



DC Water Approved FY 2023 Budget

Adopted March 3, 2022 (Fiscal year starts on October 1)

Tommy Wells, Board Chairman David L Gadis, Chief Executive Officer and GM Matthew T. Brown, Chief Financial Officer



HEALTHY, SAFE AND WELL • RELIABLE • RESILIENT • SUSTAINABLE • EQUITABLE



Strategic Plan – Blueprint 2.0

The Blueprint guides DC Water in setting priorities, focusing energy and resources, and strengthening operations. The strategic plan adopted by the Board on October 4, 2018 ensures employees and stakeholders are working towards common goals and aiming to accomplish the vision of DC Water.



“Blueprint 2.0 will accentuate our standing in the water and wastewater industry, ensure we continue to deliver unparalleled water services to our community and position the organization to address the needs of the future.”

David L. Gadis, CEO

VALUES

At DC Water, our values guide our actions, behaviors and decision making.

Accountability: We conduct ourselves in a manner that surpasses ordinary standards and take responsibility for our actions and their collective outcomes to our workplace, community and environment at all times.

Trust: We strive to achieve the highest standards of professionalism and ethical behavior by always seeking to be open, honest, fair and respectful.

Teamwork: We approach all we do in a collaborative way, delivering superior service and outcomes through enthusiasm, helpfulness, positivity, skills, knowledge and a collective commitment to excellence.

Customer Focus: We see every engagement with our customers as an opportunity to deliver an exceptional customer experience that improves customer satisfaction and the overall perception of DC Water among the communities we serve.

Safety: We are uncompromising in our commitment to the health and safety of our employees, customers, and community. We require individual accountability, expecting all employees to strictly adhere to our safety standards, and actively participate in and support the advancement of our safety practices.

Well-being: We recognize DC Water's number one resource is our people. We are committed to seeing that our team thrives physically, mentally and emotionally by endeavoring to create a culture that increases awareness, inspires individual responsibility, promotes healthy choices and encourages work/ life balance.

ORGANIZATIONAL IMPERATIVES

Blueprint 2.0 sets out five Organizational Imperatives, which are defined outcomes essential to achieving our strategic ambition over the next five years and beyond. The Imperatives have been developed through engagement with a cross section of key stakeholders and are used to frame our strategy and address our upcoming challenges.



Healthy, Safe and Well: Water is the life source of our community, and the essential services we provide at DC Water must be world-class. Our fundamental priority has to be ensuring DC Water is safe for all – for our customers, our communities, our employees and our contractors.



Reliable: A high performing network of systems and assets is critical to reliability, using real-time monitoring to inform better decision making. Our aim is to continue to deliver an excellent service for customers and ensure we minimize service disruption. This is enabled by ensuring we adopt an integrated and enterprise-wide approach in order to deliver services efficiently.



Resilient: In order to adapt to shocks and stresses to our system, we must secure assets through proactive maintenance and value-driven asset management.



Sustainable: Sustainability is about balancing the economic and social value we create with the environmental impact of doing so. Ensuring that we make efficient use of economic resources through operating efficiency and resource recovery and reuse is key.



Equitable: DC Water's desire to be an equitable organization touches on all parts of the Authority, starting with the decisions we make around infrastructure. Carefully considered infrastructure projects have the ability to greatly empower vulnerable communities and ensure that work happens in the areas where the negative impact of not doing it may be most felt.

BOARD OF DIRECTORS

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Moussa Wone, Director, Clean Rivers
Brian McDermott, Director, Permit Operations
Aklile Tesfaye, Vice President, Wastewater Operations
Haydee De Clippeir, Director, Clean Water Quality and Technology
Nicholas Passarelli, Director, Process Engineering
Elkin Hernandez, Director, Maintenance Services
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Kendrick St. Louis, Vice President, Sewer and Pumping Operations
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Maureen Schmelling, Director, Water Quality

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Meisha Lorick, Acting Director, Customer Care

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Chad Carter, Director, Total Rewards
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Patricia Taylor-Lytle, Director, Talent Management

GOVERNMENT AND LEGAL AFFAIRS

Meena Gowda, Deputy General Counsel
Gregory Hope, Deputy General Counsel
Apera Nwora, Director, Government Affairs and Public Policy

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The Office of the Chief Financial Officer would like to extend our appreciation to the Executive Team and Senior Management Staff for their strategic guidance and leadership.

In addition, we would like to acknowledge the following staff members from the departments of Finance, Capital Improvement Program Infrastructure Management and the Office of Marketing & Communications for their hard work and dedication geared towards the publication of this document.

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Syed Khalil	Ermon Green
Gail Alexander-Reeves	Rodea Hines
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Stacey Johnson	Schannon Keller
Pade Zuokemefa	Deyonka Lewis
Ashenafi Arega	Pamela Mooring
Henok Getahun	Loc Nguyen
Paul Guttridge	Melody Nimoh
Paul Laban	Patrice O’Neal
Abiye Abebe	Dennis Samson
Pinak Banerji	Tamara Stevenson
Deborah Cole	Shirley Thomas
Ted Coyle	

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**District of Columbia Water & Sewer Authority
District of Columbia**

For the Fiscal Year Beginning

October 01, 2021

Christopher P. Morill

Executive Director

dc Executive Budget Summary

Approved FY 2023 • Adopted March 3, 2022

(Fiscal year starting October 1)

Tommy Wells, Chairman of the Board

David Gadis, Chief Executive Officer and General Manager

Matthew T. Brown, Chief Financial Officer and
Executive Vice-President, Finance and Procurement

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY



HEALTHY, SAFE AND WELL • RELIABLE • RESILIENT • SUSTAINABLE • EQUITABLE



The executive budget summary is a standalone document and is intended for our diverse stakeholders. Additional information on the operating and capital budgets can be found in the detailed budget book, and is also available online at dcwater.com.

DC Water provides clean 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 Senior Executive Team continue to work to address our challenges and position the Authority for success in the coming years. To this end, a new strategic plan, Blueprint 2.0, was adopted by the Board of Directors in 2021 to guide DC Water over the next five years and beyond. Detailed information about the strategic plan is available online at www.dewater.com/strategic-plan.

Blueprint 2.0 Imperatives



Vision

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

Mission

Achieve our vision to exceed expectations by providing high quality water services in a safe, environmentally friendly and efficient manner.

Imperatives



Healthy, Safe and Well

Is everybody we impact healthy, safe and well?



Reliable

Can we deliver our agreed service level in an efficient and effective manner?



Resilient

Are we able to cope with and recover from disruption, anticipating shocks and stressors to maintain service?



Sustainable

Are we able to meet the needs of the present without compromising the ability of future generations to meet their own needs?

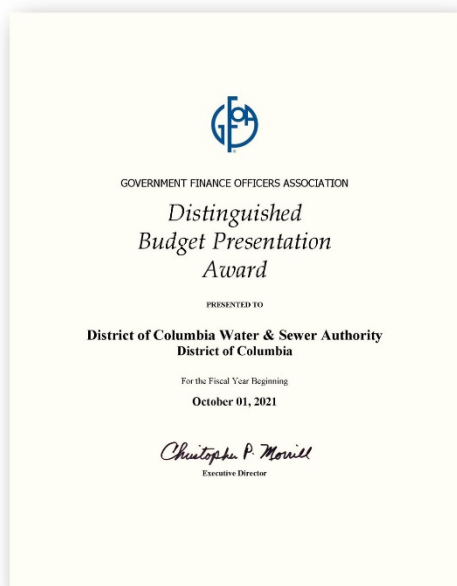


Equitable

Are we operating in an equitable manner to enable our employees, partners, customers, and communities to prosper?

Inside

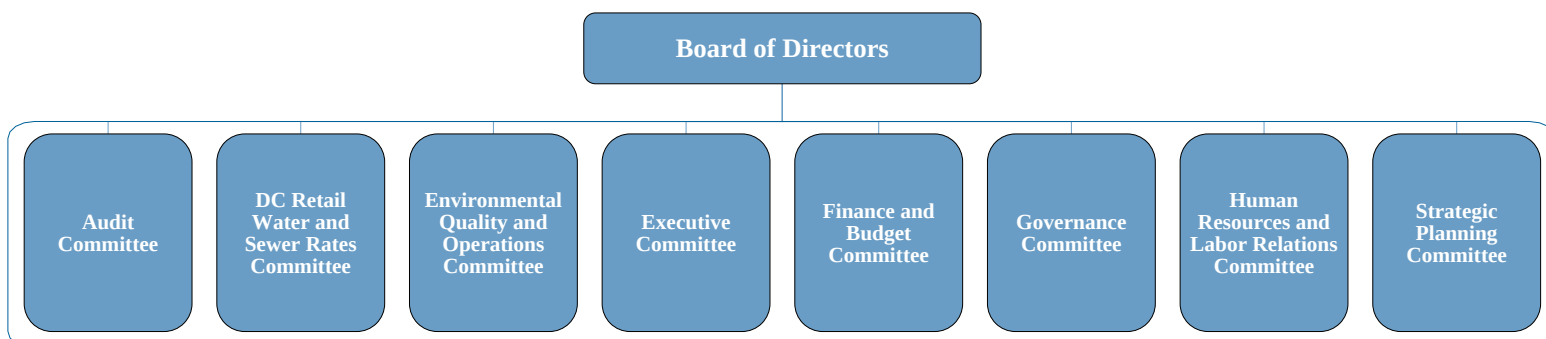
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Organizational Governance and Structure

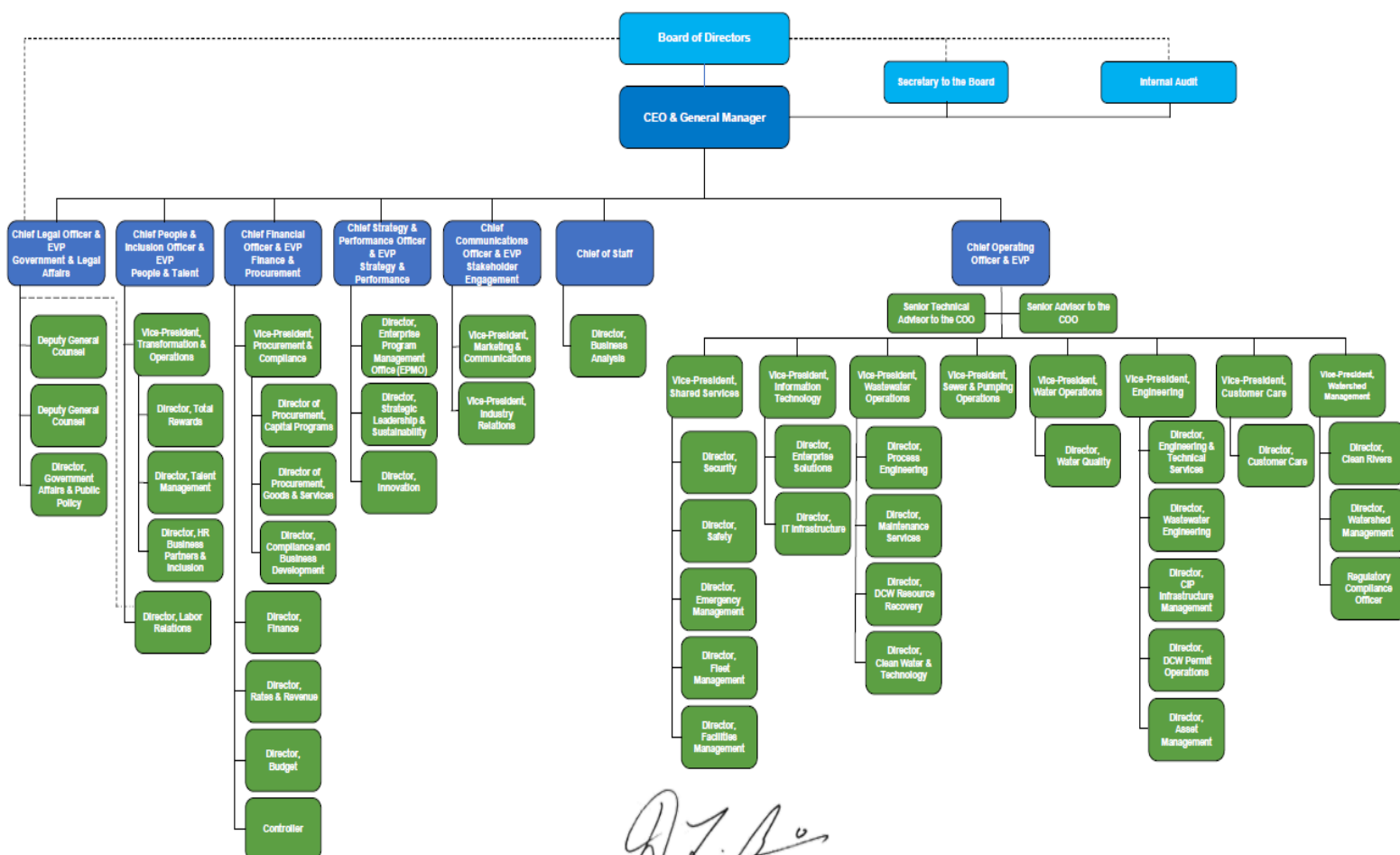
DC Water is an independent authority of the District of Columbia, established under District of Columbia and Federal law, and is governed by 11 principals and 11 alternate members of the Board of Directors. The members of the Board of Directors also serve on various Committees.

DC Water Board Committees



DC Water Organizational Leadership

(as of March 2, 2022)



David L. Gadis, CEO & General Manager



CEO / General Manager's Message



DC Water's core values of accountability, trust, teamwork, customer focus, safety and wellbeing – are inscribed in large letters on the wall to remind me and all who see them of our values. It is those values that guide us as we face tough decisions and work to improve the lives of all who we serve.

As part of the budget and rates process, we view all that we do through an equity lens. For our lead removal program, we are starting with those who will be most affected by lead. Infants, children and pregnant women are at higher risk due to the absorption rate in fetuses and young children. This is one of the driving factors that necessitated the urgency in getting the lead out where we can be most impactful and helpful - in areas with higher population of young children and resource-deprived neighborhoods.

Strategic Direction

Our new strategic plan, [The Blueprint 2.0](#), highlights our commitment to address our challenges and identify key opportunities to position DC Water for success in the coming years. The strategic plan sets out five imperatives – Healthy, Safe and Well, Reliable, Resilient, Sustainable and Equitable. Our budgets determine the programs we are able to fund and the rates we must charge to recover costs.

The pandemic has forced us to make some tough and strategic choices to mitigate significant rate increases, but we are investing in the most important initiatives to best serve our customers and stakeholders. We are guided by our core values and the five imperatives to help us achieve defined outcomes and better serve our customers.

