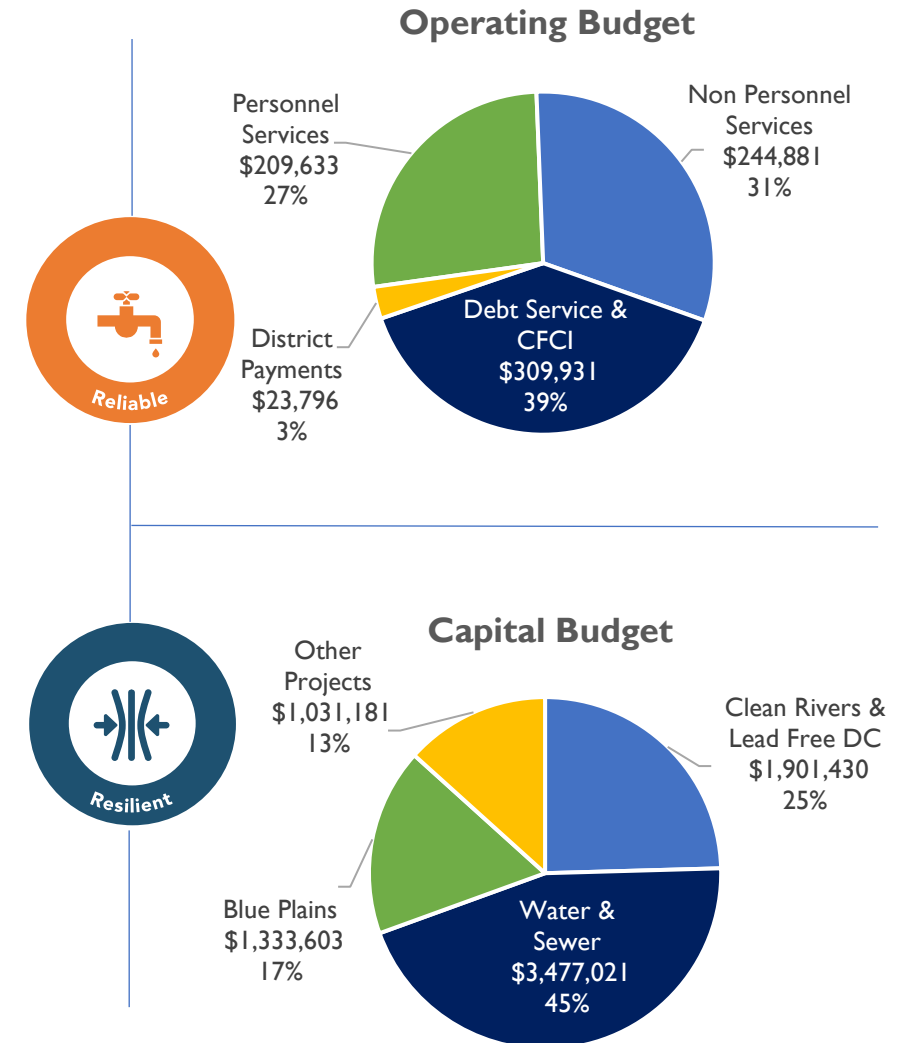
\$5 million for **New Customer Assistance Programs**; **Diversity and Equity** programs for certified businesses and local residents; **Apprenticeship program**



\$3.3 billion for **Clean Rivers**; maintenance of **green infrastructure** facilities; expanding **solar panel installations**; **reallocation of vacancies** to new needs

\$ in thousands

- Includes \$1.2 billion to complete the Clean Rivers Program by 2030
- Holds the line on authorized headcount at 1,325 by reallocating vacant positions to support in-house security functions and meet increased demand for procurement and compliance activities
- Allocates 58% of the operating budget for operations and maintenance including employee salaries and benefits, and 39% for debt service and PAYGO for the capital program
- Advances the Lead-Free DC Program with \$731.6 million
- Leverages Federal Funds, including those from the Bi-Partisan Infrastructure Law for lead removal, small diameter water line replacement, and Blue Plains upgrades
- Continues investment in aging water (\$1.62 billion) and sewer system (\$1.85 billion) in the approved \$7.7 billion CIP
- Expands our already robust Customer Assistance Programs



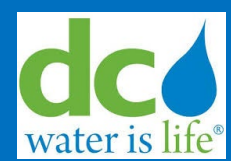
Approved Operating Budget of \$788.2 million

- Operations and Maintenance (O&M) budget of \$454.5 million for personnel and non-personnel
- Debt Service budget of \$249.5 million and Cash Financed Capital Improvements budget of \$60.4 million
- PILOT & ROW payments to the District of \$23.8 million or an increase of \$0.4 million

Approved 10-year Capital Improvement Program of \$7.74 billion

- Capital Projects – \$7.04 billion for mandated projects, equipment upgrades and rehabilitation at Blue Plains, and continued investments in the aging water and sewer infrastructure
- Capital Equipment – \$347.4 million equipment including pumps, motors, meters, backhoes, jet-vacs, catch basin trucks and other aged vehicles to meet operational needs
- Washington Aqueduct (WAD) – \$357.5 million for DC Water's share of WAD's capital program





Multi-Year Rate Proposal for FY 2025 and FY 2026

Proposed rate changes:

- Water and sewer rates increase by 8.0% for FY 2025 and 6.0% for FY 2026
- Proposed CRIAC of \$21.23 per ERU in FY 2025 and \$24.23 per ERU in FY 2026
- Right-of-Way Fee at \$0.19 per Ccf for FY 2025 and \$0.20 per Ccf for FY 2026
- PILOT Fee at \$0.61 per Ccf for FY 2025 and \$0.62 per Ccf for FY 2026
- Proposed Groundwater Rate of \$3.50 for FY 2025 and \$3.76 for FY 2026
- Proposed High Flow Filter Backwash Sewer Rate of \$3.32 for FY 2025 and \$3.54 for FY 2026

Rates and charges that remain the same:

- Customer Metering Fee remains at \$7.75 for 5/8” meters
- Water System Replacement Fee (WSRF) at \$6.30 for 5/8” meters

- Cost of Service Study aligned with rate proposal
- Combined rate increases lower than last year’s forecast

Change in Average Household Charge	Fiscal Year	
	2025	2026
Recommendation	4.8%	6.5%
Previous Forecast	7.0%	6.8%

Reflects updated changes based on cost of service study completed

💧 Tap Water is the affordable choice.

- Bottled water is 6,000% more expensive than tap water
- One gallon of bottled water costs \$1.23 per gallon on average*
- One gallon of DC Water costs \$0.02 per gallon



OR



*Source: International Bottled Water Association

💧 Tap Water is the environmental choice

- Americans purchase about 50 billion plastic water bottles per year
- Bottled water production and transportation requires tremendous energy and natural resources
- About 86% of empty plastic water bottles end up in the trash instead of being recycled
- Anacostia Riverkeeper says more than half of the trash floating in Anacostia River is from plastic water bottles
- New study found massive amounts of microscopic plastic in bottled water

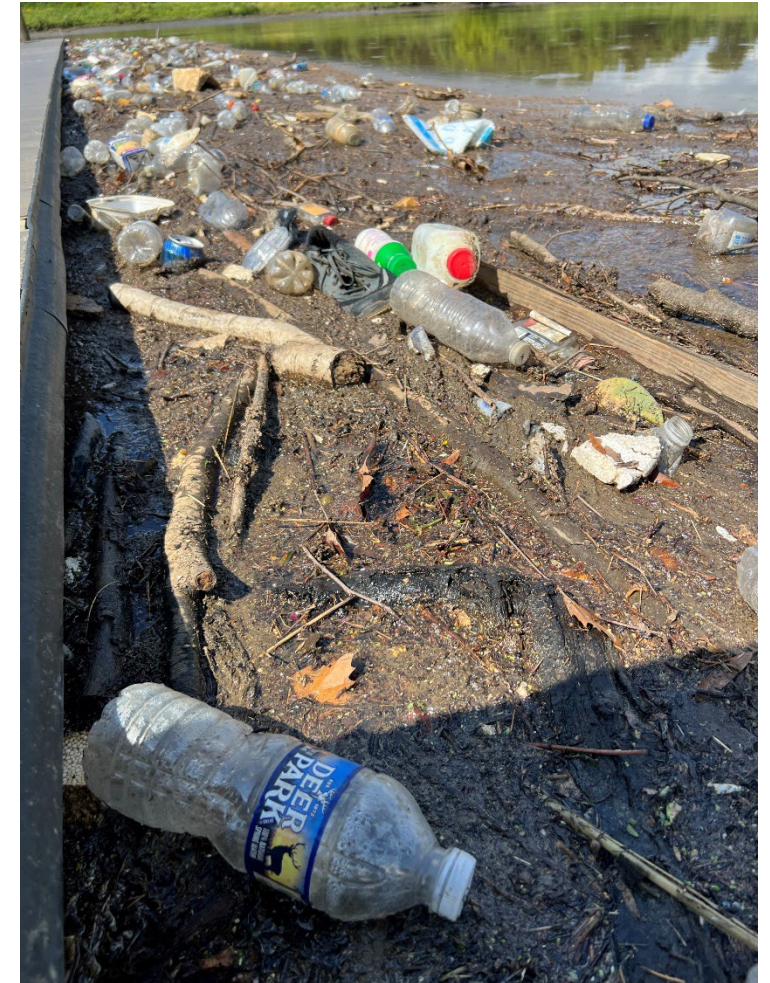
Researchers find a massive number of plastic particles in bottled water

UPDATED JANUARY 10, 2024 - 11:59 AM ET ©

By James Doubek



Researchers from Columbia University and Rutgers University found roughly 240,000 detectable plastic fragments in a typical liter of bottled water. Jody Amiet/AFP via Getty Images hide caption



💧 DC Water has some of the most robust customer assistance programs in the nation

- We know that some households cannot afford the vital service that we provide, so DC Water has implemented programs to help
- Household incomes up to \$152,100 (household of four) may qualify



For more information, please see:
<https://www.dewater.com/customer-assistance>



Customer Programs Recognized by EPA

Bill Discount

- DC Water offers programs with incomes up to 100% AMI
- **NEW** – **CAP+** program offers even more robust assistance to households with up to 20% MHI

Flexible Terms

- DC Water offers payment plans
- **NEW** – **Payment Plan Incentive Program** - Customers who meet the terms of their payment plans will have a credit to their arrears