Thriving Community

When doing business, our customers and community are topmost in our mind. Where we can, we hire local candidates. When awarding contracts, we give preference to minority owned and women owned businesses. Our apprenticeship program provides training and job opportunities and teaches valuable skills to local residents who otherwise wouldn't have a marketable skill.

This budget continues to invest in the community with our Clean Rivers Project that is restoring the health of the Anacostia River, paving the way for a revitalization along its banks and within its neighborhoods. We hire locally and regionally, and train District residents and continue to provide local business opportunities as part of the Clean Rivers Project and LeadFree DC Program.

Expanding Partnerships

This budget includes funding required to achieve our goal of removing lead service lines in the District by 2030. We will continue to collaborate with both the federal and District government to allocate funding for the LeadFree DC program. This partnership is needed to achieve the goal of the program and improve overall water quality in the region.

In closing, I want to appreciate the efforts of the Finance Department under the expert leadership of Chief Financial Officer Matthew Brown for their financial stewardship, collaboration with the various departments and commitment to the Budget process. I also thank the Senior Executive Team and the Board of Directors for their guidance throughout the process.

David L. Gadis

DC Water Budget Overview

DC Water Budget Overview FY 2023 Operating Expenditure Budget of \$686.4 million

\$186.2 million

Pays the salaries, benefits and overtime of 1315 employees, including 73 new positions (to drive efficiency, expand programs and achieve savings), 14 apprentices, and the Summer Internship Program



\$3.3 million

Expands various strategic programs including Enterprise Risk Management, Diversity, Equity & Inclusion, organizational assessment and leadership, and government affairs coverage



\$23.1 million

PILOT & ROW payments to the District



\$82.6 million

Funds core operations like infrastructure maintenance and repairs, strategic programs, software technology, legal, compliance, insurance, credit card fees and biosolids hauling services



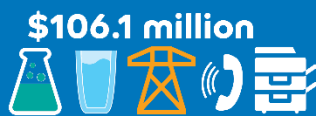
\$0.7 million

Continues the Backwater Valve Program for the installation of backwater valves on private properties in response to the September 10, 2020 storm event

debt • paygo • financing

\$281.4 million

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



\$106.1 million

Funds fixed and nondiscretionary costs for chemicals, supplies, water purchase and utilities



\$1.3 million

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



\$1.7 million

Implements a new customer assistance program to repair property side leaks impacting water bills and expands the budget for the Customer Assistance Program

DC Water Budget Overview FY 2022 - FY 2031 Capital Investments of \$6.4 billion

\$1.2 billion



Fully funds DC Clean Rivers and other CSO projects to meet Consent Decree requirements



\$375.3

Invests in process equipment, specialized vehicles, and information technology infrastructure; establishes funding for the innovation program

Invests in the Aqueduct's capital infrastructure



\$253.8 million



\$629.3M to remove all lead service lines by **2030**

Continues investment in Water & Sewer infrastructure



\$1.2 billion

Ramps up to 1.5% replacement for small diameter water mains per year in FY 2028 and beyond



\$1.4 billion

Ramps up to 1.0% rehabilitation for small sewer lines per year in FY 2024 and beyond



\$65 million

Improves stormwater pump stations to relieve local flooding

\$102.2 million



Constructs the new Fleet and Sewer Facilities, renovates the Historic Main Pump Station, and restores the Main & O campus seawall

\$1.2 billion



Funds rehabilitation and upgrades at Blue Plains



Organizational priorities are established through the budget process. Through extensive collaboration across DC Water leadership, initiatives are brought forward and evaluated to advance the five imperatives of the

Blueprint 2.0, DC Water's strategic plan. The result is the budget that we present here – a spending plan that prioritizes and invests in our customers.

Balancing the Budget

The pandemic created new challenges for everyone, including DC Water. To respond to a decline in revenues from reduced water consumption and an increase in customer delinquencies, we took proactive steps to curtail spending in a way that minimized the impact on our operations. We delayed some capital projects, took a critical look at hiring, and pulled back where we could on contractual services costs.

We worked with our Board to strengthen our financial policies to maintain 250 days of cash on hand and combined coverage ratio of 1.6X. The rating agencies and investors took notice and reaffirmed our bond ratings for the new bond proceeds.

The approved operating budget of \$686.4 million invests in DC Water and our community. It adds seventy-three new positions to improve service and reduce costs. Additionally, we held the line on overall contractual services for the third consecutive year while funding various strategic programs.

The \$6.4 billion ten-year capital improvement program invests in our infrastructure that delivers our services to our customers. This budget funds the ramp-up of the water and sewer infrastructure renewal, fully funds the Clean Rivers project, and allocates funding for the LeadFree DC program

by leveraging fund in the infrastructure bill.

By refinancing some debt, holding the line on contractual services expenditures, and prioritizing projects and initiatives, we were able to ask less from our customers than we had previously estimated. The combined rate increases for the average residential customer are 6.0 percent in FY 2023 and 5.4 percent in FY 2024 compared to previous forecasts of 6.7 percent and 8.8 percent respectively.

Expanding Customer Assistance

To help our customers during the pandemic, we created innovative financial assistance programs and offered flexible payment plans. We also partnered with the District to provide federal funding to residents affected by the pandemic. The Multifamily Assistance Program (MAP) is one of the first in the nation to provide relief to customers who do not directly pay a water bill. Other programs that we launched include the Residential Assistance Program and the Emergency Residential Relief Program.

Leveraging Technology

This year, we leveraged a new tool in our Enterprise Resource Planning (ERP) suite to develop our budget. The Budget and Planning System (BAPS) streamlines the budget process and synthesizes input from all parts of the organization. With this tool, we can quickly analyze impacts without reverting to obsolete spreadsheets and calculations. It is faster, more accurate and more strategic. The tool will help us align future budgets with Blueprint 2.0.

DC Water has demonstrated financial discipline and resilience. We will continue this financial stewardship in a way that promotes sustainability in the services that we provide for District residents and visitors, and the rates that support our work.

Matthew T. Brown

Budget at a Glance

Operating Expenditures (\$ Thousands)

Category	FY 2022 Approved	FY 2023 Approved
Authorized Headcount	1241	1315
Total Personnel Services	\$ 180,353	\$ 186,223
Chemicals	26,021	27,370
Supplies	8,181	9,624
Utilities	27,329	28,799
Contractual Services	88,504	88,504
Water Purchases	35,217	40,334
Small Equipment	1,108	1,108
Total Non-Personnel Services	\$ 186,359	\$ 195,739
Total Operations and Maintenance	\$ 366,711	\$ 381,962
Debt Service	231,164	234,679
PILOT & ROW	22,718	23,070
Payment in Lieu of Taxes	17,618	17,970
Right of Way	5,100	5,100
Cash Financed Capital Improvements	37,830	46,692
Total Debt Service/PILOT/ROW/CFCI	291,712	304,441
Total Operating Expenditure	\$ 658,423	\$ 686,403
Less: Capital Labor	(25,086)	(30,435)
Total Net Operating Expenditure	\$ 633,337	\$ 655,968

Capital Disbursements (\$ Thousands)

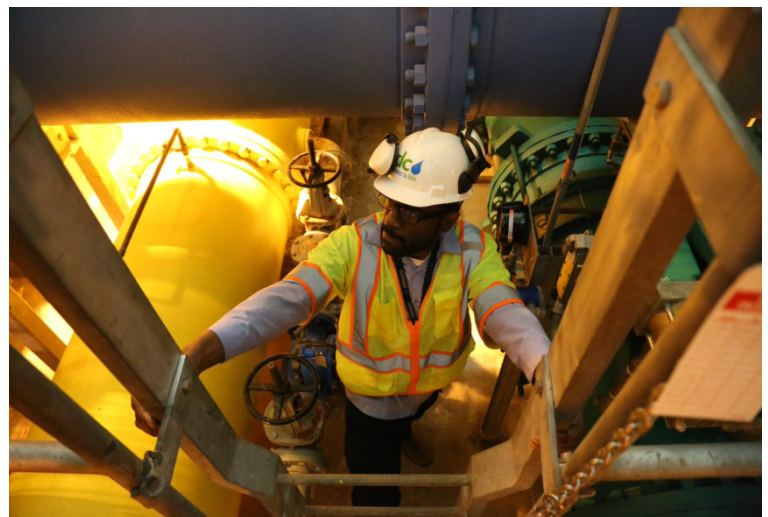
Service Areas	FY 2022 Revised	FY 2023 Approved
Non-Process Facilities	\$ 31,439	\$ 12,051
Wastewater Treatment	85,978	78,574
Clean Rivers	147,347	106,774
Combined Sewer	4,919	10,929
Stormwater	7,031	11,527
Sanitary Sewer	68,084	103,383
Water	165,313	227,116
Capital Projects	\$ 510,112	\$ 550,355
Capital Equipment	40,519	37,021
Washington Aqueduct	16,875	59,628
Additional Capital Programs	\$ 57,394	\$ 96,649
Total CIP	\$ 567,507	\$ 647,004

Operating Revenues (\$ Thousands)

Category	FY 2022 Approved	FY 2023 Proposed
Residential	\$ 129,062	\$ 136,324
Commercial	170,209	179,276
Multi-family	123,523	145,282
Federal Government	81,339	84,768
Municipal & Housing	31,260	34,504
Water System Replacement Fee	39,717	39,717
Metering Fee	24,083	24,083
Wholesale	84,669	85,720
Rate Stabilization Fund	10,500	-
Other Revenue	62,023	70,319
Total Operating Revenue	\$ 756,385	\$ 799,993

Capital Revenues (\$ Thousands)

Source	FY 2022 Approved	FY 2023 Proposed
Wholesale Capital Payments	\$ 83,640	\$ 90,690
EPA Grants & CSO Appropriations	31,311	64,695
Interest Income on Bond Proceeds	2,623	3,304
Pay-Go Financing	141,322	166,828
Debt Proceeds	200,000	194,519
System Availability Fee	7,700	7,700
Curing Pad and Solar	-	1,166
Total Capital Revenue	\$ 466,596	\$ 528,902



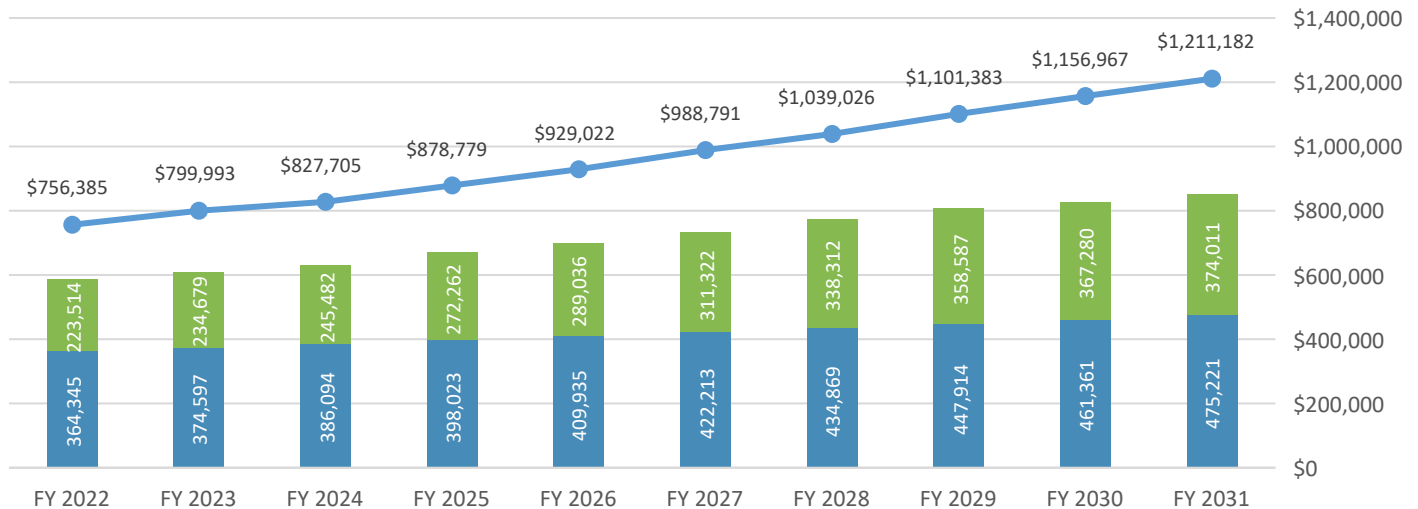
Anacostia Pumping Station inspection



Ten-Year Financial Outlook / Debt Management

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 or indenture requirements, and sufficient liquidity to meet all the Authority's financial obligations.

FY 2022 - FY 2031 Financial Plan (\$ Thousands)



Debt Management

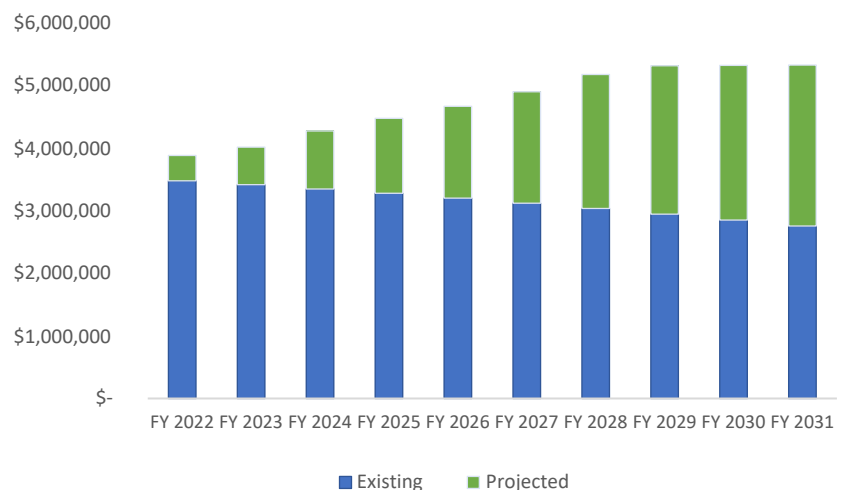
In February 2022, DC Water affirmed its senior bond ratings of AAA/Aa1/AA+ from S&P/Moody's/Fitch's Ratings. This allows DC Water to have a lower borrowing cost which in turn reduces ratepayer cost in the long run. These notable results are due to the Authority's solid financing team, outstanding financial performance, and management of our capital program. Additional information for current and future investors is available at www.dewater.com and www.dewaterbonds.com.

The Authority uses debt to finance its capital program and refund existing debt in the best interest of DC Water to obtain debt service savings. In early 2022, DC Water completed the sale of \$400 million in bonds. The fixed rate portion of the transaction was issued as tax-exempt on a subordinate lien for \$100 million designated as Series B green bonds and \$100 million designated as Series C non-green bonds. A taxable fixed rate of \$75 million was also designated as Series D bonds for capital upgrades to the Washington Aqueduct. The variable rate portion of the transaction was for

\$100 million and designated as Series E issued as tax-exempt bonds. Additionally, selected bonds were refunded to lower costs providing over \$33 million in debt service savings for DC Water rate payers.