Lifeline Rate

- **Lifeline Rate** provides a discount for the first four Ccfs of water
- Customers can save money a month if they can conserve water

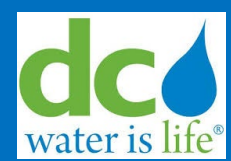
Temporary Assistance

- **SPLASH** program, paid for with customer, employee, and Board member contributions
- The new **Payment Plan Incentive Program** will provide a credit toward past-due balances for customers who meet terms of Payment Plans; paid for with the Rate Stabilization Fund

Water Efficiency

- **NEW** – \$500,000 **Leak Assessment** program will provide water audits to help customers identify the source of leaks and high bills

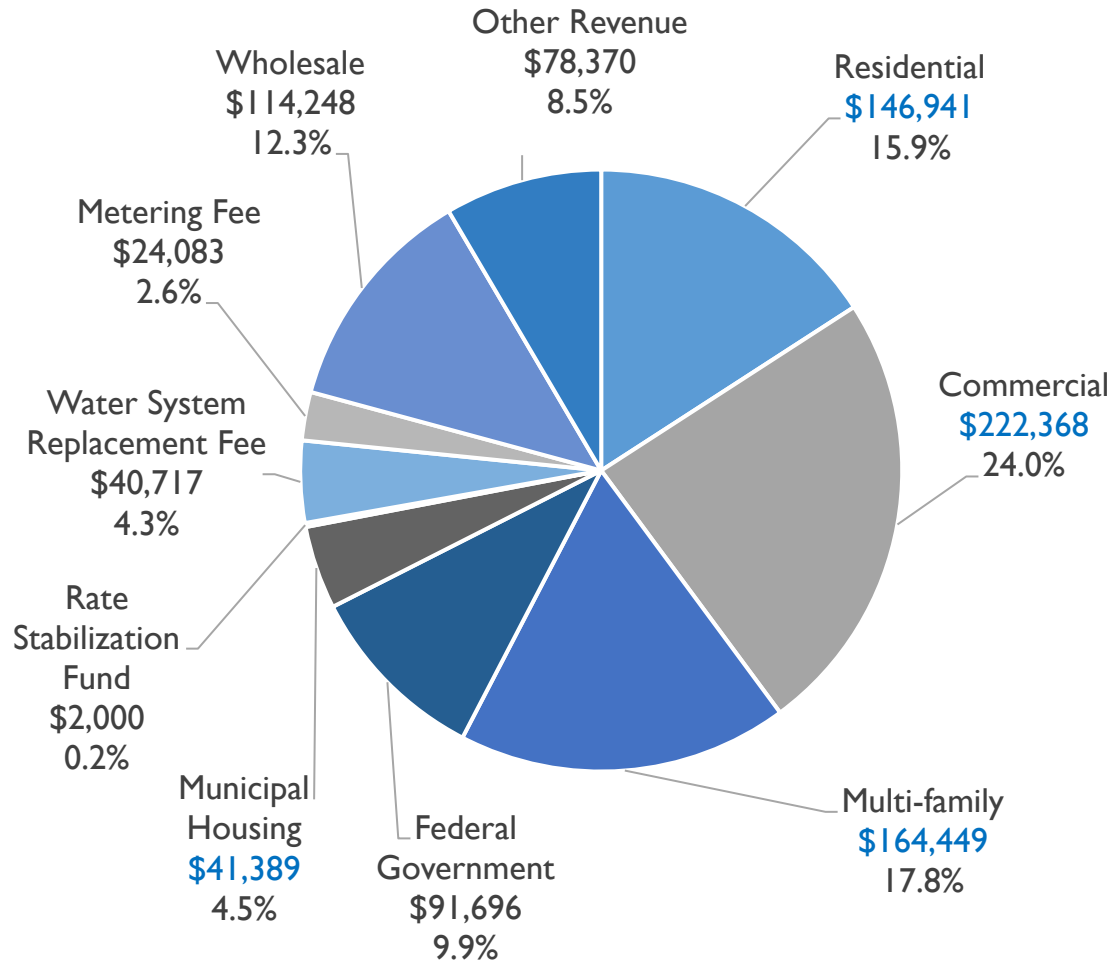




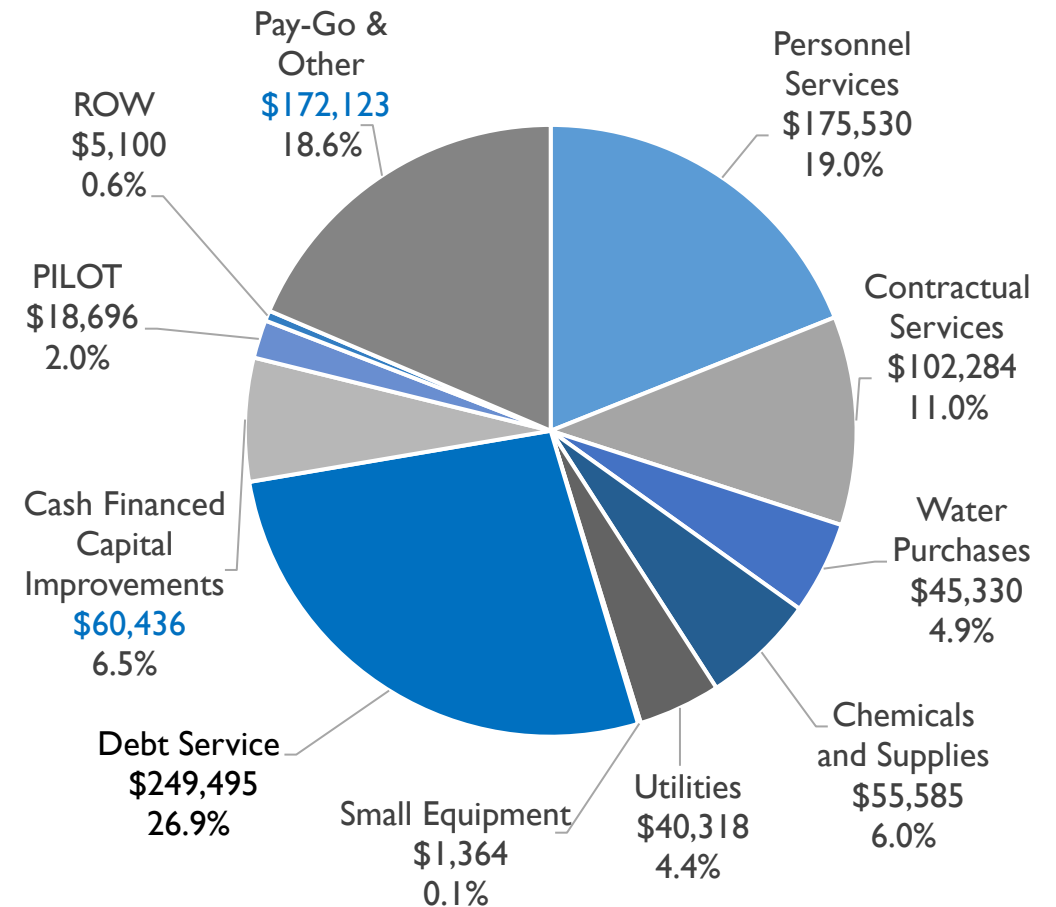
FY 2025 Operating: Sources and Uses of Funds