The Authority's long-term debt, including current maturities, total \$3.5 billion at the end of FY 2021, and projected to increase over the next ten years mainly to invest in our ageing infrastructure.

FY 2022 - FY 2031 Current and Outstanding Debt (\$ Thousands)



Operating Budget



Blue Plains Advanced Wastewater Treatment Plant

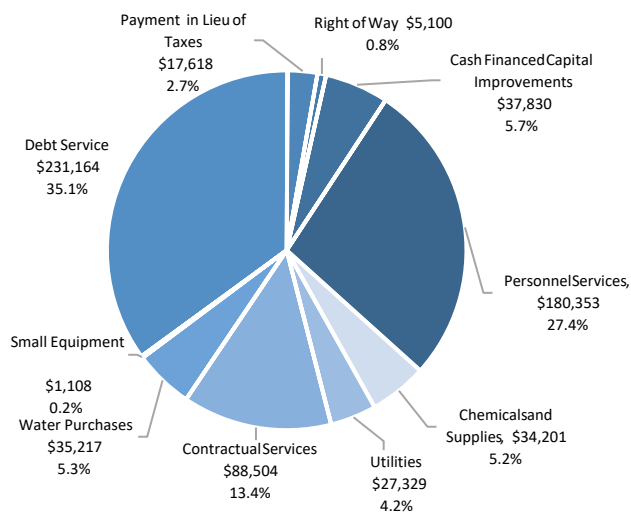
DC Water's annual operating budgets provide the resources necessary to sustain a multi-billion-dollar water distribution, sewage collection and treatment system. The Authority continues to deliver clean water, collect, and treat the sewage before returning clean water to the local waterways and repair water main and sewer breaks as needed. The budget reflects management's focus on supporting the most important asset with core values of reflecting people, pay and place while maintaining customer affordability and providing a high level of customer service.

The approved FY 2023 budget totals \$686.4 million, an increase of \$28 million or approximately 4.3 percent compared to the FY 2022 budget. The increase is mainly for the operations and maintenance (O&M) costs, and the debt service and Pay-Go financing requirements to support the Authority's Capital Improvement Program. The O&M budget includes projected increases in personnel services for 73 new positions and other fixed costs such as chemicals, utilities, and water purchases. This budget also includes the creation and expansion of various strategic initiatives such as government affairs coverage, Enterprise Risk Management, Diversity, Equity & Inclusion, organizational assessment, leadership programs and the Customer Assistance Program.

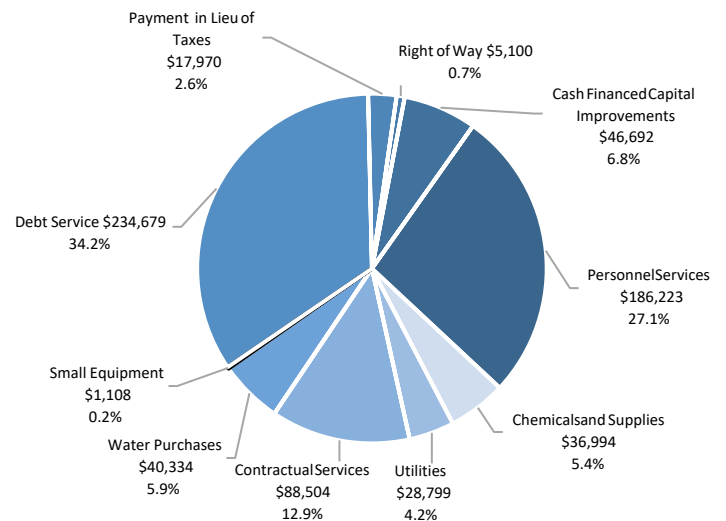
Detailed descriptions of the approved FY 2022 and FY 2023 operating budgets are available online at dcwater.com.

Comparative Operating Budgets by Category (\$ Thousands)

Approved FY 2022 \$658,423



Approved FY 2023 \$686,403





Capital Improvement Program (CIP)

DC Water's ten-year Capital Improvement Program (CIP) provides the framework for the development, prioritization, implementation, and measurement of the capital projects undertaken. The Board-approved FY 2022 – FY 2031 CIP disbursement budget of \$6.4 billion increased by approximately \$987 million compared to the previous plan. The budget increase is mainly for the LeadFree DC program to remove all lead service lines in the District by 2030. The budget includes the carry-over of funds for the purchase of vehicles and heavy duty equipment, and DC Water's share of the Washington Aqueduct's critical infrastructure needs.

The overall ten-year CIP continues management's commitment to increase investments in its aging water and sewer infrastructure. This plan ramps up the small diameter water mains replacements to 1.5 percent per

year in FY 2028 and beyond. Additionally, the plan continues the ramp up to 1.0 percent rehabilitation for small sewer lines per year in FY 2024 and beyond. This year's CIP also aligns the Clean Rivers program to the consent decree modification for green and gray infrastructure and covers rehabilitation and upgrades at Blue Plains.

The FY 2022 and FY 2023 capital budgets total \$567.5 million and \$647.0 million respectively (cash disbursement basis). The lifetime budget is \$13.4 billion covering total commitments including labor for active projects prior to, during, and beyond the ten- year window.

Detailed descriptions of major CIP changes and program details can be found in Section V – Capital Improvement Program of the budget book and online at www.dcwwater.com.

FY 2022 – FY 2031 Capital Improvement Program (\$ Thousands)

FY 2022 Revised	FY 2023 Approved	Service Area	Ten Year Disbursement Plan	Total Lifetime Budget
\$31,439	\$12,051	Non Process Facilities	\$102,208	\$215,847
85,978	78,574	Wastewater Treatment	1,214,664	3,445,105
152,267	117,704	Combined Sewer Overflow	1,217,166	3,216,072
7,031	11,527	Stormwater	65,236	120,933
68,084	103,383	Sanitary Sewer	1,362,125	2,166,442
165,313	227,116	Water	1,829,430	3,167,891
\$510,112	\$550,355	Capital Projects	\$5,790,828	\$12,332,290
40,519	37,021	Capital Equipment	375,302	375,302
16,875	59,628	Washington Aqueduct	253,768	253,768
\$57,394	\$96,649	Additional Capital Programs	\$629,070	\$629,070
		Labor		416,097
\$567,507	\$647,004	Total Capital Budgets	\$6,419,899	\$13,377,458

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 Concerns	Good Engineering / High Payback Need to fulfill Mission and upgrade Facilities	Good Engineering / Lower Payback Lower priority projects	Total
FY 2022	\$154,484	\$15,029	\$150,006	\$37,778	\$1,971	\$139,063	\$69,176	\$567,507
FY 2023	106,827	55,821	187,621	45,608	964	161,338	88,825	\$647,004
FY 2024	66,090	22,047	155,503	45,047	699	216,669	162,579	\$668,633
FY 2025	85,968	7,998	144,127	51,131	1,736	193,652	135,302	\$619,914
FY 2026	147,762	11,743	134,922	37,683	1,189	237,784	164,842	\$735,924
FY 2027	165,363	23,506	120,645	57,975	1,621	247,881	205,919	\$822,911
FY 2028	214,664	12,922	130,675	48,912	2,712	191,334	181,967	\$783,185
FY 2029	143,867	4,455	140,653	27,111	0	188,048	165,022	\$669,155
FY 2030	39,054	2,680	68,989	40,732	0	176,511	168,563	\$496,528
FY 2031	0	2,516	68,037	19,560	0	124,905	194,121	\$409,139
Total	\$1,124,077	\$158,715	\$1,301,178	\$411,536	\$10,891	\$1,877,185	\$1,536,316	\$6,419,899
% of Total	17.5%	2.5%	20.3%	6.4%	0.2%	29.2%	23.9%	100.0%

Major Capital Investments

DC Clean Rivers

The Northeast Boundary Tunnel (NEBT) is the largest component of the Clean Rivers Project. The tunnel connects with the existing sewer system, significantly mitigating sewer flooding while improving the water quality of the Anacostia River. Connection of the NEBT to the other Clean Rivers tunnels will reduce combined sewer overflows to the Anacostia River by 98 percent.



LeadFree DC

DC Water launched the LeadFree DC Program in 2019 to accelerate lead service line replacement and combine all lead reduction efforts under one banner. DC Water estimates the District of Columbia has more than 28,000 service lines with lead or galvanized-iron pipe. It is our goal to replace all of them with copper pipe by 2030.



Sewer Replacement and Rehabilitation

DC Water is performing sewer rehabilitation projects throughout the city as part of its Capital Improvement Program. The Soapstone Valley Park Sewer Rehabilitation Project will address aging and defective sewer pipes. Benefits of this project would include the rectification of an aging sewer system, improve structural integrity of the pipes while maintaining adequate hydraulic capacity, reduction of stream and groundwater infiltration, and mitigation for potential sanitary sewer overflows.



Washington Aqueduct

The Washington Aqueduct treats and provides water to the District of Columbia, Arlington County, and the City of Falls Church in Virginia. DC Water shares in the costs of infrastructure improvements to achieve established service levels.



Water Main Replacement and Rehabilitation

As part of its Capital Improvement Program, DC Water is replacing existing cast iron water mains in various locations throughout the city. These efforts will help improve water quality and system reliability, increase water pressure in some areas, and maintain adequate flows throughout the system.



Potomac Interceptor Rehabilitation

The Potomac Interceptor (PI) sanitary sewer system carries about 60 million gallons per day of wastewater from areas in the Washington Dulles International Airport to the Potomac Pump Station in Washington, DC. Flows from the pump station are then sent to the Blue Plains Advanced Wastewater Treatment Plant for treatment before discharge into the Potomac River. DC Water has several Capital Improvement Projects to rehabilitate defective segments.





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, Water System Replacement Fee and the Clean Rivers Impervious Area Charge (CRIAC). Variable fees are based on water usage and include the water and sewer fees. 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.

Independent Review of Rate Structure and Customer Assistance Programs:

In FY 2020, independent consultants conducted a review of our rate structure, FY 2021 rates and Customer Assistance Programs (CAP) and performed analysis of rates and CAP for comparable jurisdictions (e.g., benchmarking). The findings of the study concurred that DC Water's current rate structure, customer classes, monthly water lifeline threshold of 4 Ccf, ERU basis for recovering the CRIAC charge, CAP bill discount and temporary assistance programs are consistent with industry standards. In response to recommendations in the review, DC Water has adjusted the Metering Fee and increased benefits for CAP customers.

2022 Cost of Service Study

In FY 2022, DC Water conducted a Cost of Service Study (COS) to align the cost of providing service to the customers with the multi-year rate proposals. The COS consisted of three components: i) Revenue Sufficiency Analysis – Do the proposed rates recover adequate revenue to meet expenditures; ii) Cost of Service Analysis/Rate Equity – Are proposed rates equitably recovering the costs of providing service to customers; and iii) Alternative Rate Structure Analysis – Are there alternative rate structures that may more effectively meet DC Water's highest priority pricing objectives. This study will be done every two years going forward.

Multi-Year Rates

DC Water's Board approved its fourth multi-year rate proposal covering the periods of FY 2023 and FY 2024. The FY 2023 rates will be effective October 1, 2022. 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 Stakeholder Alliance and discussions with customers about the CRIAC, which funds the Clean Rivers program, the Board approved for FY 2020 a shift of 18 percent of the costs for the Clean Rivers program from the CRIAC to the sewer volumetric rate. The CRIAC shift increased to 28 percent in FY 2021 and to 37 percent in FY 2022 and onwards. This is based on an assessment that, on average, 37 percent of the volume in the new tunnels is from wastewater.

Because of efforts to reduce the growth of operating costs, the overall charges for average household customer for FY 2023 is 6.0 percent as compared to 6.7 percent in the previous forecast and for FY 2024, it is 5.4 percent as compared to 8.8 percent in the previous forecast.

Operating Revenues (\$ Thousands)

Category	FY 2022 Approved	FY 2023 Proposed
Residential	\$ 129,062	\$ 136,324
Commercial	170,209	179,276
Multi-family	123,523	145,282
Federal Government	81,339	84,768
Municipal & Housing	31,260	34,504
Water System Replacement Fee	39,717	39,717
Metering Fee	24,083	24,083
Wholesale	84,669	85,720
Rate Stabilization Fund Transfer	10,500	-
Other Revenue	62,023	70,319
Total Operating Revenue	\$ 756,385	\$ 799,993

FY 2022 - FY 2024 Retail Rates and Fees

Description of Fees	Units	FY 2022 Approved	FY 2023 Proposed	FY 2024 Proposed	FY 2023 Increase/Decrease	FY 2024 Increase/Decrease
DC Water Retail Rates – Water		\$	\$	\$	%	\$ %
• Residential 0-4 Ccf (Lifeline) ²	Ccf	\$3.63	\$4.28	\$4.38	\$0.65 17.9%	\$0.10 2.3%
• Residential – > 4 Ccf ²	Ccf	\$4.74	\$5.58	\$5.70	\$0.84 17.7%	\$0.12 5.2%
• Multi-family / DC Housing ²	Ccf	\$4.15	\$4.90	\$5.00	\$0.75 18.1%	\$0.10 2.0%
• Non-Residential	Ccf	\$4.91	\$5.78	\$5.89	\$0.87 17.7%	\$0.11 1.9%
DC Water Retail Rates – Sewer	Ccf	\$10.64	\$11.26	\$11.70	\$0.62 5.8%	\$0.44 3.9%
DC Water Clean Rivers IAC	ERU	\$18.40	\$18.14	\$21.86	-\$0.26 -1.40%	\$3.72 20.50%
DC Water Customer Metering Fee	5/8"	\$7.75	\$7.75	\$7.75	\$0.00 0.0%	\$0.00 0.0%
DC Water System Replacement Fee ¹	5/8"	\$6.30	\$6.30	\$6.30	\$0.00 0.0%	\$0.00 0.0%
District of Columbia PILOT Fee	Ccf	\$0.56	\$0.59	\$0.61	\$0.03 5.4%	\$0.02 3.4%
District of Columbia Right-of-Way Fee	Ccf	\$0.19	\$0.19	\$0.19	\$0.00 0.0%	\$0.00 0.0%
District of Columbia Stormwater Fee	ERU	\$2.67	\$2.67	\$2.67	\$0.00 0.0%	\$0.00 0.0%
Groundwater Fee	Ccf	\$2.83	\$3.42	\$3.50	\$0.59 20.8%	\$0.08 2.3%
WAD Rate	Ccf	\$3.03	\$3.21	\$3.30	\$0.18 5.9%	\$0.09 2.8%

(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 \$2.99 billion cost of implementing the DC Clean Rivers Project (the District's CSO-Long Term Control Program). The proposed monthly CRIAC ranges from \$18.40 per Equivalent Residential Unit (ERU) in FY 2022 to \$31.43 per ERU in FY 2031. From 2011 until 2021, all funds for the Clean Rivers program were from the 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 \$276.8 million through Federal appropriations as of December 31, 2021.

During FY 2019, the Board approved a proposed change in the way Clean Rivers costs are recovered starting in FY 2020. The approved budget phased-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 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 generally pay less and average residential customers pay about the same, prior to the change. In FY 2020, the CRIAC discount increased from 4 percent to 20 percent for customers who implement Stormwater Best Management Practices.



East Side Pump Station – Green Roof



Customer Assistance and Regional Demographics

Customer Affordability

In the District of Columbia, one-fourth of the residents live below the poverty line, thus rate affordability is of the utmost concern in the planning process. 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 data (2019), 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 50 percent discount for CRIAC. In FY 2020, the Board approved the increase in CRIAC discount for CAP customers to 75 percent effective from FY 2021. In FY 2021, CAP assisted over 5,630 customers and provided \$2,378,326 in discounts to low-income customers.

CAP 2 - This 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 3 Ccf per month for water and sewer and a 50 percent discount for CRIAC. In FY 2020, the Board approved a Resolution to make CAP 2 permanent effective FY 2021.

CAP 3 - Is a District-funded program implemented in December 2018 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.

Emergency Residential Relief Program (ERRP) -

In FY 2020, DOEE established an Emergency Residential Relief Program to provide one-time assistance of up to \$2,000 to customers impacted by COVID-19. The program was extended to FY 2021.

DC Water Cares, Residential Assistance Program (RAP) -

In FY 2020 DC Water established a \$3.0 million program to continue the ERRP in FY 2021 to provide one-time assistance of up to \$2,000 to residential customers. RAP was extended to FY 2022.

DC Water Cares, Multi-family Assistance Program (MAP) -

A \$7.0 million program to provide one-time assistance to multi-family buildings where occupants have been negatively impacted by COVID-19. Payment plans are established and adhered to; assistance amounts are determined and provided per affordable unit and will be on matching basis. MAP was extended to FY 2022.

CRIAC (Clean Rivers Impervious Area Charge)

Non-profit Relief Program - A District-funded program implemented in December 2018 to provide up to 90 percent of CRIAC discounts to nonprofit organizations as determined by the District Department of the Environment (DOEE).

LIHWAP (Low Income Household Water Assistance Program)

- Provides funds to assist low-income households with water and wastewater bills.

STAY (Stronger Together Assisting You) - Is a financial program for D.C renters and housing providers who are looking for support to cover housing and utility expenses and offset the loss of income.

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 2021, SPLASH assisted 96 households and provided \$71,765 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 excellent for the environment but places more strain on the 132,502 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 2023 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.

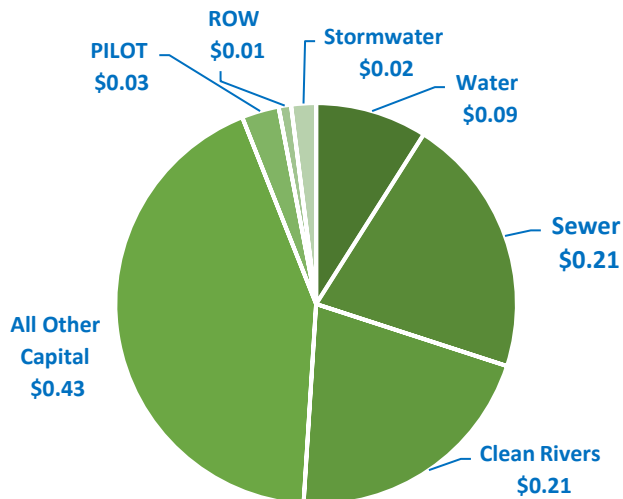
FY 2022 - FY 2024 Average Residential Customer Monthly Bill

DC WATER RATES AND FEES	Current FY 2022	Proposed FY 2023	Proposed FY 2024
DC Water Water and Sewer Retail Rates ⁽¹⁾	\$ 78.92	\$ 86.07	\$ 89.03
DC Water Clean Rivers IAC ⁽²⁾	18.40	18.14	21.86
DC Water Customer Metering Fee	7.75	7.75	7.75
DC Water Water System Replacement Fee ⁽⁴⁾	6.30	6.30	6.30
Subtotal DC Water Rates & Charges	\$ 111.37	\$ 118.26	\$ 124.94
DISTRICT OF COLUMBIA CHARGES			
District of Columbia PILOT Fee ⁽¹⁾	\$ 3.04	\$ 3.20	\$ 3.31
District of Columbia Right-of-Way Fee ⁽¹⁾	1.03	1.03	1.03
District of Columbia Stormwater Fee ⁽³⁾	2.67	2.67	2.67
Subtotal District of Columbia Charges	\$ 6.74	\$ 6.90	\$ 7.01
Total Amount Appearing on DC Water Bill	\$ 118.11	\$ 125.16	\$ 131.95
Percent Increase in Total Bill	6.7%	6.0%	5.4%

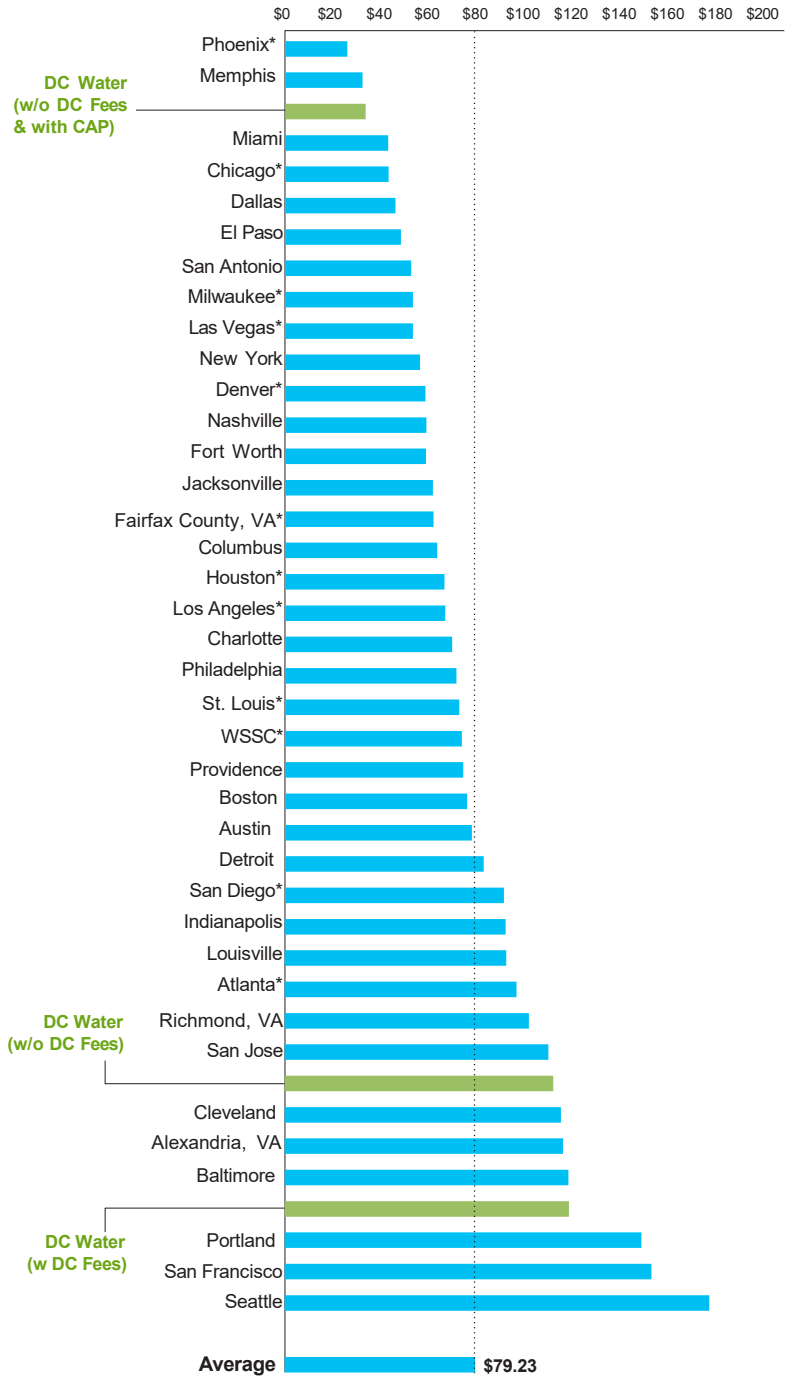
- (1) Assumes average monthly consumption of 5.42 Ccf, or (4,054 gallons)
(2) Assumes average 1 Equivalent Residential Unit (ERU)
(3) District Department of the Environment stormwater fee of \$2.67 effective November 1, 2010
(4) DC Water "Water System Replacement Fee" of \$6.30 for 5/8" meter size effective October 1, 2015

FY 2023: Where Does Your Money Go?

How does DC Water spend each dollar received from the average residential customer?



DC Water Retail Rates Compared to other Large Utilities





dcwater.com



Approved FY 2023 Budgets Section II: OVERVIEW

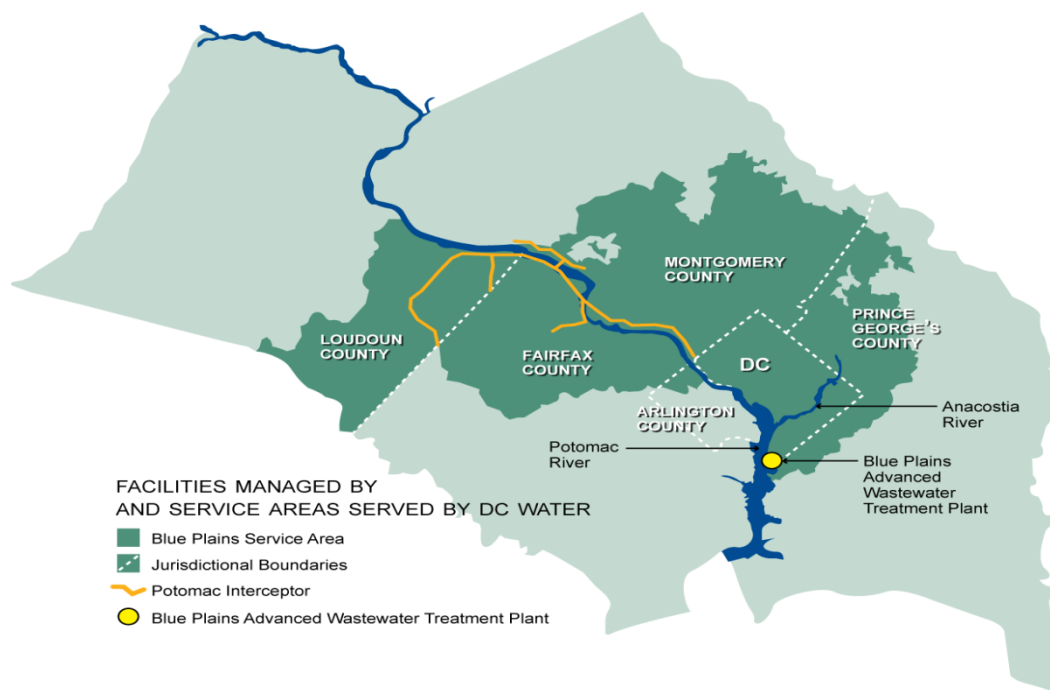


Blue Plains / Digester maintenance

History: The District of Columbia Water and Sewer Authority (DCWASA), was created by District law in 1996, with the approval of the United States Congress, as an independent authority of the District Government with a separate legal existence. In 2010, the Authority rebranded and became DC Water. DC Water is the sole water and sewer utility in the District of Columbia.

Age of Pipes: The median age of District water main pipes is over 79 years old, with approximately 9 percent of pipes installed in the 1900's and 2 percent dating back to the 1860s before the Civil War.

Service Area: Providing approximately 700,000 residents and 21.3 million annual visitors in the District of Columbia with retail water and wastewater (sewer) service, DC Water has a total service area of approximately 725 square miles. In addition, DC Water treats wastewater for approximately 1.6 million people in neighboring jurisdictions, including Montgomery and Prince George's Counties in Maryland and Fairfax and Loudoun Counties in Virginia.



Drinking Water Quality: With a strong emphasis on water quality, DC Water maintains an annual flushing program, regulatory and voluntary water quality testing, and ongoing system upgrades. In partnership with the U.S. Army Corps of Engineers' Washington Aqueduct, DC Water ensures a high-quality treatment process for delivering outstanding drinking water throughout the year. DC Water purchases water produced by the Aqueduct and distributes to its customers in the District of Columbia.

Pumped and Treated Water Storage: During Fiscal Year 2021, DC Water pumped an average of 95.1 million gallons of water per day. In addition, DC Water stores approximately 60 million gallons of treated water at its eight facilities (reservoirs and tanks). The Washington Aqueduct, which treats drinking water, stores an additional 49 million gallons.

Water Distribution System: DC Water delivers water through roughly 1,350 miles of interconnected pipes, four pumping stations, five reservoirs, four water tanks, 43,860 valves, and 9,510 fire hydrants.

Sewer System: DC Water operates approximately 2,000 miles of combined, separate and storm water sewers, 50,000 manholes and 25,000 catch basins, 16 storm water pumping stations and 9 offsite wastewater pumping stations.

Blue Plains Advanced Wastewater Treatment Plant (BPAWWTP): Blue Plains, located at the southernmost tip of the district, is the largest advanced wastewater treatment facility in the world, covering more than 150 acres along the Potomac River. Through the complete treatment process, Blue Plains treats an annual average of 320 million gallons per day (MGD) and has a design capacity of 384 MGD, with a peak design capacity to treat more than one billion gallons per day.

Wastewater Treatment Capacity: Blue Plains treats an annual average of 320 million gallons per day (MGD) and has a design capacity of 384 (MGD), with a peak design capacity to treat more than one billion gallons per day.

Customer Service: DC Water communicates valuable customer-related information through bill inserts, monthly newsletters, its website, and social media to include Facebook, YouTube, Flickr, Twitter and Instagram. Using an interactive voice recognition system, DC Water makes information readily available in more than 150 languages.

A 24-hour Emergency Command Center operates as the centralized communication facility for receiving and responding to a variety of emergency calls from customers and the public.

DC Water's new Customer Information System (CIS) provides an integrated environment that enrolls new customers, generates billings, manages credit and collections, and tracks water consumption. CIS also tracks and manages meters, handles customer inquiries, complaints, and service orders as well as provides call center support.

Community Service: Donating its time and resources, DC Water strives to be present at events that align with its mission and allows the Authority to engage with the residents about pertinent projects and services. Employees actively support a variety of charitable projects and community services. DC Water also invests in the community, conducting science laboratory exercises in District high schools and engaging the public through tours of the Blue Plains Plant.