\$ in thousands

Sources - \$926.3 Million



Uses - \$926.3 Million

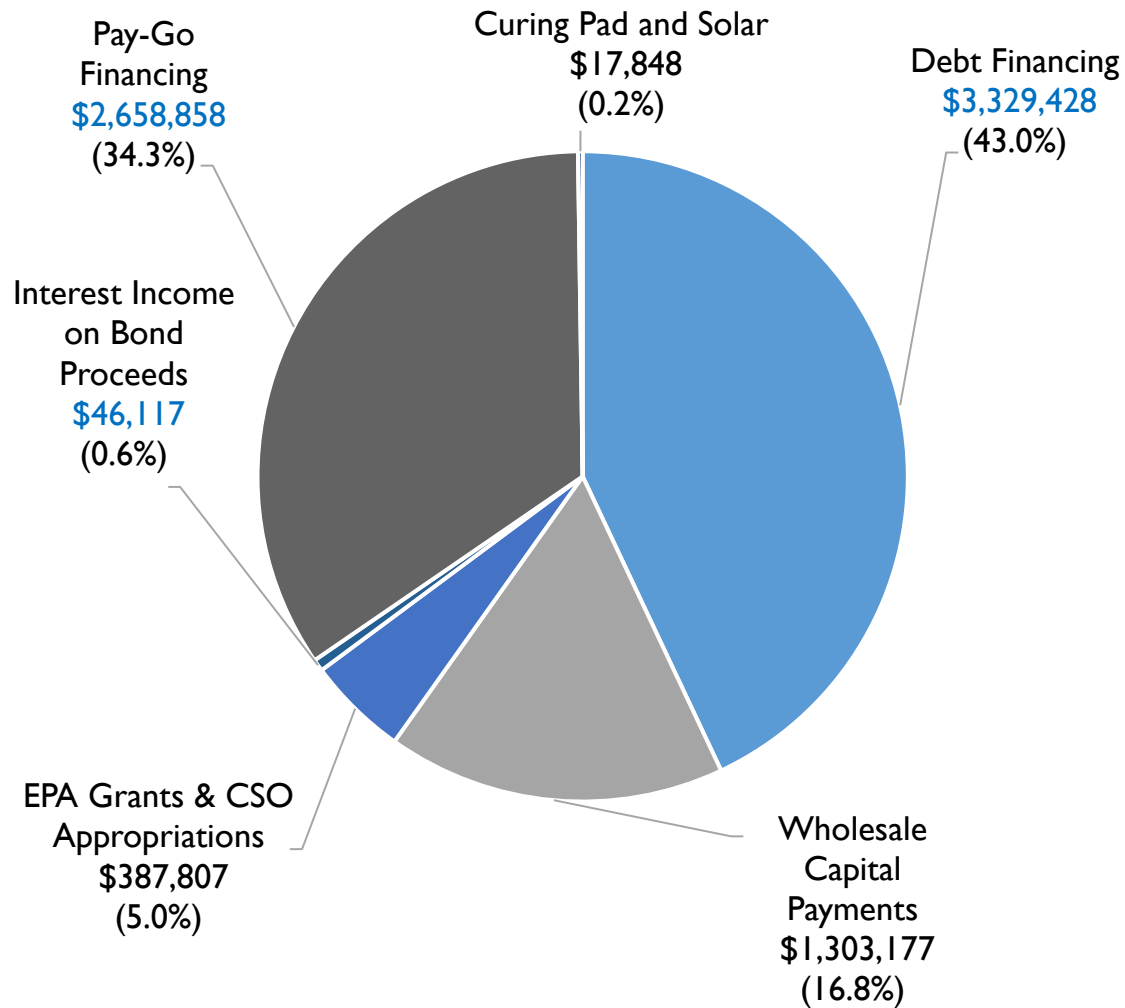


Reflects updated changes based on cost of service study completed

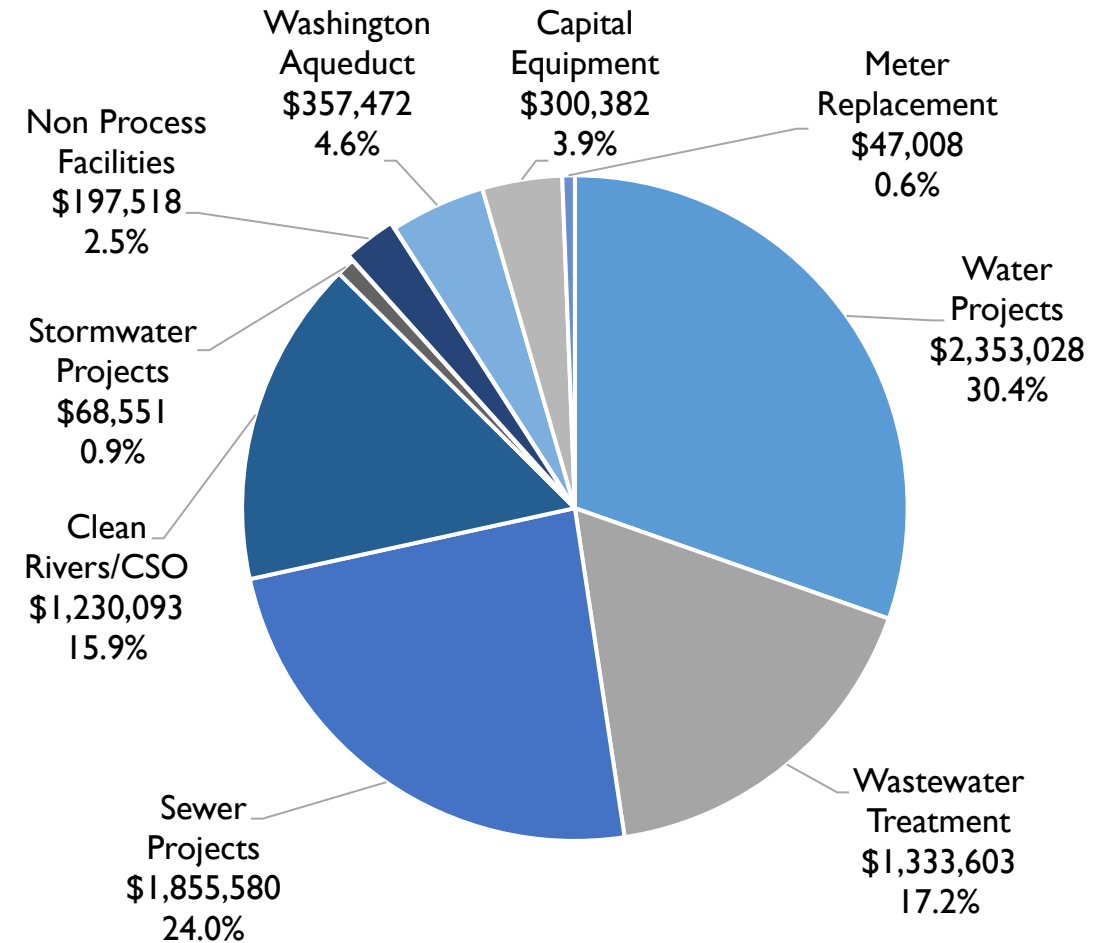
Ten Year CIP: Sources and Uses of Funds

\$ in thousands

Sources - \$7.74 Billion



Uses - \$7.74 Billion

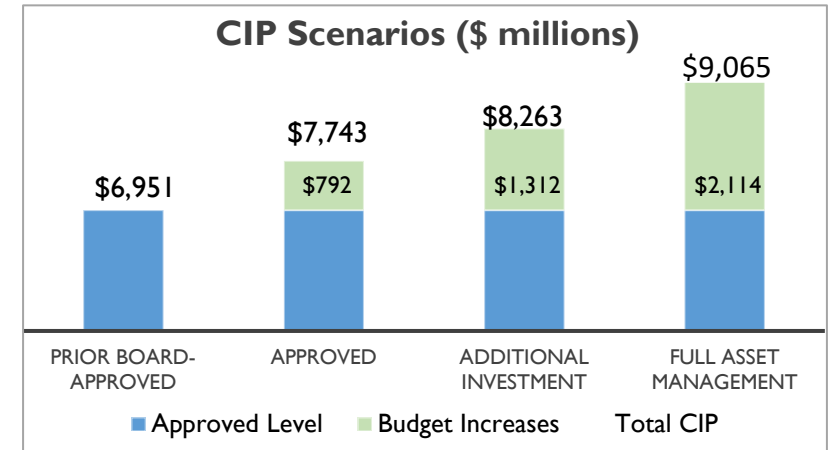


Reflects updated changes based on cost of service study completed

Capital Improvement Program

Multiple Capital Budget Scenarios Considered

- The budget process included the consideration, evaluation, and prioritization of various CIP scenarios including related rate and revenue impacts
- Approved CIP of \$7.7 billion
 - Funds two major ongoing “once in a generation” projects
 - Strikes a balance between necessary rate increases and critical capital investments



CIP Scenario	Description
Approved	Funds increases for the Potomac River Tunnel; advances Lead Free DC program; ramps up to 1.5% annual replacement rates for small diameter water mains and 1.0% for sewer rehabilitation; includes upgrades at Blue Plains, Non-Process Facilities and Washington Aqueduct etc.
Additional Investment	Would add additional investments at Blue Plains and ramp up to 2.0% annual replacement rates for small diameter water mains and 1.3% for sewer rehabilitation
Full Asset Management	Would ramp up to 2.5% annual replacement rates for small diameter water mains and 1.5% for sewer rehabilitation; funds projects at Blue Plains including implementation of innovative treatment processes and renewable energy projects

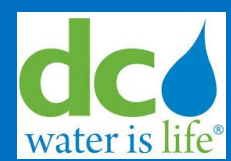
- 💧 The primary source of funding is Retail Rates and Wholesale Customer participation
- 💧 Growing the capital plan would increase customer rates higher than the Approved CIP

Projected FY 2024 – 2033	Approved CIP	Additional Investment	Full Asset Management
Size of Capital Plan	\$7.7 billion	\$8.3 billion	\$9.1 billion
Wholesale Contributions	\$1.3 billion	\$1.4 billion	\$1.4 billion
New debt anticipated to be issued	\$3.3 billion	\$3.6 billion	\$3.8 billion
FY 2033 Debt Service Costs	\$462.9 million	\$484.5 million	\$504.4 million
Average Rate Growth for Average Household	6.3%	6.8%	7.4%
FY 2033 Average Household Charge	\$229.50	\$241.52	\$253.26
Average Annual Bill Increase	\$10.43	\$11.64	\$12.81
10-year Cumulative Water Rate Increase	75.75%	82.75%	89.75%

💧 \$732 million allocated in FY 2025 and \$7.74 billion over the 10-year period for Infrastructure Improvements

- Fully funds the Clean Rivers Program including completion of the Potomac River tunnel to meet the consent decree requirement by 2030
- Allocates funding for the Lead-Free DC program
- Funds more than 150 miles of small diameter water main replacement
- Invests \$3.5 billion in the aging water and sewer system infrastructure
- Directs \$1.3 billion for major rehabilitation and upgrades at Blue Plains
- Allocates \$357.5 million for DC Water's share of the Aqueduct's infrastructure program
- Provides \$347.4 million for the purchase/replacement of vehicles, heavy-duty equipment, mechanical equipment, operational facilities, meters, office renovations, and IT projects

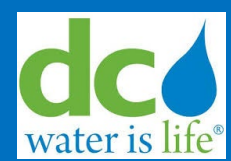




The Capital Improvement Program

- ▶ The **approved ten-year CIP budget of \$7.74 billion** includes annual spending estimates for capital construction, capital equipment and DC Water’s share of the Aqueduct’s capital projects
 - This includes a reduction of \$89.9 million in FY 2024 and an overall increase of \$792 million for the ten-year period compared to the Board-approved level
- ▶ The **approved lifetime budget is \$16.1 billion** and covers total commitments, including labor, for active projects prior to, during, and beyond the ten-year window

Cash Disbursements (\$ in thousands)	FY 2024 - FY 2033 Disbursement Plan											Last Years 10-yr	(Increase)/ Decrease	Lifetime Budget
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	10-yr Total			
NON PROCESS FACILITIES	\$ 13,074	\$ 19,900	\$ 25,190	\$ 27,461	\$ 17,775	\$ 35,413	\$ 23,100	\$ 13,283	\$ 14,977	\$ 7,345	\$ 197,518	\$ 141,246	\$ (56,272)	\$ 362,044
WASTEWATER TREATMENT	65,150	103,291	133,487	146,143	164,601	194,637	185,233	174,807	91,587	74,666	1,333,603	1,180,881	(152,722)	3,348,779
COMBINED SEWER OVERFLOW	123,793	213,408	231,323	216,615	193,750	154,800	92,363	4,041	-	-	1,230,093	1,062,875	(167,218)	3,430,748
STORMWATER	7,293	13,565	7,958	3,804	4,532	3,268	6,697	9,432	6,772	5,231	68,551	72,241	3,690	157,075
SANITARY SEWER	80,599	92,235	123,854	118,639	169,037	287,816	249,471	227,771	269,312	236,846	1,855,580	1,796,116	(59,464)	2,897,505
WATER	158,736	222,494	252,395	250,278	266,256	268,591	279,184	207,235	219,880	227,979	2,353,028	2,011,801	(341,227)	4,738,104
CAPITAL PROJECTS	\$ 448,646	\$ 664,893	\$ 774,206	\$ 762,940	\$ 815,951	\$ 944,526	\$ 836,048	\$ 636,568	\$ 602,528	\$ 552,067	\$ 7,038,373	\$ 6,265,159	\$ (773,214)	\$ 14,934,255
CAPITAL EQUIPMENT	30,535	31,477	31,839	30,523	37,169	37,169	37,169	37,169	37,169	37,169	347,390	347,390	-	347,390
WASHINGTON AQUEDUCT	35,546	35,770	35,770	35,770	35,770	35,770	35,770	35,770	35,770	35,770	357,472	338,518	(18,954)	357,472
ADDITIONAL CAPITAL PROJECTS	\$ 66,081	\$ 67,246	\$ 67,609	\$ 66,293	\$ 72,939	\$ 72,939	\$ 72,939	\$ 72,939	\$ 72,939	\$ 72,939	\$ 704,863	\$ 685,908	\$ (18,954)	\$ 704,863
LABOR														\$443,166
TOTAL CAPITAL BUDGETS	\$ 514,727	\$ 732,139	\$ 841,815	\$ 829,232	\$ 888,890	\$ 1,017,465	\$ 908,987	\$ 709,507	\$ 675,467	\$ 625,006	\$ 7,743,235	\$ 6,951,067	\$ (792,168)	\$ 16,082,284
Prior Year Board Approved CIP	\$ 604,671	\$ 784,064	\$ 838,249	\$ 859,188	\$ 892,646	\$ 841,454	\$ 677,036	\$ 507,647	\$ 444,676	\$ -	\$ 6,951,067			
Delta (inc)/dec	\$89,944	\$51,925	(\$3,566)	\$29,955	\$3,756	(\$176,011)	(\$231,951)	(\$201,860)	(\$230,791)	(\$625,006)	(\$792,168)			

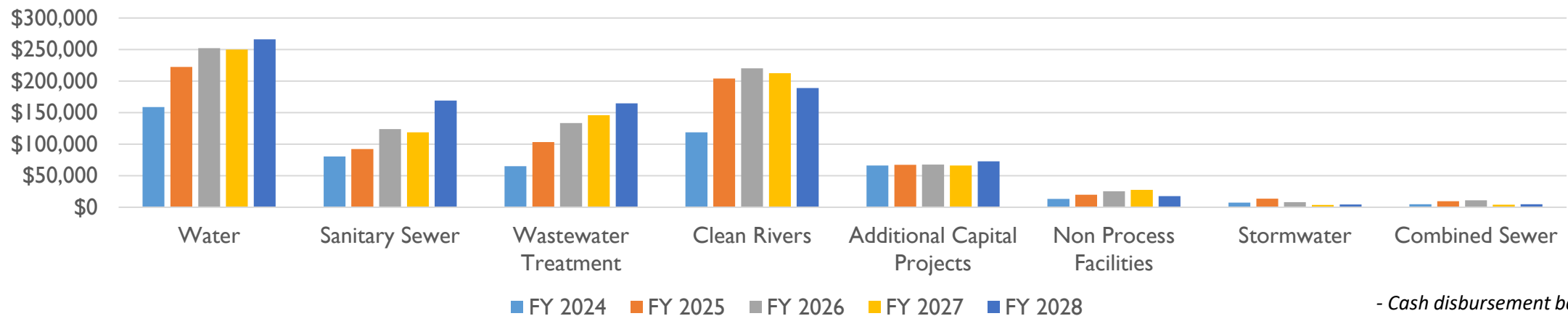


Near Term of the 10-Year CIP

- DC Water is proceeding with the increased investment in water and sewer projects as we advance the Lead-Free DC Program and approach the completion of the Clean Rivers tunneling program
 - Significant growth in water projects from \$159 million in FY 2024 to \$279 million by FY 2030
 - Lead-Free DC Program accounts for 39% of overall spending on water projects in FY 2024 and increases to 40% in FY 2027
 - Spending on sewer projects will more than double from \$81 million in FY 2024 to \$169 million by FY 2028
 - Critical rehabilitation and equipment upgrades at Blue Plains with spending growth from \$65 million in FY 2024 to \$195 million in FY 2029
 - Clean Rivers program is anticipated at 23% of the overall CIP in FY 2024, but only 9% by FY 2030 when the Potomac River Tunnel is completed
 - Spending on additional capital projects covers capital equipment and infrastructure improvements at the Aqueduct

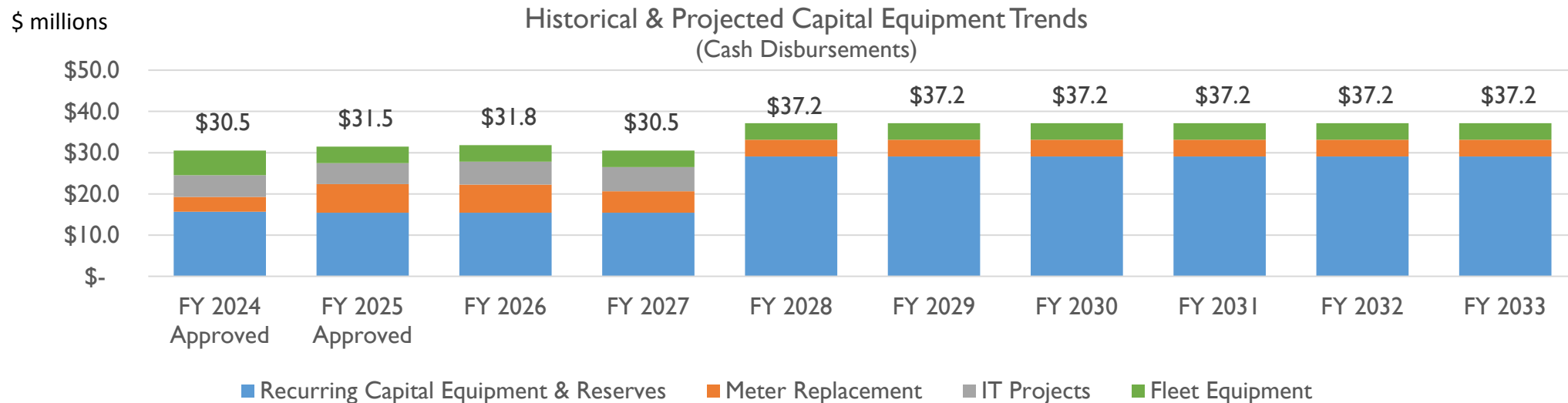
\$ in thousands

Projected Capital Disbursements – Near term of 10-Year CIP
(FY 2024 - FY 2028)

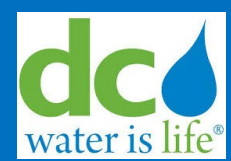


- Cash disbursement basis

- 💧 The Approved FY 2025 budget is \$31.5 million, a net increase of \$1 million compared to the FY 2024 budget
- 💧 Ten-year disbursements of \$347.4 million for capital equipment includes :
 - **Recurring Capital Equipment and Reserves** – This covers the purchase/replacement of pumps, motors, HVACs, roof, renovations, laptops, computers, servers, fire hydrants and includes the Authority-wide reserves for new facilities and unplanned equipment needs
 - **Information Technology (IT) Projects** – Funds new projects and upgrades to various Authority-wide technology systems
 - **Fleet Equipment** – Earmarks funding to ensure that crews have the required equipment such as backhoes, jet-vacs, small and large dump trucks to meet operational needs