Community Outreach: Maintaining an active presence in the community through sharing time and resources is a core value at DC Water. Employees participate in meetings and community events throughout the District; invite the public to the BPAWWTP and new headquarters building; and provide hands-on-lessons, field trips and environmental education events to more than 2,000 students in our service area during the school year. DC Water seeks to educate and support its customers as stewards of the environment.

Employees: Approximately 1,100 people are employed by DC Water and work at various facilities across the District of Columbia to provide vital services to our customers.

Governance: DC Water’s Board of Directors establishes policies and guides the strategic planning process. The Board is composed of 22 members, (11 principals and 11 alternates) representing the District, Montgomery and Prince George’s Counties in Maryland and Fairfax County in Virginia. The District members set rates, charges and policies for District services. The entire Board votes and establishes policies for joint-use services. The Chief Executive Officer and General Manager reports to the Board and manages operations and performance of the enterprise. The members of the Board of Directors also serve on various Sub Committees: DC Retail Water & Sewer Rate; Environmental Quality and Operations; Finance and Budget; Governance; Human Resources and Labor Relations; Strategic Planning and Audit.

Financial Performance: In February 2022, DC Water affirmed its senior bond ratings of AAA/Aa1/AA+ from S&P/Moody’s/Fitch’s Ratings. This allows DC Water to have a lower borrowing cost which in turn reduces ratepayer cost in the long run. DC Water also maintained a GB1 rating for green bonds, Moody’s highest possible green bond assessment. DC Water also received its 24th consecutive unqualified audit opinion of its financial statements and 21st consecutive Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA).

DC Water Finance Information (\$ Millions)

Bond Rating: AAA/Aa1/AA+	FY 2022	FY 2023
Revenue (Cash Receipts)	\$ 800.1	\$ 800.0
Operating Budget	\$ 658.4	\$ 686.4
Capital Disbursement Budget	\$ 567.5	\$ 647.0

The chart below highlights DC Water's operating expenditures, capital disbursements, revenues, rates and fees.

Description	Unit of Measure	FY 2022 Approved	FY 2023 Proposed	FY 2024 Proposed	FY 2023 vs FY 2022 Increase / (Decrease)	FY 2024 vs FY 2023 Increase / (Decrease)
Total Operating Expenditure	\$ in thousands	\$ 658,423	\$ 686,403	\$ 715,874	\$ 27,980	\$ 29,471
Capital Disbursements	\$ in thousands	\$ 567,507	\$ 647,004	\$ 668,633	\$ 79,497	\$ 21,629
Ten-Year CIP (Cash Disbursement)	\$ in billions	\$ 5.43	\$ 6.42	N/A	\$ 0.99	N/A
Total Operating Revenue	\$ in thousands	\$ 800,087	\$ 799,993	\$ 827,705	\$ (94)	\$ 27,712
Wholesale Operating Revenues	\$ in thousands	\$ 84,669	\$ 85,720	\$ 89,142	\$ 1,051	\$ 3,422
Residential 0-4 Ccf (Lifeline) ²	Ccf	\$ 3.63	\$ 4.28	\$ 4.38	\$ 0.65	\$ 0.10
Residential - > 4 Ccf ²	Ccf	\$ 4.74	\$ 5.58	\$ 5.70	\$ 0.84	\$ 0.12
Multi-family / DC Housing ²	Ccf	\$ 4.15	\$ 4.90	\$ 5.00	\$ 0.75	\$ 0.10
Non-Residential	Ccf	\$ 4.91	\$ 5.78	\$ 5.89	\$ 0.87	\$ 0.11
DC Water Retail Rates – Sewer	Ccf	\$ 10.64	\$ 11.26	\$ 11.70	\$ 0.62	\$ 0.44
DC Water Clean Rivers IAC	ERU	\$ 18.40	\$ 18.14	\$ 21.86	\$ (0.26)	\$ 3.72
DC Water Customer Metering Fee	5/8"	\$ 7.75	\$ 7.75	\$ 7.75	\$ -	\$ -
Water System Replacement Fee ¹	5/8"	\$ 6.30	\$ 6.30	\$ 6.30	\$ -	\$ -
PILOT Fee	Ccf	\$ 0.56	\$ 0.59	\$ 0.61	\$ 0.03	\$ 0.02
Right of Way Fee	Ccf	\$ 0.19	\$ 0.19	\$ 0.19	\$ -	\$ -
Stormwater Fee	ERU	\$ 2.67	\$ 2.67	\$ 2.67	\$ -	\$ -

Ccf – hundred cubic feet or 748 gallons

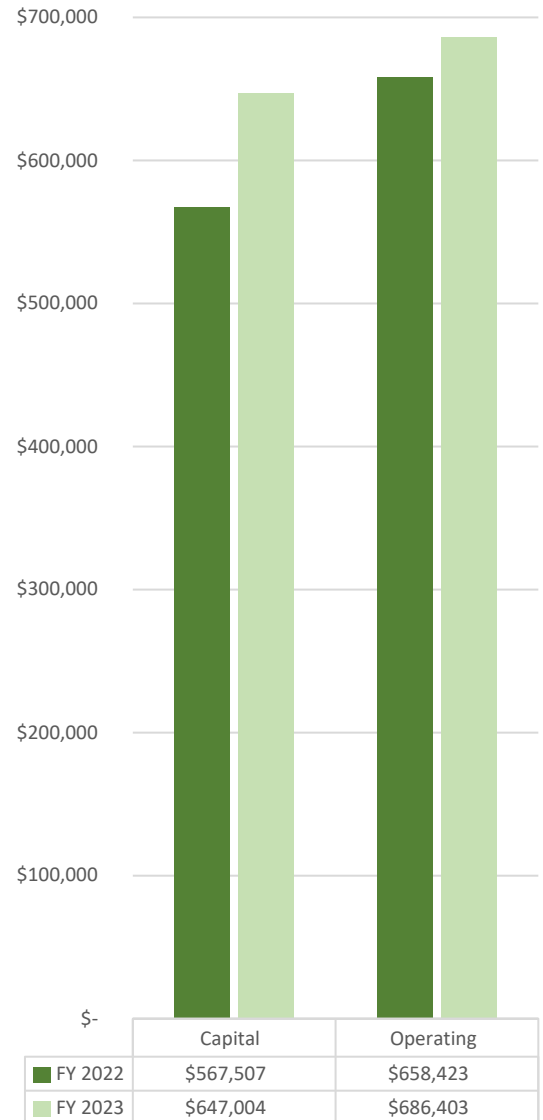
(1) DC WATER WSRF of \$6.30 effective October 1, 2015.

(2) Proposed Class-Based rates

\$ in thousands

Capital and Operating Budgets Ensure Service Needs and Strategic Objectives are Met

	Approved FY 2022	Approved FY 2023
<u>CAPITAL (Cash Disbursements Basis)*</u>		
Non Process Facilities	\$ 31,439	\$ 12,051
Wastewater Treatment	85,978	78,574
Combined Sewer Overflow	152,267	117,704
Stormwater	7,031	11,527
Sanitary Sewer	68,084	103,383
Water	165,313	227,116
Capital Equipment	40,519	37,021
Washington Aqueduct	16,875	59,628
Total Capital	\$ 567,507	\$ 647,004
<u>OPERATING</u>		
Personnel Services	180,353	\$ 186,223
Contractual Services	88,504	88,504
Water Purchases	35,217	40,334
Chemicals and Supplies	34,201	36,994
Utilities	27,329	28,799
Small Equipment	1,108	1,108
Total O&M	366,712	381,962
Debt Service	231,164	234,679
Cash Financed Capital Improvements	37,830	46,692
Payment in Lieu of Taxes	17,618	17,970
Right of Way Fees	5,100	5,100
Subtotal Operating	658,423	686,403
Personnel Services charged to Capital Projects	(25,086)	(30,435)
Net Operating	\$ 633,337	\$ 655,968



*Reflect revisions to FY 2022 capital disbursement budget during the FY 2023 cycle.

\$ in thousands

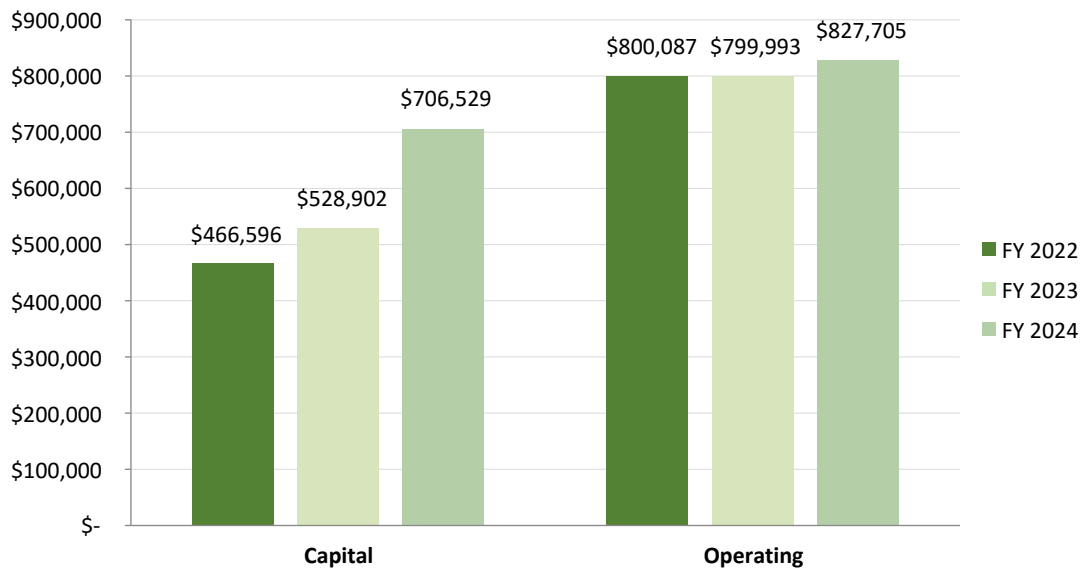
	FY 2022 Approved	FY 2023 Proposed	FY 2024 Proposed
CAPITAL			
Wholesale Capital Payments	\$ 83,640	\$ 90,690	\$ 114,647
Federal Grants - Infrastructure Funding	-	37,594	44,828
EPA Grants & CSO Appropriations	31,311	27,101	30,280
Interest Income on Bond Proceeds	2,623	3,304	3,849
Pay-Go-Financing	141,322	166,828	174,928
Revenue Bonds/Commercial Paper/EMCP*	200,000	194,519	327,958
Curing Pad and Solar	-	1,165	2,338
System Availability Fee	7,700	7,700	7,700
Total Capital Revenue	\$ 466,596	\$ 528,902	\$ 706,529

OPERATING

Residential	130,515	136,324	144,336
Commercial	172,180	179,276	189,863
Multi-Family	125,076	145,282	151,149
Federal Government	77,746	84,768	79,943
Municipal & Housing	31,260	34,504	36,859
Water System Replacement Fee (WSRF)	39,717	39,717	39,717
Metering Fee	24,083	24,083	24,083
Wholesale	84,669	85,720	89,142
Transfer from Rate Stabilization Fund	52,100	-	-
Other Revenue	62,741	70,319	72,614
Total Operating Revenue	\$ 800,087	\$ 799,993	\$ 827,705

(*) Extendable Municipal Commercial Paper

Capital and Operating Revenue



- Water and Sewer volumetric rates are listed below:
 - Residential customers: “Consumption of 0 – 4 Ccf” water rate increase of \$0.14 per Ccf to \$3.63 per Ccf, {increase of \$0.18 to \$4.85 per 1,000 gallons}
 - Residential customers: “Consumption greater than 4 Ccf” water rate increase of \$0.24 per Ccf to \$4.74 per Ccf, {increase of \$0.32 to \$6.34 per 1,000 gallons}
 - Multi-family customers: water rate increase of \$0.19 per Ccf to \$4.15 per Ccf, {increase of \$0.26 to \$5.55 per 1,000 gallons}
 - Non-residential customers: water rate increase of \$0.26 per Ccf to \$4.91 per Ccf, {increase of \$0.34 to \$6.56 per 1,000 gallons}
- Sewer rate increase of \$0.87 per Ccf to \$10.64 per Ccf, {increase of \$1.16 to \$14.22 per 1,000 gallons}
- Monthly Clean Rivers Impervious Area Charge decrease of \$1.12 to \$18.40 per ERU to recover the costs of the DC Clean Rivers Project
- Monthly Customer Metering Fee increase of \$2.79 from \$4.96 to \$7.75 for a 5/8” meter size. The Customer Metering fee varies by size.
- Water System Replacement Fee (WSRF) of \$6.30 for 5/8” meter size will remain the same. This fee varies with meter size. The WSRF is to recover the costs of 1% renewal and replacement program for water service lines
- PILOT fees increase of \$0.02 per Ccf to \$0.56 per Ccf {increase of \$0.03 to \$0.75 per 1,000 gallons}
- No increase in ROW fee, which remains the same at \$0.19 per Ccf {\$0.25 per 1,000 gallons}

Ccf is equivalent to hundred cubic feet or 748 gallons

- Water and Sewer volumetric rates are listed below:
 - Residential customers: “Consumption of 0 – 4 Ccf” water rate increase of \$0.65 per Ccf to \$4.28 per Ccf, {increase of \$0.87 to \$5.72 per 1,000 gallons}
 - Residential customers: “Consumption greater than 4 Ccf” water rate increase of \$0.84 per Ccf to \$5.58 per Ccf, {increase of \$1.12 to \$7.46 per 1,000 gallons}
 - Multi-family customers: water rate increase of \$0.75 per Ccf to \$4.90 per Ccf, {increase of \$1.00 to \$6.55 per 1,000 gallons}
 - Non-residential customers: water rate increase of \$0.87 per Ccf to \$5.78 per Ccf, {increase of \$1.17 to \$7.73 per 1,000 gallons}
- Sewer rate increase of \$0.62 per Ccf to \$11.26 per Ccf, {increase of \$0.83 to \$15.05 per 1,000 gallons}
- Monthly Clean Rivers Impervious Area Charge decrease of \$0.26 to \$18.14 per ERU to recover the costs of the DC Clean Rivers Project
- Monthly Customer Metering Fee of \$7.75 for a 5/8” meter size will remain the same. The Customer Metering fee varies by size.
- Water System Replacement Fee (WSRF) of \$6.30 for 5/8” meter size will remain the same. This fee varies with meter size. The WSRF is to recover the costs of 1% renewal and replacement program for water service lines
- PILOT fee increase of \$0.03 per Ccf to \$0.59 per Ccf {increase of \$0.04 to \$0.79 per 1,000 gallons}
- No increase in ROW fee, which remains the same at \$0.19 per Ccf {\$0.25 per 1,000 gallons}

Ccf is equivalent to hundred cubic feet or 748 gallons

- Water and Sewer volumetric rates are listed below:
 - Residential customers: “Consumption of 0 – 4 Ccf” water rate increase of \$0.10 per Ccf to \$4.38 per Ccf, {increase of \$0.14 to \$5.86 per 1,000 gallons}
 - Residential customers: “Consumption greater than 4 Ccf” water rate increase of \$0.12 per Ccf to \$5.70 per Ccf, {increase of \$0.16 to \$7.62 per 1,000 gallons}
 - Multi-family customers: water rate increase of \$0.10 per Ccf to \$5.00 per Ccf, {increase of \$0.13 to \$6.68 per 1,000 gallons}
 - Non-residential customers: water rate increase of \$0.11 per Ccf to \$5.89 per Ccf, {increase of \$0.14 to \$7.87 per 1,000 gallons}
- Sewer rate increase of \$0.44 per Ccf to \$11.70 per Ccf, {increase of \$0.59 to \$15.64 per 1,000 gallons}
- Monthly Clean Rivers Impervious Area Charge increase of \$3.72 to \$21.86 per ERU to recover the costs of the DC Clean Rivers Project
- Monthly Customer Metering Fee of \$7.75 for a 5/8” meter size will remain the same. The Customer Metering fee varies by size.
- Water System Replacement Fee (WSRF) of \$6.30 for 5/8” meter size will remain the same. This fee varies with meter size. The WSRF is to recover the costs of 1% renewal and replacement program for water service lines
- PILOT fee increase of \$0.02 per Ccf to \$0.61 per Ccf {increase of \$0.03 to \$0.82 per 1,000 gallons}
- No increase in ROW fee, which remains the same at \$0.19 per Ccf {\$0.25 per 1,000 gallons}

Ccf is equivalent to hundred cubic feet or 748 gallons

\$ in thousands

OPERATING BUDGET	FY 2021 Actual	FY 2022 Approved	FY 2023 Proposed	FY 2024 Proposed
Operating Revenue				
Residential, Commercial & Multi-Family	\$ 323,874	\$ 366,120	\$ 396,575	\$ 405,686
Federal	54,665	58,507	66,330	59,891
Municipal	12,274	11,445	13,359	13,650
D.C. Housing Authority	11,035	11,521	12,459	12,742
Groundwater	-	5	5	5
Water System Replacement Fee (WSRF)	42,212	39,717	39,717	39,717
Metering Fee	14,862	24,083	24,083	24,083
Payment in Lieu of Taxes / Right of Way Fee	21,612	21,588	23,070	23,430
Clean Rivers IAC Revenue	104,356	89,179	91,426	110,174
Sub-total Retail	584,889	622,165	667,024	689,378
Wholesale	82,986	84,669	85,720	89,142
Interest Earnings	3,433	3,352	4,162	4,151
Transfer from Rate Stabilization Fund ⁽²⁾	2,500	52,100	-	-
Other Operating Revenues ⁽¹⁾	35,566	37,716	42,862	44,757
Total Operating Revenue ⁽¹⁾	709,375	800,002	799,768	827,428
Operating Expenditures				
Personnel Services	145,734	155,267	155,788	160,469
Contractual Services	82,459	88,504	88,504	91,259
Chemicals & Supplies	38,377	34,202	36,994	38,305
Utilities & Rent	30,962	27,329	28,799	29,946
Water Purchases	34,796	35,217	40,334	41,544
Small Equipment	502	1,108	1,108	1,141
Subtotal - Operating Expenditures	332,830	341,627	351,527	362,664
Payment in Lieu of Taxes / Right of Way Fee	22,372	22,718	23,070	23,430
Debt Service	204,878	223,513	234,679	245,482
Cash Financed Capital Improvements/Defeasance	30,355	37,830	46,692	48,256
Total Operating Disbursements	590,437	625,687	655,968	679,833
Operating Surplus ⁽¹⁾	101,632	101,633	101,634	101,635
CAPITAL Disbursements (See Section VI for more details)				
Sources of Capital Funds	254,946	709,966	528,902	706,529
Uses of Capital Funds	370,120	567,506	647,003	668,633
Capital Disbursements Overage / (Shortage)	(115,174)	142,460	(118,101)	37,896
CASH RESERVES				
Beginning O&M Reserve Balance (Net of Rate Stabilization Fund)	186,827	196,286	235,600	242,600
Operating Surplus	118,938	174,315	143,799	147,595
Wholesale Customer Refunds/Payments for Prior Years	2,313	(5,400)	(5,000)	(4,500)
Federal Customer Refund/Payments for Prior Years	2,233	(3,060)	(4,188)	-
Interest Earned from Bond Reserve	194	85	225	277
Pay-As-You-Go Capital Financing	(114,221)	(126,625)	(127,837)	(134,372)
Ending O&M Reserve Balance (Net of Rate Stabilization Fund)	196,286	235,600	242,600	251,600
Rate Stabilization Fund ⁽²⁾	\$ 87,744	\$ 35,644	\$ 35,644	\$ 35,644

(1) Does not include interest earned from debt service reserve fund

(2) Additional \$41.6 million was transferred from the Rate Stabilization Fund in FY 2022

In the early history of Washington, DC, water and sewer operated as separate entities. Early incarnations of the agency we now call DC Water included the District of Columbia Water Board (1859—1872) and the District of Columbia Board of Public Works (1872—1932).

Beginning in 1932, the Agency operated as the District of Columbia Department of Sanitary Engineering and constructed the first sewage treatment plant at Blue Plains. The Agency went through another transition to the District of Columbia Department of Environmental Services in 1971, then operated as the Water and Sewer Utility Administration (WASUA) under the Department of Public Works from 1985 to 1996.

The District of Columbia Water and Sewer Authority (DC Water) was created in April 1996 and began operating October 1, 1996 under and pursuant to an act of the Council of the District of Columbia and an act of the United States Congress. Previously, the Water and Sewer Utility Administration, a division of the District's Department of Public Works, performed DC Water's operations. In the aftermath of the District's financial crisis in the 1990s, Congress created an independent utility agency governed by a Board of Directors consisting of eleven principal and eleven alternate members who represent the District of Columbia, Montgomery and Prince George's Counties in Maryland and Fairfax County in Virginia to govern DC Water. The Mayor of the District of Columbia appoints, and the Council confirms, all District Board members, including the Chairperson. In addition, the Mayor appoints the five principal and five alternate members who represent the surrounding jurisdictions based on submissions from those jurisdictions. All members serve four-year terms. The existence of a quorum and an affirmative vote of a majority of the members present, who are permitted to participate in the matter under consideration, is required to approve any Board action; except, that 7 affirmative votes are required for approval of the Authority's budget and 8 affirmative votes are required for the selection or relieving of the CEO/General Manager. All Board members participate in decisions directly affecting the general management of joint-use facilities (such as projects at the Blue Plains Advanced Wastewater Treatment Plant), and only the District of Columbia members participate in decisions for those matters that affect only District ratepayers. Rate setting authority resides solely with the Board of Directors, and is a non-joint use matter.

At its inception, DC Water faced a cash shortage and projected multi-million dollar deficit. The newly established utility was also burdened with a barely functional fleet, poorly maintained infrastructure, an antiquated billing system, and many operating weaknesses. Through the leadership of an active Board of Directors and strong management staff, a line of credit was obtained, municipal bonds were issued and new strategic goals, business processes and technologies were developed. DC Water made tremendous strides in its prudent financial management and cutting-edge technology, customer service improvements, extensive capital investment, environmental stewardship, peer-reviewed research and establishment of an award winning fleet. Our credit rating since 1996 has gone from no credit to AAA. Today, DC Water is one of the best utilities not only in North America but in the world.

Over the years, we have developed strong partnerships with the District government, Congress, suburban jurisdictions, federal regulators and environmental advocates. We are continuing to strengthen our existing partnerships while reaching out to establish new relationships. Our success has been acknowledged through many awards as well as positive financial results and audits over the years. Since 1996, the Authority has met its mission of providing clean drinking water to residents of the District of Columbia and wastewater conveyance and treatment services to both residents of the District of Columbia and wholesale customers in Maryland and Virginia.

At DC Water, we focus all of our technology initiatives on improving both the quality of services we provide to our customers and organizational effectiveness. We were one of the first utilities to automate our meter reading program (AMR) which has been heralded as a best practice in the industry. The automated meters use radio frequency and cell phone technology to send daily water usage information from the meter to DC Water. This tool analyzes daily water consumption and provides monthly and yearly averages on an account so a customer can monitor their own water use. In addition, we developed a powerful application in-house called the High Use Notification Application (HUNA). This tool alerts customers of unusually high amounts of water delivered to their meter so they can check for leaks and avoid a high bill.

Basis of Accounting

DC Water is a single enterprise fund and maintains accounting records using the modified accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP). Under this basis of accounting, revenues are recorded when earned, and expenses are recorded when incurred. DC Water's expenditure budget is prepared on a comparable basis to GAAP, with the exception of debt service (including principal and interest) that is budgeted in full when due. Depreciation and interest expense are recorded as expenses for financial statement purposes. (Depreciation is not budgeted.)

Annual Budget Process

As a first step in the budget development process, the Finance Department updates DC Water's ten-year financial plan to reflect any revisions to the capital improvement program and any other major revenue or operating budget issues, and analyzes the potential impact of these items on rates. In addition to these items, the ten-year plan is also developed based on the financial and rate-setting policies adopted by the Board as well as the Board's Strategic Plan.

Approval Process

Typically, in May or June, the CEO & General Manager and CFO kick off the budget season. In July, departments submit their initial budget requests for management review. DC Water's strategic and operational priorities are included in each department's work plan and performance agreements, as appropriate. During the month of August and in early September, departments complete budget reviews with budget staff, and in September and October, reviews are held with the Executive Team and with the CEO & General Manager in tandem.

Typically, in December of each year, management presents the operating budget, ten-year capital improvement program and ten-year financial plan to the Board’s Environmental Quality and Operations Services, DC Water Retail Water and Sewer Rates and Finance and Budget Committees for their review. The budget is proposed for the following fiscal year (e.g. beginning October 1, 2022). The Committees review the budget documents in December through February and submit budget recommendations to the full Board in March. Typically, decisions are finalized and Board action on the budget is taken between March and April.

Upon budget adoption, the Budget Office publishes and distributes the approved budget book and ensures that DC Water’s budget is included in the District of Columbia’s budget submission, which is transmitted to the U.S. Congress for approval. Once approved by Congress, the budget is effective October 1 of each year.

Budgetary Control

After the U.S. Congress approves the budget, the operating and capital budgets are loaded into the DC Water’s financial management system, which prevents overspending without appropriate approvals. The Finance Department prepares monthly management reports for each operating unit, management staff, the Board of Directors and its various committees. The reports are consistently reviewed each month to ensure that DC Water complies with its authorized budget levels.

Amendment Process

The CEO & General Manager has control over the budget as approved by the U.S. Congress, at the appropriation level, i.e., DC Water’s overall approved operating budget and capital authority at the Authority-wide level in the capital budget. The CEO & General Manager has the authority to approve budget reprogramming between departments. Any additional budget spending above the budget appropriation level requires approval from the U.S. Congress.



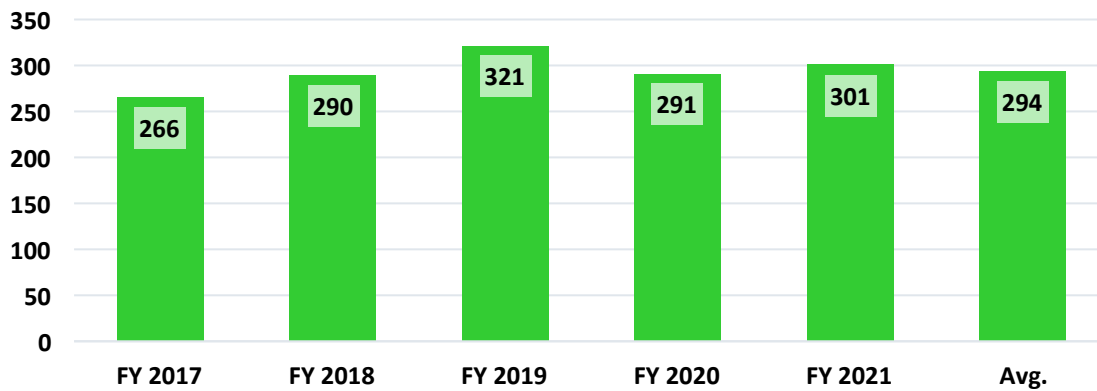
Month	Activity
July	Centrally Managed and Matrix training and preparation
July	Guidance / Training for Departments
September 7	Chief Executive Office (CEO) & General Manager's (GM) Budget Kickoff Meeting
September	Departmental FY 2023 budget submission to Budget Office
October	Chief Financial Officer Briefing on Departmental Budget Requests
October - November	Departmental FY 2023 Operating and Capital Equipment Budget Reviews with the Chief Executive Officer, Chief Financial Officer, and the Budget Office
November	Executive Team Briefing (Operating and Ten-Year Capital Improvement Program)
December	Finalize Ten-Year Financial Plan (Operating, Capital Improvement Program, Revenues, Rates & Fees Transmittal of CEO's & GM's Final Budget Proposal to Executive Vice Presidents & Department Heads
January 6	Budget Workshop – Board Briefing of the CEO & GM's Proposed FY 2023 Budgets and Two-Year Rate Proposal
January	Wholesale Customer Briefing
January	Environmental Quality & Operations Committee Review of Capital Improvement Program, and joint session with the DC Retail Water & Sewer Rates and Finance & Budget Committees on the Operating Budget and Capital Improvement Program and Two-Year Rate Proposal
January	Board Committees Conduct In-Depth Review of Budget Proposal
February	Board Committees Forward Recommendations to Full Board for deliberation/action Budget Book Preparation & Production
March 3	Board Adoption Submission to the District of Columbia for onward transmission to U.S. Congress

Wastewater System Capacity Ensures Service Area Meets Needs Through 2040

- Blue Plains is the world’s largest advanced wastewater treatment plant
 - Treats an average of approximately 324 million gallons per day (MGD) annually
 - Designed for average daily flow of 384 MGD and, with a peak design capacity to treat more than one billion gallons per day
- System comprises 2,000 miles of sanitary, stormwater and combined sewers; 125,000 building sewer laterals; 22 flow-metering stations; 9 off-site wastewater pumping stations; and 16 stormwater pumping stations