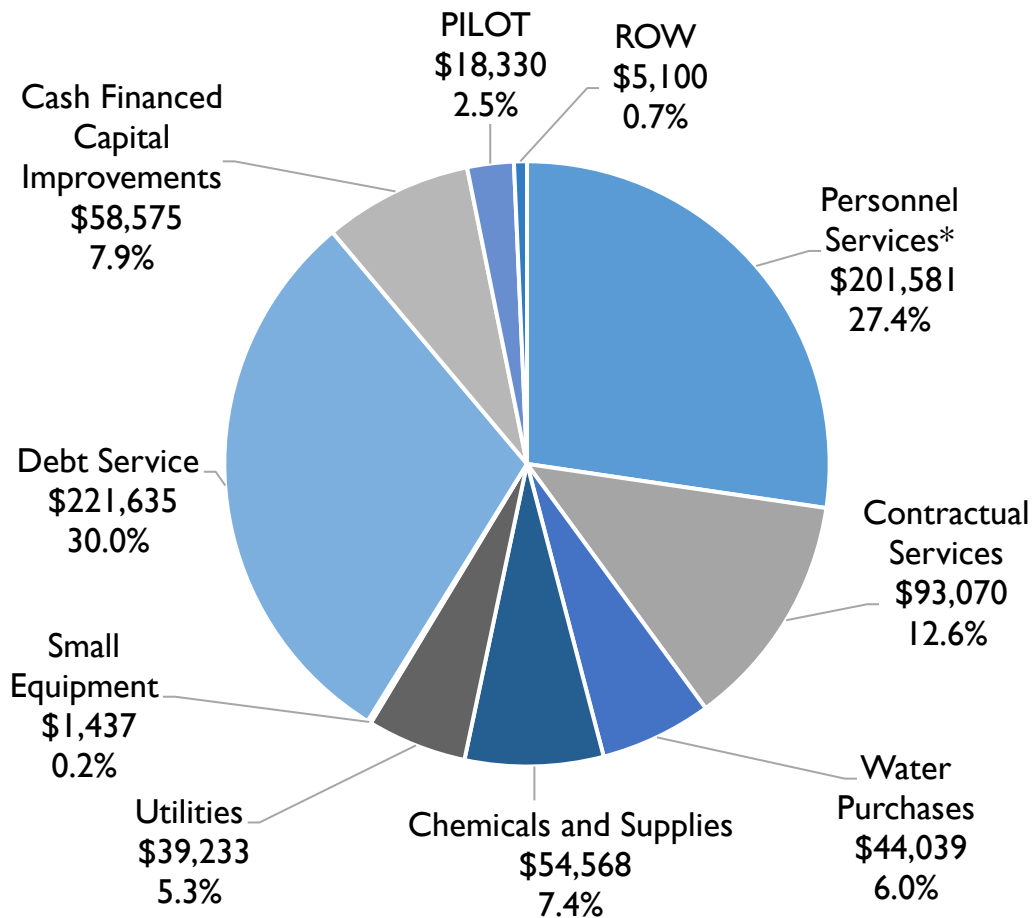
Operating Budget



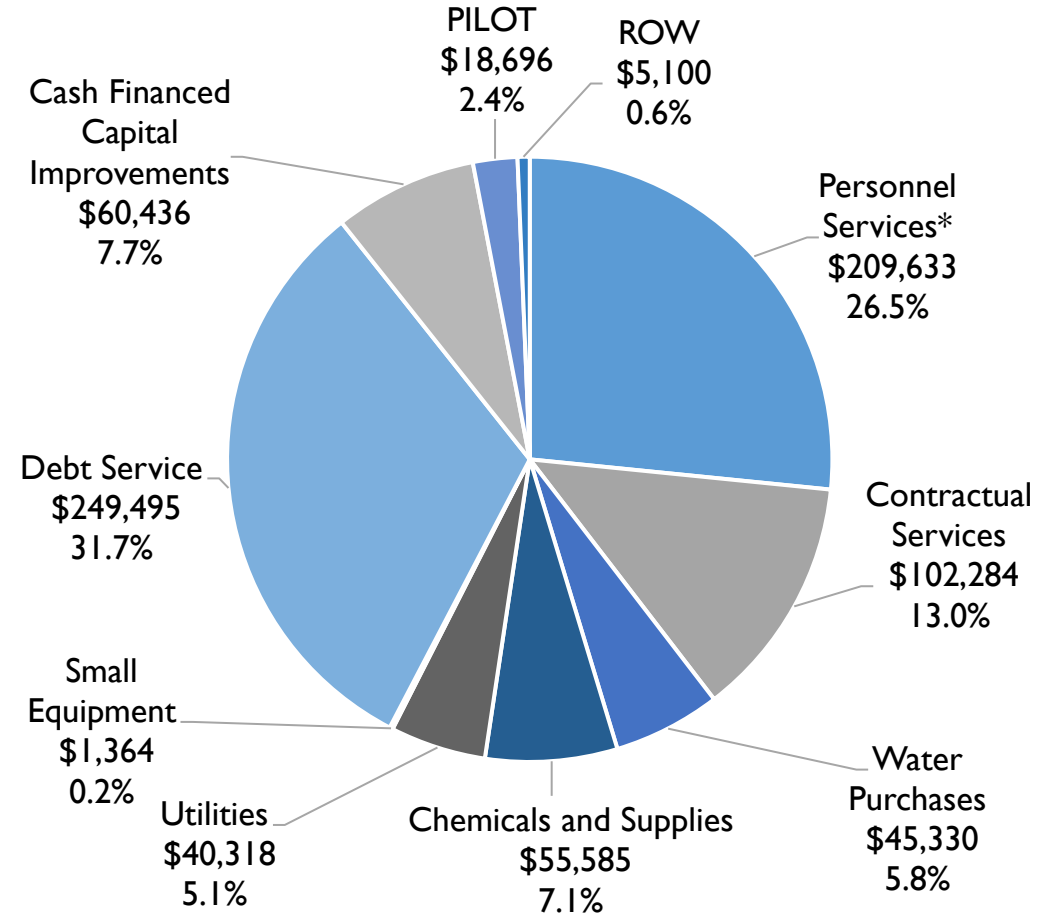
FY 2024 vs. FY 2025 Operating Budget

\$ in thousands

Revised FY 2024 \$737,567



Approved FY 2025 \$788,241



* Personnel Services include capital labor charges

Operating Budget Comparison by Cost Category

💧 **FY 2024** – Revised budget reflects reprogramming of \$10.3 million from debt service to CFCI with no changes to the overall adopted budget

💧 **FY 2025** – Approved operating budget is \$788.2 million, an increase of \$50.7 million or 6.9%

- O&M Increase - \$20.6 million increase for salary adjustments and critical maintenance requirements
- Non O&M - \$30.1 million increase mainly for debt service and paygo to support the capital program

(\$000's)	FY 2024	FY 2025	(Increase)/ Decrease	
	Revised Budget	Approved Budget	\$	%
Regular Pay	\$ 147,203	\$ 154,120	\$ (6,918)	-4.7%
Benefits	45,869	46,409	(541)	-1.2%
Overtime	8,509	9,103	(594)	-7.0%
Total Personnel Services	201,581	209,633	(8,052)	-4.0%
Chemical and Supplies	54,568	55,585	(1,017)	-1.9%
Utilities	39,233	40,318	(1,085)	-2.8%
Contractual Services	93,070	102,284	(9,213)	-9.9%
Water Purchases	44,039	45,330	(1,291)	-2.9%
Small Equipment	1,437	1,364	73	5.1%
Total Non-Personnel Services	232,347	244,881	(12,533)	-5.4%
Total Operations & Maintenance	\$ 433,928	\$ 454,513	\$ (20,586)	-4.7%
Debt Service	221,635	249,495	(27,860)	-12.6%
PILOT & ROW	23,430	23,796	(367)	-1.6%
Cash Financed Capital Improvements (CFCI)	58,575	60,436	(1,862)	-3.2%
Total Non-O&M	303,639	333,728	(30,088)	-9.9%
Total Operating Expenditure	\$ 737,567	\$ 788,241	\$ (50,674)	-6.9%
Capital Labor Charges	(31,974)	(34,087)	2,113	-6.6%
Net Operating Expenditure	\$ 705,593	\$ 754,154	\$ (48,561)	-6.9%

- **Personnel Services** – \$7.5 million increase mainly for salaries, vacancy adjustments and health benefits costs for 1325 FTEs. Funds steps, merit increases and bonus payments for existing employees and pays for Summer Internship and Apprenticeship programs. Additional increase of \$0.6 million in overtime costs needed for emergency response activities
- **Chemicals & Supplies** – \$1.0 million increase in parts and supplies needed for the maintenance of equipment and various facilities. The approved budget for major chemicals remains relatively flat compared to the FY 2024 approved level
- **Utilities** – \$1.1 million increase mainly in water usage due to changes made in the treatment process at the Plant, and slight increases in costs for electricity and telecommunications based on current forecasts
- **Contracts** – \$9.2 million increase mainly for the maintenance and repairs of operational facilities, critical equipment, software systems, rising cost of insurance premiums and various professional services including hauling and disposal, biosolids hauling, high pressure high vacuum and industrial cleaning, tree root foaming, and security guards
- **Water Purchase** – \$1.3 million increase is based on the Aqueduct’s projected operating costs, including DC Water’s share of the McMillan Sewer backwash (\$2.6 million) with offsetting revenue opportunity
- **Small Equipment** – Overall budget of \$1.4 million is relatively flat compared to the approved FY 2024 level
- **Non-O&M** – Increase of \$29.7 million for debt service and CFCI/PAYGO to support the capital program. Additionally, there is an increase of \$0.4 million for PILOT payments to the District consistent with the MOU

- 💧 Budget for Cash Financed Capital Improvements (CFCI) serves as a contingency
 - Budgeted funds are used as pay-as-you-go (PAYGO) capital funding
 - If operating costs exceed budget, CFCI is reprogrammed out and PAYGO is reduced
 - If operating costs are less, unspent budget will be reprogrammed to CFCI and used as PAYGO, reducing debt service costs for all customers

Chemicals and Energy

- Market volatilities and impact on unit prices
- Onsite energy optimization, solar project output & timeline, rain events and process optimization

Contractual Services

- Equipment & Facilities - Parts, equipment and maintenance requirement for tunnels, treatment facilities and the new buildings for Fleet Services and Sewer Services
- Litigation & Insurance - Impacts of unanticipated legal cases, insurance policy requirements and workers compensation claims
- Impact of inflation on professional services



Personnel Costs

- Overtime during emergencies, increased healthcare cost, lower than anticipated vacancy rate, and other adjustments typically funded by vacancies
- Impacts of the Labor Compensation Agreement with the five unions which expired September 30, 2023

Emerging/New Legislation

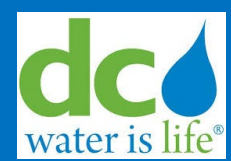
- *Newly introduced Water Bill Tenant Empowerment and Management Amendment Act of 2023* – changes to the water shutoff code will have a significant impact on delinquencies and related revenue requirement and debt service costs

Operating Revenues, Rates and Fees

- DC Water recovers only the funds necessary to fund the Operating and Capital Budgets through rates
- One of the fastest growing expenditure category is debt service for the capital program, which has grown an average of 6.2% a year since 2016
- As part of the budget, DC Water presents the rates required to support the CIP and forecasted operating expenditures
 - Rates are reviewed and approved by 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 every year
 - In FY 2021 the discount was increased for customers in the CAP program to ensure that rates comprised a lower portion of household income
 - Proposed new programs for FY 2025 are CAP+, Payment Incentive, Leak Assessments



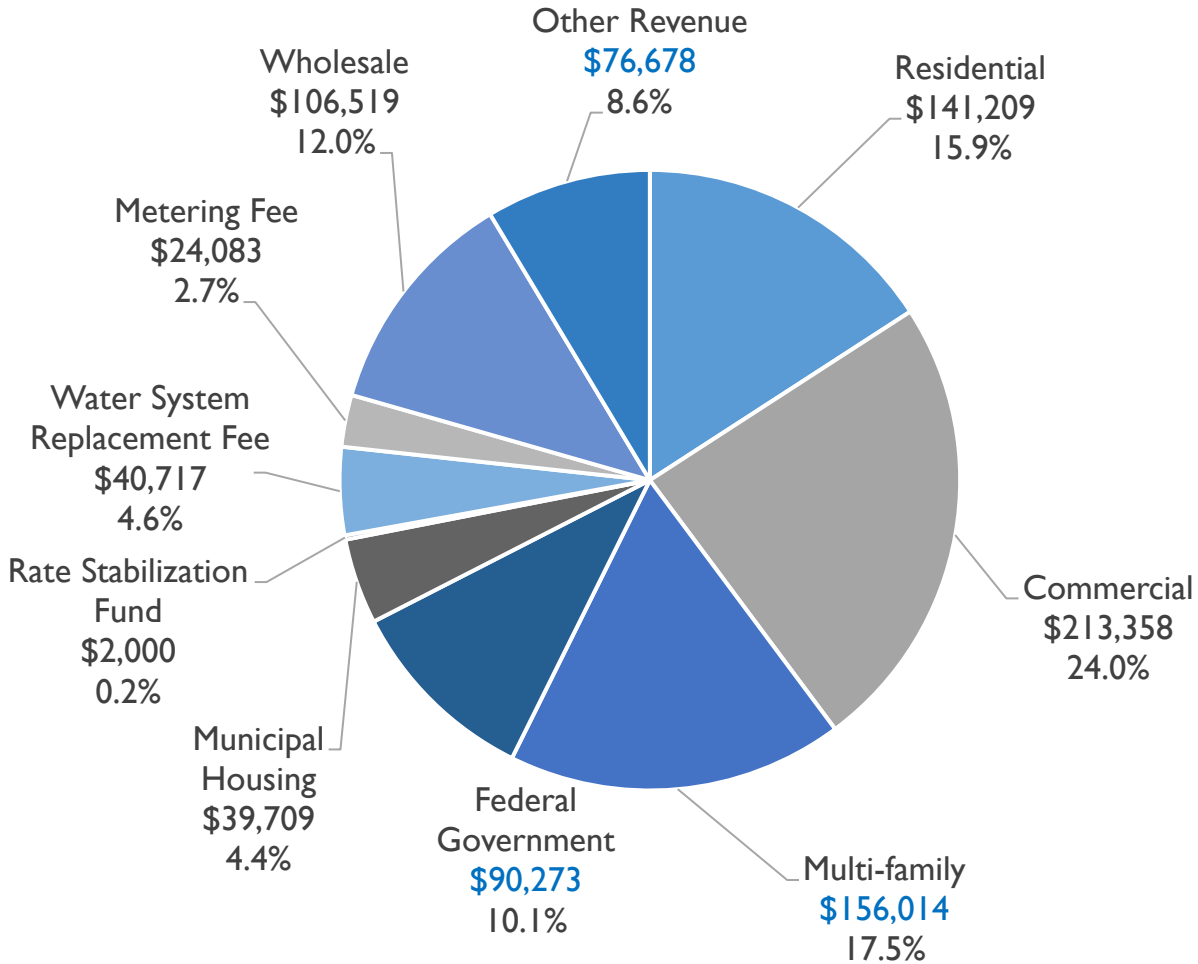
- 💧 DC Water conducts Cost of Service Study every two-years to fully align the study with the multi-year rate proposal
 - Objectives of the COS Study: (i) Revenue Sufficiency, (ii) Cost of Service Recovery, (iii) Simplicity and (iv) Affordability
 - The results of the 2024 COS Study support the multi-year rate, charges and fee proposals for FY 2025 and FY 2026
- 💧 Independent Review of the Proposed FY 2024 and FY 2025 Rates was conducted by consultants
 - The review concluded that the rates have been reasonably developed, reflect the anticipated revenue requirements of the System, adhere to Board policy and are comparable to other utilities
 - The affordability assistance provided by DC Water is robust compared to other utilities, providing a meaningful impact on a customer bill
- 💧 Detail information on the Proposed Rates, COS Study, and Independent Review can be found at:
<https://www.dewater.com/ratemaking-process>



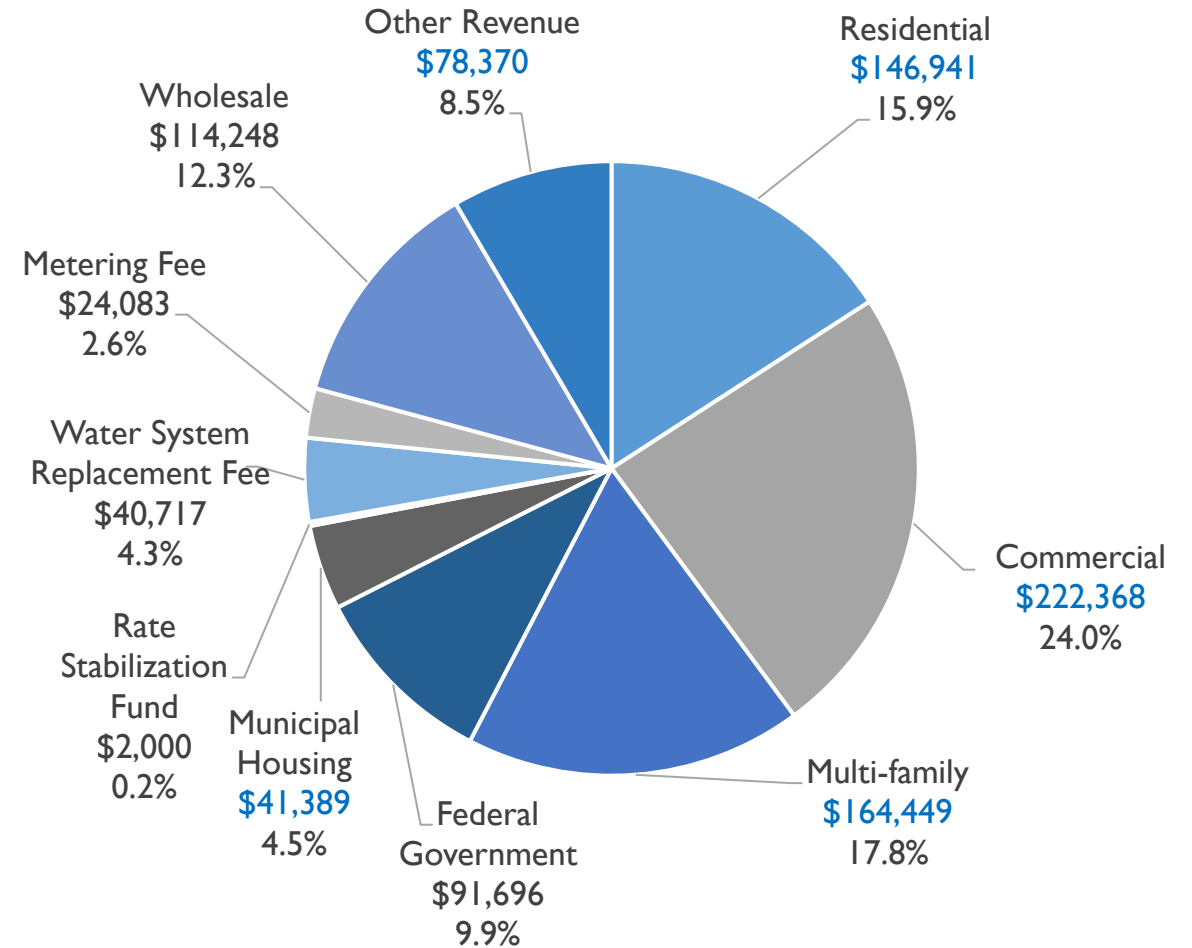
FY 2024 vs. FY 2025 Operating Revenues

\$ in thousands

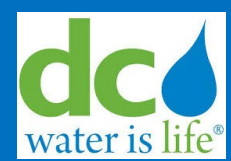
Revised FY 2024 \$890.6 million



Proposed FY 2025 \$926.3 million



Reflects updated changes based on cost of service study completed



Revenue Comparison by Customer Class

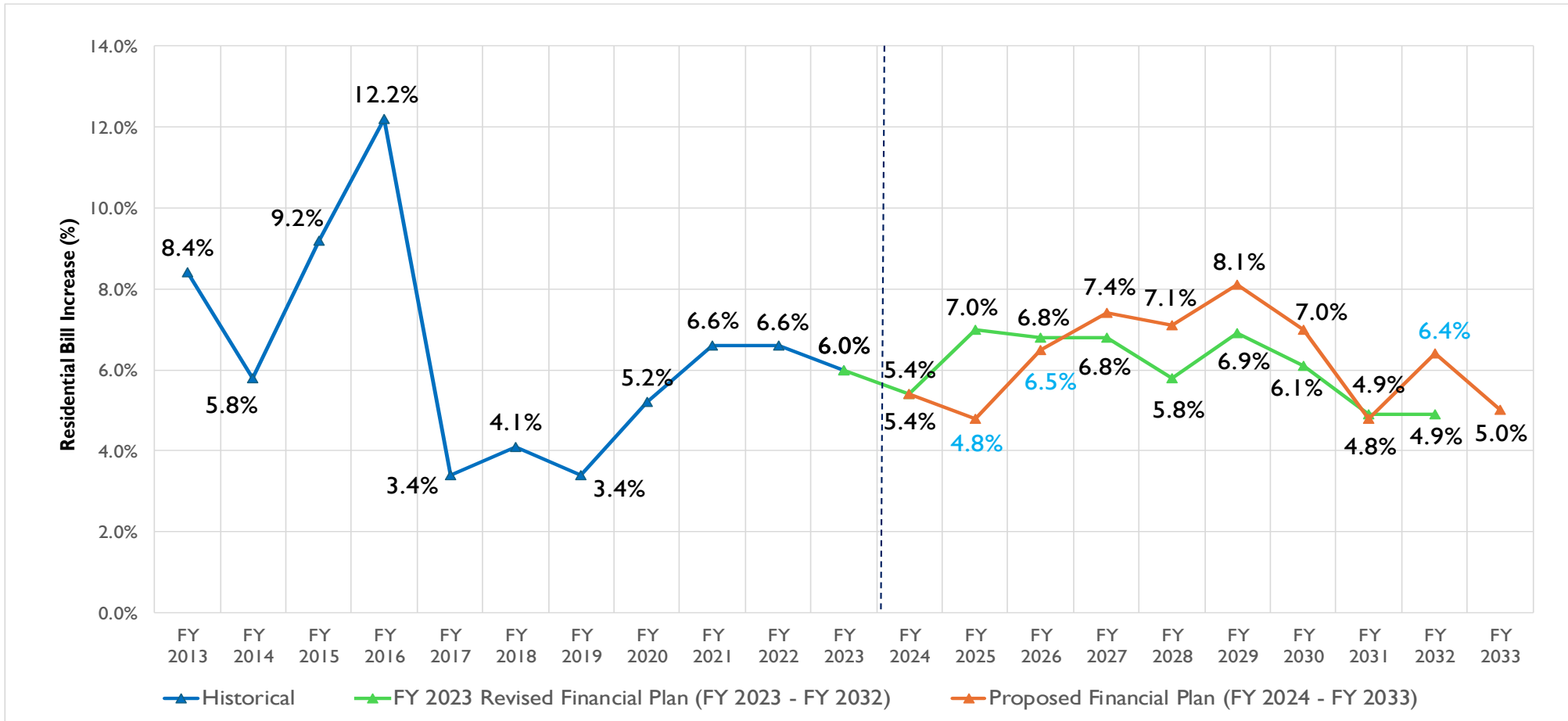
- Total revenue is projected to increase by \$35.7 million or 4.0% for FY 2025 and \$51.2 million or 5.5% for FY 2026 mainly due to rate increase
 - Retail Revenue – Increase by \$26.3 million or 3.7% in FY 2025 and \$43.5 million or 5.9% in FY 2026
 - Wholesale Revenue – Increase by \$7.7 million or 7.3% in FY 2025 and \$6.7 million or 5.8% for FY 2026 due to operations and maintenance expense projection. Revenue estimates are based on most recent flow data