Historical Wastewater Treatment vs. Capacity FY 2017 – FY 2021

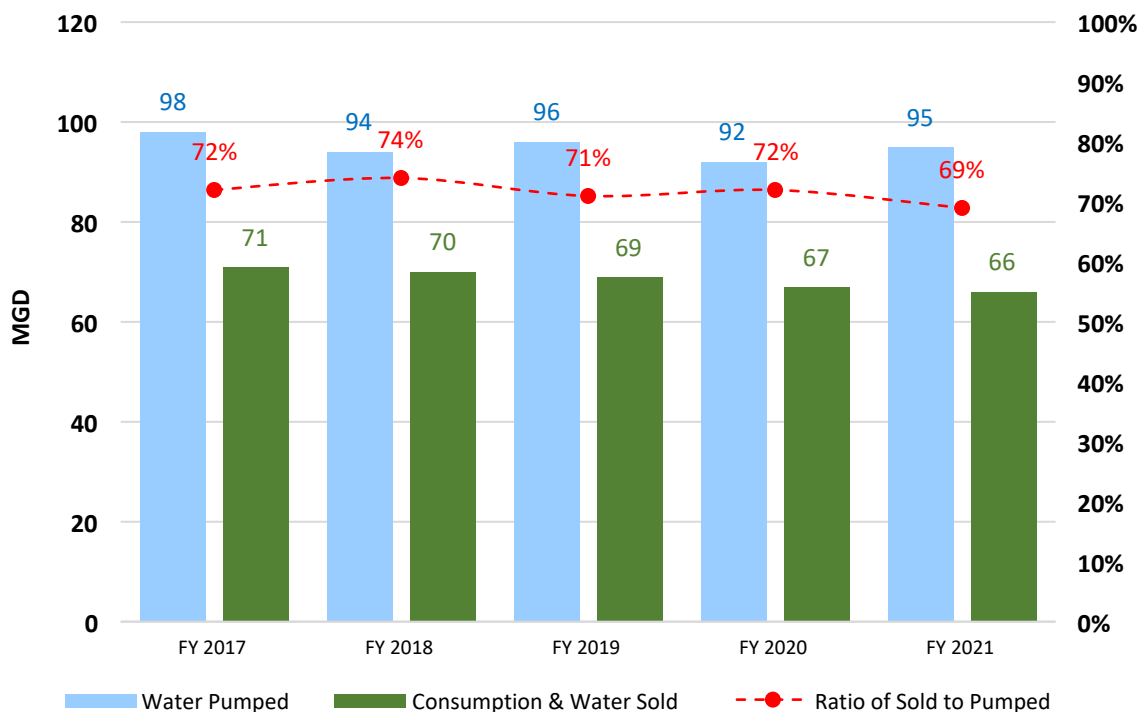
Wastewater Capacity 370 MGD
(Designed annual average daily flow)



Water System Capacity Meets Service Area Needs

- Water is purchased from the Washington Aqueduct, owned and operated by the U.S. Army Corps of Engineers
- Four pumping stations provide adequate capacity to meet peak demand
 - Bryant Street, New Fort Reno, 16th and Alaska, Anacostia
- One Washington Aqueduct pumping station with capacity sufficient to take over for Bryant Street pumping station
- System comprises 1,350 miles of interconnected pipes

**Volume of Water Pumped vs. Sold
FY 2017 - FY 2021**



Infrastructure Leakage Index (ILI)

FY 2017	9.00
FY 2018	9.84
FY 2019	12.53
FY 2020	8.25
FY 2021	10.94

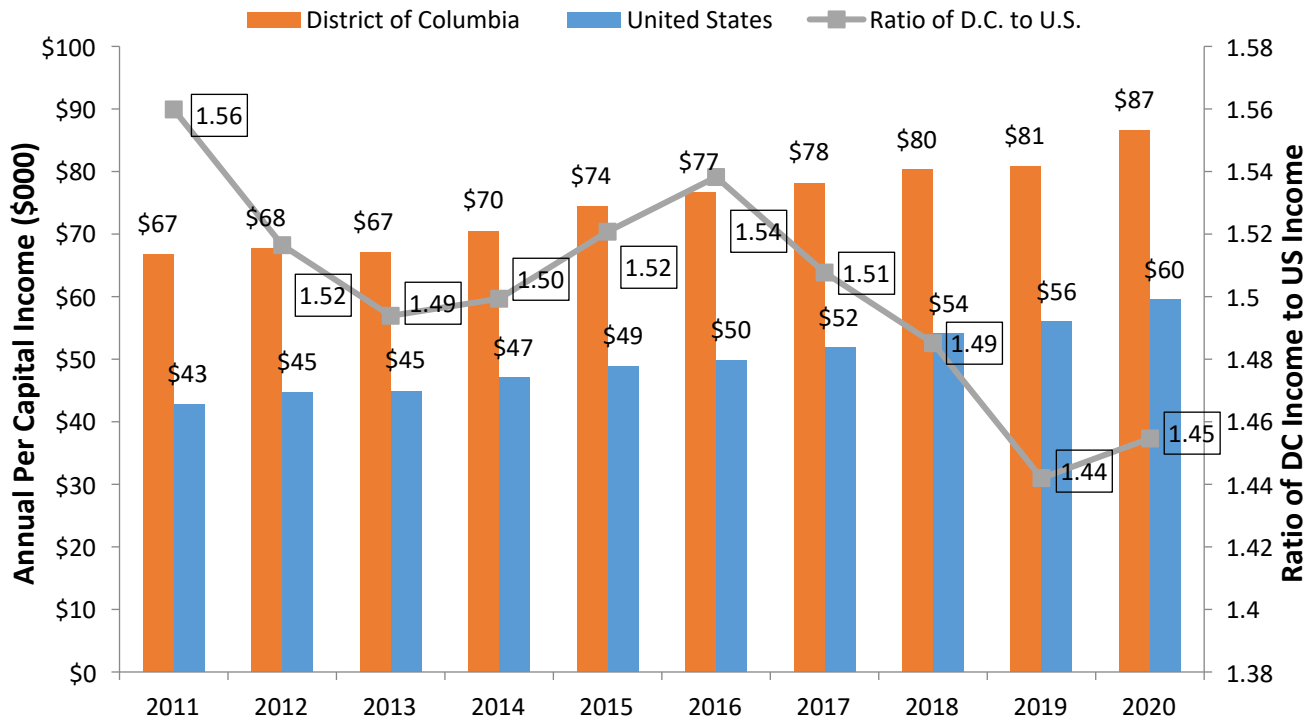
Strong financial planning requires careful monitoring and analysis of various trends and factors that may influence the market place. In this case, the market place for DC Water is the District of Columbia and its surrounding region. DC Water monitors consumption and wastewater flow trends within the customer base, weather patterns, regional income changes, population trends, federal activity in the region, housing starts, office vacancy rates and employment trends. A review of experiences from similar national systems is a useful benchmark assessment. While there are no crystal balls in the area of forecasting water demand, monitoring such data can provide insight into customer behavior and anticipated service demands

Regional Economy

DC Water's service area has historically been resilient, even during fluctuations in nationwide economic conditions. Employment at the U.S. government and all of the professional and service industry firms that support the federal government have been a steadying force through various economic cycles.

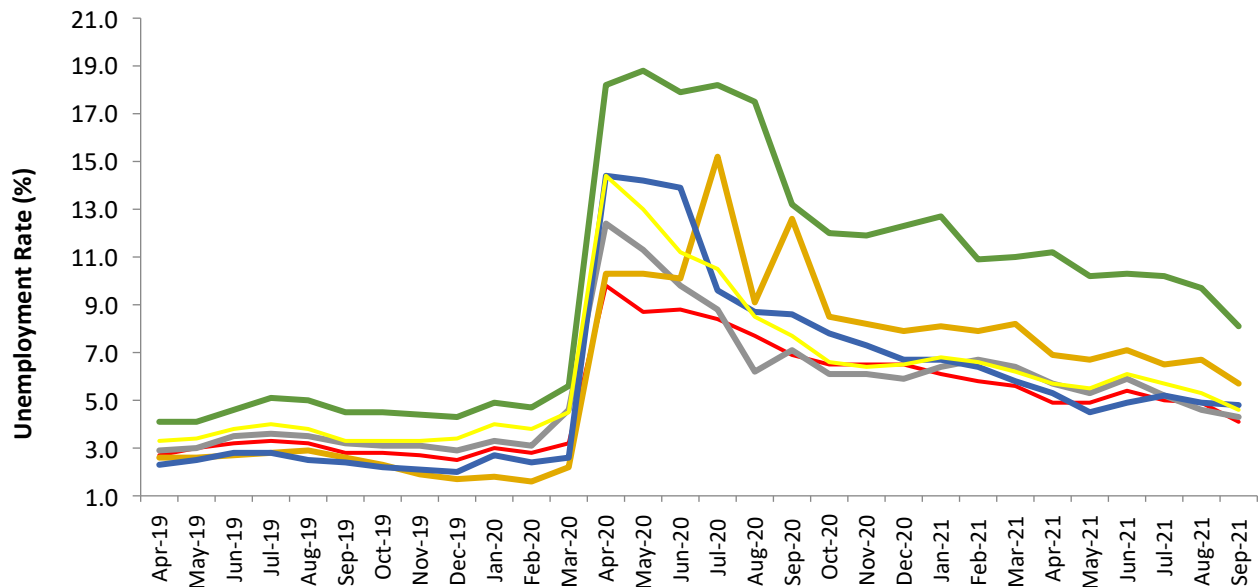
A major local employer, the federal government, remains relatively stable for this employment sector for the past few years. The population of the District grew by over 80,000 people from 2010 to 2020. Per capita incomes within the District and for the region as a whole continue to be higher than the U.S. average. Regional office vacancy rates have increased during a year of unprecedented challenges while retail vacancy rates remain low. The strengths of the District are complimented by its highly rated partners: the federal government and wholesale wastewater users. Select demographic charts that follow support the overall positive outlook for the Washington Metropolitan region and its economy.

DC Per Capita Income is Higher Than US Average



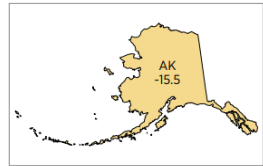
Source: Bureau of Labor Statistics

Unemployment Rate in The DC Region Remains Relatively Low

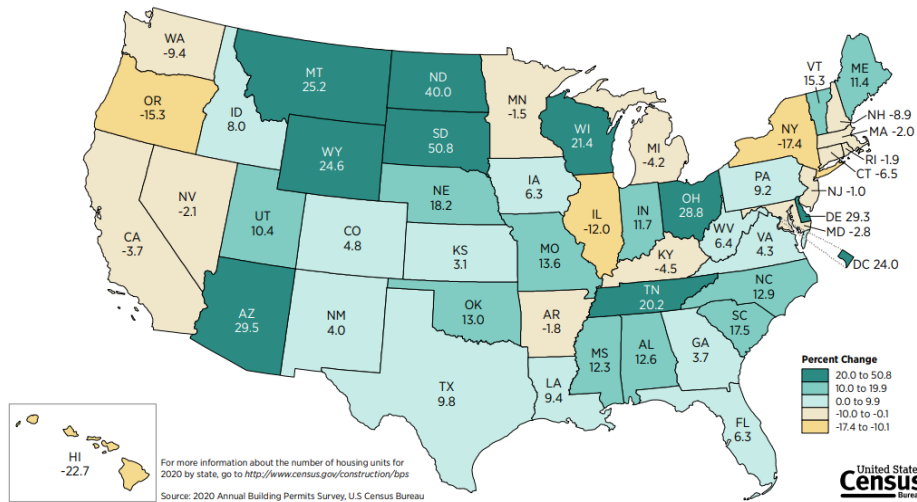


2019 – 2020

Significant Growth in New Housing Permit Issuance in DC

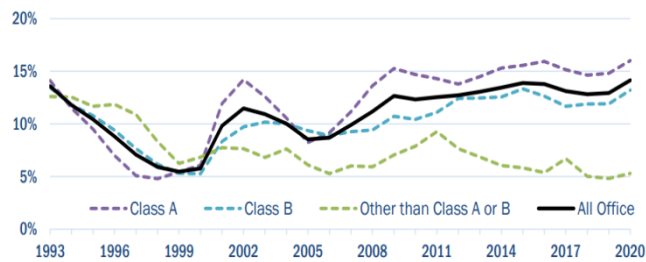


Percent Change in New Privately-Owned Housing Units Authorized by State: 2019-2020

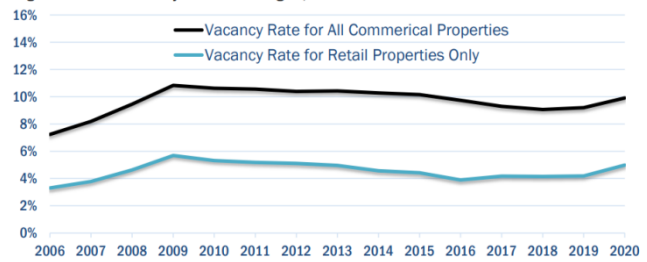


DC Metro Vacancy Rates Are Above Pre-Recession Levels Partly Due to New Spaces Added to The Market

Office Vacancy Rate in the COG Region, 1993 - 2020



Retail Vacancy Rate in the COG Region, 2006 - 2020



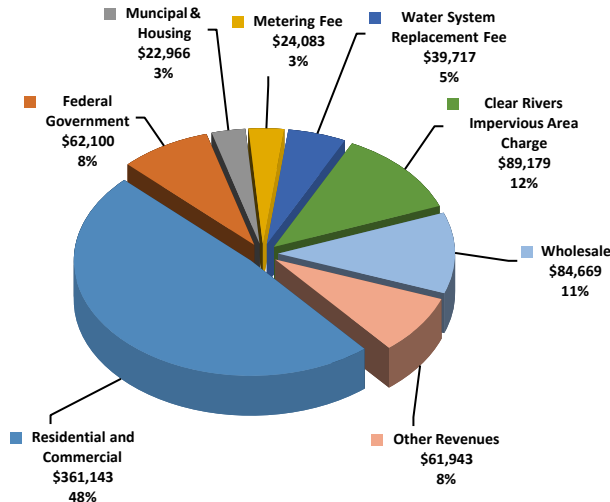
DC Water's performance is driven by federal government growth and associated industries, supporting regional growth and diversification.

- Source: Metropolitan Washington Council of Governments (COG)
- Note: COG region includes the District of Columbia, Northern Virginia, and Suburban Maryland

The regional indicators are positive with strong incomes and unemployment below the national level. These factors coupled with stable consumption and the financial strength of the major AAA rated customers helps to ensure the financial success of DC Water.