\$ in thousands	Revised FY 2024	Proposed FY 2025	Proposed FY 2026	FY 2025 vs FY 2024		FY 2026 vs FY 2025	
				Incr/(Decr)		Incr/(Decr)	
				\$	%	\$	%
Retail Revenue	\$705,362	\$731,643	\$775,094	\$26,281	3.7%	\$43,451	5.9%
Wholesale Revenue							
Potomac Interceptor (PI)	3,547	3,547	3,547	-	0.0%	-	0.0%
Loudoun County Sanitation Authority (LCSA)	9,539	10,450	11,045	911	9.6%	595	5.7%
Washington Suburban Sanitary Commission (WSSC)	74,959	79,591	84,441	4,632	6.2%	4,850	6.1%
Fairfax County	18,475	20,660	21,872	2,185	11.8%	1,212	5.9%
Total Wholesale Revenue	\$106,520	\$114,248	\$120,905	\$7,728	7.3%	6,657	5.8%
Other Revenue	76,678	78,370	81,456	1,692	2.2%	3,086	3.9%
Rate Stabilization Fund (RSF)	2,000	2,000	-	-	0.0%	(2,000)	-100.0%
Total Revenues	\$890,560	\$926,261	\$977,455	\$35,701	4.0%	\$51,194	5.5%

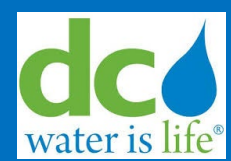
Reflects updated changes based on cost of service study completed

Historical and Projected Combined Rate Increases

- FY 2025 and FY 2026 are proposed rates, which are slightly lower than previously estimated because of increase in projected revenues mainly due to higher consumption forecast
- In FY 2027 and beyond, forecasted rates are slightly higher than previously estimated due to higher costs



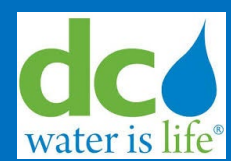
Reflects updated changes based on cost of service study completed



Proposed FY 2025 & FY 2026 Rates, Charges & Fees

	Units	Current FY 2024	Proposed FY 2025	Proposed FY 2026	Incr. /(Decr.) FY 2025		Incr. /(Decr.) FY 2026	
					\$	%	\$	%
					DC Water Retail Rates – Water:			
Residential – Lifeline (0- 4 Ccf)	Ccf	\$4.38	\$5.21	\$5.78	\$0.83	18.9%	\$0.57	10.9%
Residential – (> 4 Ccf)	Ccf	5.70	6.81	7.60	1.11	19.5	0.79	11.6
Multi-family	Ccf	5.00	5.82	6.47	0.82	16.4	0.65	11.2
Non-Residential	Ccf	5.89	7.03	7.84	1.14	19.4	0.81	11.5
DC Water Retail Rates – Sewer	Ccf	11.70	12.07	12.52	0.37	3.2	0.45	3.7
DC Water Clean Rivers IAC	ERU	21.86	21.23	24.23	-0.63	-2.9	3.00	14.1
DC Water Customer Metering	5/8”	7.75	7.75	7.75	-	-	-	-
DC Water System Replacement	5/8”	6.30	6.30	6.30	-	-	-	-
District of Columbia PILOT Fee	Ccf	0.61	0.61	0.62	-	-	0.01	1.6
District of Columbia Right of Way	Ccf	0.19	0.19	0.20	-	-	0.01	5.3
District of Columbia Stormwater	ERU	2.67	2.67	2.67	-	-	-	-

*Rate impact in FY2025 is 8.0% and 6.0% in FY2026 and that has bill impact of 4.8% in FY2025 and 6.5% in FY2026. The shift in the balance between water and sewer rates has been determined by the recent cost of service study.



Average Residential Customer Monthly Bill

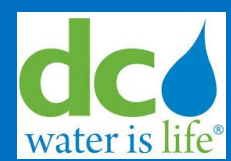
	Units	Current FY 2024	Proposed FY 2025	Proposed FY 2026
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 89.03	\$ 95.93	\$ 101.77
DC Water Clean Rivers IAC ⁽²⁾	ERU	21.86	21.23	24.23
DC Water Customer Metering Fee	5/8"	7.75	7.75	7.75
DC Water Water System Replacement Fee ⁽⁴⁾	5/8"	6.30	6.30	6.30
Subtotal DC Water Rates & Charges		\$ 124.94	\$ 131.21	\$ 140.05
Increase / Decrease		\$ 6.68	\$ 6.27	\$ 8.84
District of Columbia PILOT Fee ⁽¹⁾	Ccf	\$ 3.31	\$ 3.31	\$ 3.36
District of Columbia Right-of-Way Fee ⁽¹⁾	Ccf	1.03	1.03	1.08
District of Columbia Stormwater Fee ⁽³⁾	ERU	2.67	2.67	2.67
Subtotal District of Columbia Charges		\$ 7.01	\$ 7.01	\$ 7.11
Total Amount Appearing on DC Water Bill		\$ 131.95	\$ 138.22	\$ 147.16
Increase / Decrease Over Prior Year		\$ 6.79	\$ 6.27	\$ 8.94
Percent Increase in Total Bill		5.4%	4.8%	6.5%

(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 the 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 2024	Proposed FY 2025	Proposed FY 2026
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 89.03	\$ 95.93	\$ 101.77
DC Water Clean Rivers IAC ⁽⁵⁾	ERU	21.86	21.23	24.23
DC Water Customer Metering Fee	5/8"	7.75	7.75	7.75
DC Water Water System Replacement Fee ⁽³⁾	5/8"	6.30	6.30	6.30
Subtotal DC Water Rates & Charges		\$ 124.94	\$ 131.21	\$ 140.05
Increase / Decrease		\$ 6.68	\$ 6.27	\$ 8.84
District of Columbia PILOT Fee ⁽²⁾	Ccf	\$ 3.31	\$ 3.31	\$ 3.36
District of Columbia Right-of-Way Fee ⁽²⁾	Ccf	1.03	1.03	1.08
District of Columbia Stormwater Fee ⁽⁴⁾	ERU	2.67	2.67	2.67
Subtotal District of Columbia Charges		\$ 7.01	\$ 7.01	\$ 7.11
Total Amount		\$ 131.95	\$ 138.22	\$ 147.16
Less: CAP Discount (4Ccf per month)		(67.52)	(72.32)	(76.48)
CAP Discount (100% WSRF per month)		(6.30)	(6.30)	(6.30)
CAP Discount (50% CRIAC per month)		(16.40)	(15.92)	(18.17)
Total CAP Discount		(90.22)	(94.54)	(100.95)
Total Amount Appearing on DC Water Bill		\$ 41.73	\$ 43.68	\$ 46.21
Increase / Decrease Over Prior Year		\$ 1.76	\$ 1.95	\$ 2.53
CAP Customer Discount as a Percent of Total Bill		-68.37%	-68.40%	-68.60%

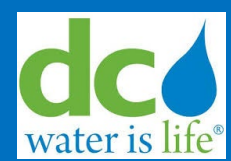
(1) Assumes average monthly consumption of 5.42 Ccf, or (4,054 gallons)

(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

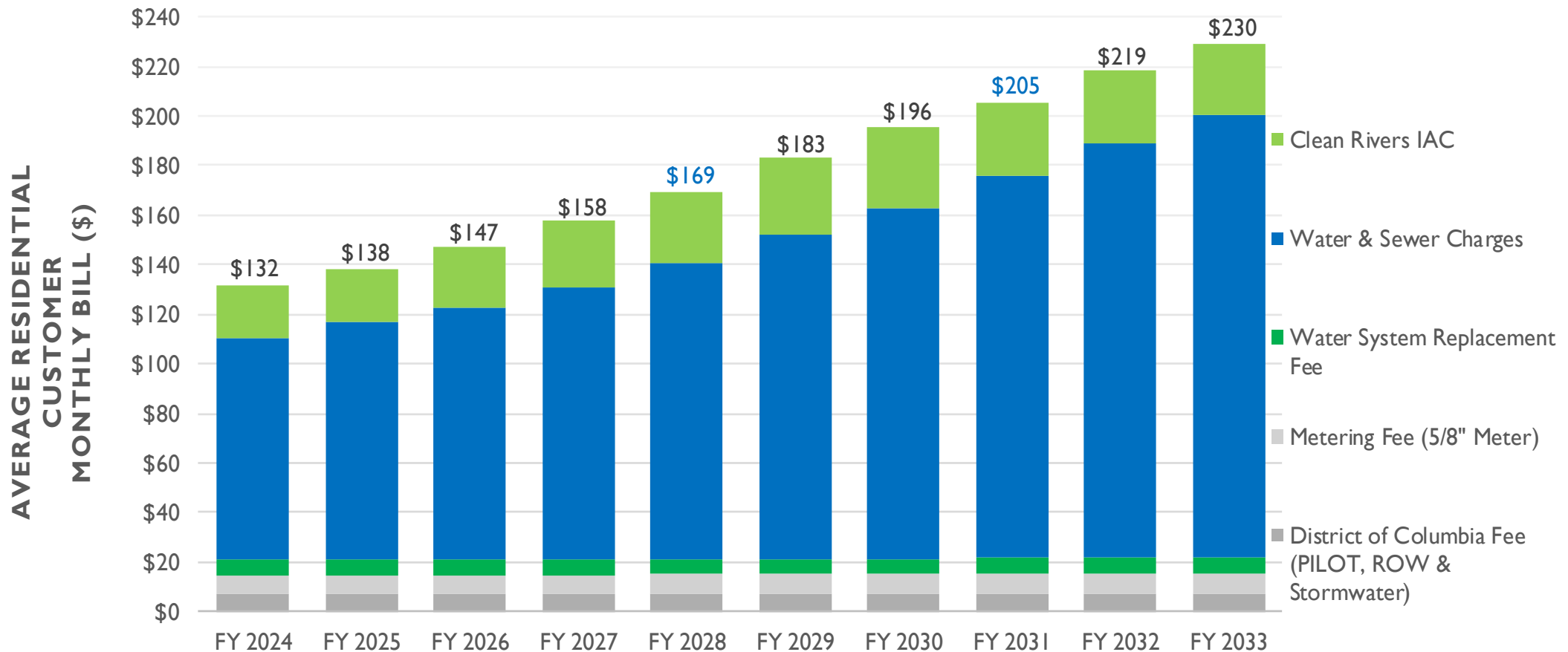
(4) District Department of the Environment stormwater fee of \$2.67 effective November 1, 2010

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



Projected Average Residential Customer Bill

Projected average monthly residential customer bill ranges from \$132 in FY 2024 to \$230 in FY 2033



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

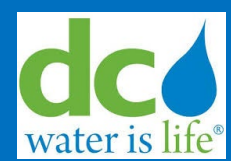
Financial Plan

- 💧 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+

DC Water Financial Metrics come from the Indenture, Board Policy, and Management

Metrics	Indenture Requirement	Board Policy	Management Target	Financial Plan
Days of Cash on Hand (excluding RSF)	60 days	250 Days	—	267 - 267 Days
Combined Coverage Ratio	—	1.6X	—	1.81X – 2.13X
Senior Coverage	1.2X	—	—	5.79X – 8.18X
Subordinate Coverage	1.0X	—	—	2.15X – 2.52X
Debt Service as a % of Revenue	—	—	33% of Revenue or Less	25.2% - 33.0%
Rate Stabilization Fund (RSF)	—	—	—	—

* Board of Directors added to the cash balance at the end of FY2023 to reach 267 Days of Cash



Ten-Year Financial Plan

DISTRICT OF COLUMBIA WATER & SEWER AUTHORITY FY 2024 - FY 2033 FINANCIAL PLAN

\$ in thousands

OPERATING	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
<i>Retail</i>	728,792	755,456	799,250	854,603	911,660	980,556	1,043,786	1,090,013	1,154,059	1,204,514
<i>Wholesale</i>	106,519	114,248	120,905	125,741	130,771	136,001	141,441	147,099	152,983	159,102
<i>Other</i>	53,249	54,557	57,301	62,364	67,922	70,592	69,584	70,092	65,216	64,505
<i>RSF</i>	2,000	2,000	-	-	-	-	-	-	-	-
Operating Receipts ⁽¹⁾	\$ 890,560	\$ 926,261	\$ 977,455	\$ 1,042,708	\$ 1,110,352	\$ 1,187,149	\$ 1,254,812	\$ 1,307,204	\$ 1,372,258	\$ 1,428,121
Operating Expenses	425,383	444,207	464,947	482,959	501,685	521,151	541,388	562,427	584,299	607,038
Debt Service	221,635	249,495	277,000	307,289	340,180	372,492	402,816	425,524	446,587	462,941
Cash Financed Capital Improvement	\$ 58,575	\$ 60,436	\$ 71,932	\$ 76,914	\$ 82,049	\$ 88,250	\$ 93,941	\$ 98,101	\$ 103,865	\$ 108,406
Net Revenues After Debt Service	\$ 184,967	\$ 172,123	\$ 163,576	\$ 175,546	\$ 186,439	\$ 205,256	\$ 216,667	\$ 221,152	\$ 237,507	\$ 249,736
Operating Reserve-Beg Balance	286,889	296,600	309,600	324,600	337,600	351,600	365,600	380,600	395,600	411,600
Other Misc (Disbursements)/Receipts										
Wholesale/Federal True Up	(15,256)	(21,513)	(15,100)	-	-	-	-	-	-	-
Project Billing Refunds	(2,000)	(2,000)	-	-	-	-	-	-	-	-
Transfers to RSF										
Pay-Go Financing	(158,000)	(135,609)	(133,476)	(162,546)	(172,439)	(191,256)	(201,667)	(206,152)	(221,507)	(233,736)
Operating Reserve - Ending Balance	\$ 296,600	\$ 309,600	\$ 324,600	\$ 337,600	\$ 351,600	\$ 365,600	\$ 380,600	\$ 395,600	\$ 411,600	\$ 427,600
Rate Stabilization Fund Balance RSF ⁽²⁾	\$ 33,644	\$ 31,644	\$ 31,644	\$ 31,644	\$ 31,644	\$ 31,644	\$ 31,644	\$ 31,644	\$ 31,644	\$ 31,644
Senior Debt Service Coverage	818%	753%	651%	607%	635%	628%	589%	616%	591%	579%
Combined Debt Service Coverage	213%	193%	188%	190%	186%	186%	183%	181%	182%	183%
Actual/Projected Water/Sewer Rate Increases	3.25%	8.00%	6.00%	8.00%	9.00%	9.00%	8.50%	9.00%	8.50%	6.50%
Operating Receipts \$ Increase/Decrease										
Retail	26,565	26,664	43,794	55,353	57,057	68,896	63,230	46,227	64,047	50,455
Wholesale	1,269	7,729	6,657	4,836	5,030	5,231	5,440	5,658	5,884	6,119
Operating Receipts % Increase/Decrease										
Retail	3.8%	3.7%	5.8%	6.9%	6.7%	7.6%	6.4%	4.4%	5.9%	4.4%
Wholesale	1.2%	7.3%	5.8%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

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

⁽²⁾ FY 2025 planned transfer of \$0.0 million to Rate Stabilization Fund and \$2.0 million utilization will keep the total fund balance at \$31.644 million.

Public Outreach and Public Information

💧 DC Water will hold multiple Town Hall Meetings in April, in advance of the public hearing, to:

- Inform customers about the proposed FY 2025 and FY 2026 rates
- Discuss the Capital Improvement Program, and
- Promote all of the existing customer assistance programs

💧 Public Hearing on May 9

💧 The meetings will be widely publicized through numerous channels, including:

- Councilmember Offices
- Advisory Neighborhood Commissions (ANCs)
- DCWater.com website
- X.com (*Twitter*), Facebook and Instagram
- Nextdoor
- Paid digital and print advertising

Rate and Impervious Area Calculators

- Rates and Impervious Area Calculators are available on DC Water website to understand the approximate impact of the Proposed FY 2025 and FY 2026 rates on your monthly bill

Enter Values from Bill

Customer Type:	<input type="text" value="Residential"/>
Meter Size: ?	<input type="text" value="Select A Residential Meter Size"/>
Monthly Consumption: ?	<input type="text" value="0"/>
Premise ERUs: ?	<input type="text" value="0"/>

FY 2024 Sample Bill

Account Number:
Service Address:
Square/Suffix/Lot:
Impervious Sq. Ft.: 1,100

Questions/Preguntas: (202) 354-3600
Emergencies/Emergencia: (202) 612-3400
Visit Us Online: DCWater.com

Meter Number	Meter Size	Prior Read Date	Current Read Date	Number of Days	Prior Read	Current Read	Usage (CCF)	Usage (Gallons)	Read Type
	5/8"	1/27/24	2/27/24	32	16,144	16,717	5.73	4286.04	ACT

BILL SUMMARY

Bill Date	2/27/24	CURRENT CHARGES - RESIDENTIAL	
Previous Balance	\$121.02	Metering Fee 5/8"	\$7.75
Payments as of 2/27/24	\$121.02 CR	Water System Replacement Fee 5/8"	\$6.30
Outstanding Amount Due	\$0.00	Water Services 4.00 CCF X \$4.38	\$17.52
Other Charges and Credits	\$0.00	Water Services 1.73 CCF X \$5.70	\$9.86
Current Charges	\$137.59	Sewer Services 5.73 CCF X \$11.70	\$67.04
Total Amount Due by 3/23/24	\$137.59	Clean Rivers IAC 1.00 ERU X \$21.86	\$21.86

DC GOVERNMENT FEES

DC Government PILOT Fee 5.73 CCF X \$0.61			\$3.50
DC Government ROW Fee 5.73 CCF X \$0.19			\$1.09
DC Govt Stormwater Fee 1.00 ERU X \$2.67			\$2.67
Total Current Charges			\$137.59
TOTAL CURRENT BILL			\$137.59

FY 2024 Sample Bill

Dispute Deadline for Current Bill: 3/18/24

- Rate Calculator is available online at: <https://serviceinfo.dewater.com/comparison/>
- Impervious Area Rate Calculator is available at: https://serviceinfo.dewater.com/iab_details/

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

Navigation: My Accounts, Pay Your Bill, Dispute a Bill, Report a Problem, Find a Job, Get a Permit, Contact Us, View Customer Center

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Ratemaking 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.

IN THIS SECTION

- [FY 2025 Proposed Budget & Two-Year Rates](#)
- [FY 2024 Approved Budget](#)
- [FY 2023 and FY 2024 Approved Rates](#)
- [Budget and Rate Review Documents](#)

OTHER LINKS & DOCUMENTS

Online Tools

- Rate Comparison Tool
- Impervious Area Calculator

FY 2023 & FY 2024 Approved Rate Documents

- Responses to Comments and Recommendations on Proposed Rates
- FY 2023 & FY 2024 Proposed Rates Presentation - RRC February 22, 2022
- Independent Review of Proposed Rates for FY 2023 and FY 2024 - Report
- Independent Review of Proposed FY 2023 & FY 2024 Rates, Charges & Fees Presentation - RRC February 22, 2022

Navigation: My Accounts, Pay Your Bill, Dispute a Bill, Report a Problem, Find a Job, Get a Permit, Contact Us, View Customer Center

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Budget and Rate Review Documents

Budget Review Documents

Date	Title
February 27, 2024	DC Retail Water & Sewer Rates Committee Proposed FY 2025 and FY 2026 Rates, Charges and Fees
February 22, 2024	Finance and Budget Committee FY 2025 Proposed Budget & Two-Year Rates
February 15, 2024	Environmental Quality and Operations Committee Proposed FY 2024 - FY 2033 Capital Improvement Program
January 23, 2024	Joint DC Retail Water & Sewer Rates and Finance & Budget Committees FY 2025 Proposed Budget
January 19, 2024	Office of People's Counsel Briefing FY 2025 Proposed Budget & Two-Year Rates
January 18, 2024	Environmental Quality and Operations Committee Proposed FY 2024 - FY 2033 Capital Improvement Program
January 12, 2024	Wholesale Customer Briefing DC Water's Proposed FY 2025 Budget
January 4, 2024	Budget Workshop with the Board FY 2025 Proposed Budget & Two-Year Rates

Are You In The Know?

Board of Directors meetings are held the first Thursday of every month and are open to the public. Join us in person or watch online.

[READ MORE](#)