The DC Water service area includes highly-rated customers

- About 23.0% of the projected FY 2022 revenues came from “AAA” rated entities and are received in advance of service:
 - Federal Government
 - Fairfax County
 - Washington Suburban Sanitary Commission
 - Loudoun County Sanitation Authority
 - District of Columbia

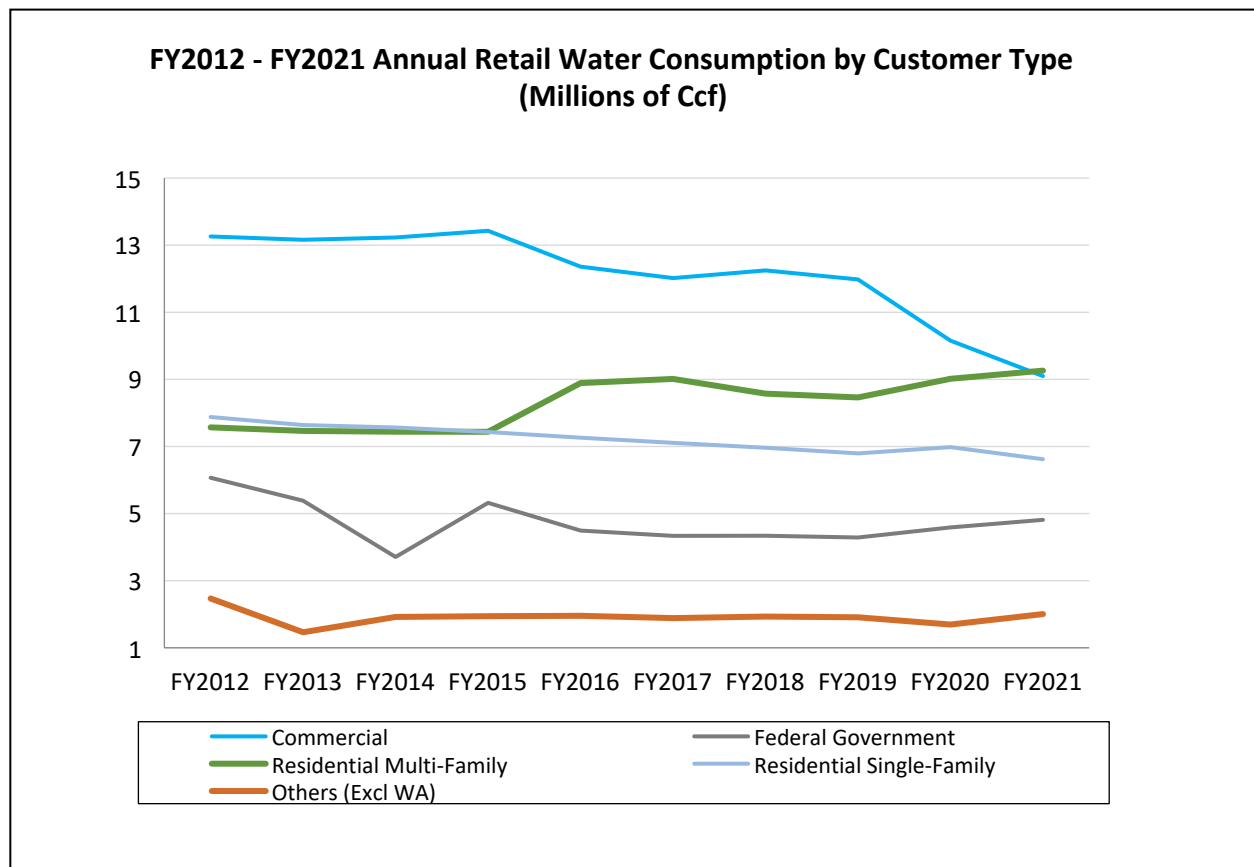


Media reports reference the service area's economic strength

- "... the DC government finished its 2020 fiscal year with a surplus of more than half a billion dollars... The better-than-expected revenue picture was driven by a 5 percent increase in property tax receipts, a 13 percent jump in corporate franchise tax receipts, and a 3 percent increase in individual income tax receipts ..." Washingtonian, February 2021
- "The coronavirus ... [has] triggered explosive growth in a pair of critical technology industries on either side of the Potomac... the medical battle ... opened a gusher of nearly \$8 billion in fresh investment last year in Montgomery County's biotech companies... In Loudoun and Prince William counties ... a dramatic jump in construction of data centers that house the computers that create the Web... The booms have also strengthened our region's position in the intense competition with other U.S. metropolitan areas for high-tech investment." The Washington Post, April 2021
- "One of the fastest growing venture capital hubs nationally, the Washington region has received \$3.8 billion in venture funding so far this year." The Urban Land Magazine, November 2021

Customer Demand: A reasonable degree of accuracy in forecasting water demand is important for sound financial planning and rate-setting. The FY 2012 - 2021 actual average decline in usage is 1.7% annually, excluding the Washington Aqueduct. FY 2012 – FY 2021 average annual rate of change in demand for the customer classes: Commercial -4.1%; Federal Government: -2.5%; Single Family: -1.9%; and Other (include Exempt, DC Housing Authority, DC Municipal Government, and DC Water): -2.3%. Multi-Family increased by 2.3% annually.

DC Water Consumption by Customer Type



Source: DC Water

- FY 2021 consumption, excluding Washington Aqueduct, decreased 2.0%, mostly due to impact of COVID-19 leading to decreases in consumption for Commercial accounts.
- DC Water has typically assumed an annual reduction in water demand of 1.0% in line with historic averages. The Financial Plan assumes a 1.4 percent retail water consumption decline in FY 2022 over FY 2021 actual and 1.0 percent decline in FY 2023 and beyond. We believe that this estimate is prudent, consistent with peers such as New York and Boston and assures revenue sufficiency for the Authority.



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Approved FY 2023 Budgets

Section III: FINANCIAL PLAN



Clean Rivers
Anacostia River Tunnel boring machine

Blueprint 2.0

The Blueprint is DC Water's Strategic Plan Framework for future decision-making and provides a structure through which annual reviews can be accomplished to assure that the goals and objectives retain their relevance over time. By laying out a course of action, this plan represents a disciplined process for making fundamental decisions and shaping DC Water's future.

The plan represents the collaboration of the Board of Directors, Executive Management, and the management team, as well as input from key external stakeholders. The plan gives us the foundation on which to build a better, more sustainable, more resilient, more reliable and more equitable organization over the next five years.

The DC Water Board of Directors approved a new strategic plan, Blueprint 2.0, in July of 2021, and the new five-year plan takes effect on October 1, 2021. The plan is the successor to The Blueprint, launched in 2018, which has pushed us to operate as high-performing utility, improve employee engagement and the customer experience, better leverage technology, ensure a safe workplace, and enhance our readiness and resilience. The plan sets out five, interconnected Organizational Imperatives: Healthy, Safe and Well; Reliable; Resilient; Sustainable; and Equitable.



Blueprint 2.0

DC Water's 2022-2027 Strategic Plan

Overview

DC Water's strong financial performance and its success in achieving and maintaining strong bond ratings have been primarily due to the annual development of and adherence to a ten-year strategic financial plan. DC Water's senior lien revenue bond credit ratings were affirmed in January and February 2022. DC Water received stable outlooks from by S&P, Moody's, and Fitch with ratings maintained at AAA, Aa1, and AA+ respectively. Additionally, a second party opinion was provided by Vigeo Eris (V.E.) on DC Water's 2022 Series B green bonds. V.E considers that DC Water's Issuance is aligned with the four core components of the ICMA's Green Bond Principles 2021. During FY2021, DC Water met or exceeded the goals set by Board policy and the FY 2021 – FY 2030 ten-year plan. This budget includes DC Water's twenty second comprehensive ten-year financial plan, covering FY 2022 – FY 2031.

The necessity of a ten-year financial plan is clear:

1. DC Water operates under a regulatory and capital project-driven environment that requires a longer-term ten-year planning horizon. In order to provide our customers with the best service possible and with gradual and predictable rate increases, DC Water must plan for all projects on a long-term and integrated basis, including both capital and operating requirements. A five- year, capital-only financial plan would insufficiently prepare DC Water to address the major regulatory, operational and capital project issues that will impact service, operations, and rates over the next five to ten years.
2. In accordance with Board policy, DC Water sets rates so that each customer is charged for the actual cost to provide each service, rate increases are implemented transparently and predictably, utilizing all available options to mitigate future customer impacts. Since proposed future rate increases are primarily driven by financing of DC Water's capital program and full utilization of the rate stabilization fund, the development of a ten-year financial plan allows DC Water to meet these key goals.
3. The Board has directed DC Water management to undertake internal improvements and investments that will significantly lower operating costs over a ten-year period. A ten-year plan is required to bridge current operations and related capital and operating budgets with these longer-term cost reduction goals.

Board policies, strategic plan, priorities, and guidance in several key financial areas drive the development of the FY 2022 - FY 2031 financial plan. 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.

Financial Plan Objectives

The financial plan serves as the framework to support the Board’s strategic plan, policies, priorities, and guidance in several key financial areas

- It is one of management’s key tools to monitor progress in meeting financial goals and to proactively address future financial and operational issues
- It also ensures meeting or exceeding indenture and Board’s coverage requirements and providing sufficient liquidity to meet all obligations
- The ten-year financial plan projects revenue requirements, operating and maintenance expenses, capital expenditures, debt service charges, coverage ratios, and rate increases

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 the 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 250 days of cash excluding Rate Stabilization Fund
- FY2021 actual consumption declined by 2.0 percent. Assumed 1.4 percent decline in consumption in FY2022 over FY2021 actual and 1.0 percent conservation in FY2023 and onwards. Due to the impact of COVID-19, assumed 12 percent decline in consumption for Commercial category in FY2022 and beyond.
- FY 2021 Debt Service was lower as compared to budget due to deferring bond issuance, refunding as well as achieving lower interest than projected. The new plan assumed lower interest rates with slightly lower Debt Service projections.
- Assumed increase in delinquencies
- Assumed lower miscellaneous fee revenue and interest earnings
- Assumed lower collection of receipts for Late Fees

Financial Metrics

Metrics	Indenture Requirements	Board Policy	Management Target	Financial Plan
Days of Cash on Hand (excluding RSF)	60 Days	250 Days	–	250 – 253 days
Combined Coverage Ratio	–	1.6X	–	1.85X – 2.04X
Senior Coverage	1.2X	1.4X	–	5.39X – 7.67X
Subordinate Coverage	1.0X	–	–	2.16X – 2.54X
Debt Service as a % of Revenue	–	–	33% of Revenue or Less	29.5% - 33.0%
Rate Stabilization Fund (RSF)	–	–	–	

DC Water's board policies include:

- **DEBT SERVICE COVERAGE** – DC Water will set rates and develop operating and capital budgets that ensure **senior debt service coverage of 140 percent and combined coverage of 160 percent.**
 - This coverage level exceeds DC Water's bond indenture requirement of 120 percent senior debt service coverage
- **CASH RESERVES** – DC Water will maintain **cash reserves equivalent to 250 days of budgeted operations and maintenance expenses.** Rating agencies have referenced the 250 days of cash and 1.6X coverage are indicators of financial strength.
- **PAY-GO FINANCING OF CAPITAL** – DC Water will finance a portion of its capital program on a **pay-go basis from cash balances that exceed operations requirements or restricted use.**
- **RATE-SETTING POLICIES**
 - Rates that, together with other revenue sources, **cover current costs** and **meet or exceed all bond and other financial requirements** as well as goals set by the Board
 - Rates that yield a **reliable and predictable** stream of revenues, considering trends in costs and in units of service
 - Rates based on **annually updated forecasts of operating and capital budgets**
 - Rate structures that are **legally defensible**, based on objective criteria, **and transparently designed**
 - Rate structures **that customers can understand**, and DC Water can **implement efficiently and efficaciously**
 - Rates increases, if required, are implemented **transparently and predictably.**

To the extent annual revenues exceed costs, the Board's policy will continue to utilize all available options to mitigate future customer impacts and annual rate increases, including transferring some or all excess funds to the Rate Stabilization Fund.

- **RATE STABILIZATION FUND** - Once DC Water achieves its **required level of cash reserves**, a **rate stabilization fund** will be established **to avoid "rate shock."** Based on favorable financial performance in FY 2021, the balance in the RSF was \$87.74 million.

Financing and Reserve Policies

In FY 2004, and again in FY 2008, the Board completed a review of its existing financing policies, reaffirming the core policies. Two modifications were made to the reserves policy: 1) Changing the timing of when DC Water is required to meet its overall operations and maintenance reserve requirement from September 1 to an average daily balance basis, resulting in a more conservative calculation; and 2) revising the indenture-required renewal and replacement reserve requirement from two percent of original plant in service to \$35 million, with a requirement to revisit this reserve level every five years in conjunction with the indenture-required system assessment prepared by DC Water's independent rate consultants. The assessment was performed in 2013 and then in 2018. The next assessment will be performed in 2023.

In FY 2013, the Board adopted further revisions which modified the operating reserve policy and under Resolution #13-57 revised the DC Water's Statement of Financial Policies as follows:

1. DC Water will maintain financial practices and policies that result in high quality investment grade bond ratings to ensure the lowest practical cost of debt necessary to finance DC Water's long-term capital program.
2. DC Water will maintain strong levels of operating cash reserves, equivalent to 120 days of budgeted operations and maintenance costs, calculated on an average daily balance basis, with the objective of maintaining at least \$125.5 million in operating reserves. The annual reserve amount will be formally approved by the Board as part of its annual approval of the operating and capital budgets and ten-year plan. The operating reserve requirement will be evaluated every five years by DC Water's independent rate consultant in conjunction with the Indenture-required system assessment.
3. The operating reserve will, at a minimum, include any reserve requirements contained in DC Water's Master Indenture of Trust, (the "Indenture"), excluding any debt service reserve funds and the rate stabilization fund, as follows:
 - Operating Reserve – equivalent to sixty days' operating costs
 - Renewal & Replacement Reserve - \$35 million. This reserve requirement will be in conjunction with the Indenture-required system assessment
4. DC Water will maintain senior debt service coverage of 140 percent, in excess of DC Water's indenture requirement of 120 percent. Senior debt service coverage will be calculated in accordance with DC Water's indenture.
5. In general, DC Water will utilize operating cash in excess of the Board's reserve requirement and any other significant one-time cash infusions for capital financing or for repayment of higher cost debt.
6. DC Water will whenever possibly use the least costly type of financing for capital projects, based on a careful evaluation of DC Water's capital and operating requirements and financial position for each year.
7. DC Water will attempt to match the period of debt repayment, in total, with the lives of the assets financed by any such debt.

In October 2021, the Board approved Resolution # 21-84 revising the financial policy as follows:

- DC Water will maintain strong levels of Operating Cash Reserves that exceeds the Master Indenture requirements. Strong cash reserves are important to maintaining DC Water's bond rating. In the financial plan that is proposed by the CEO and General Manager and approved by the board, 250 days of cash will be maintained in each fiscal year based on projected operating expenses.
- Debt Service Coverage is a key financial metric that impacts DC Water's credit quality and borrowing costs. In order to maintain the highest credit quality and lowest borrowing costs, it is the policy of the Board that the Financial Plan developed by the CEO and General Manager and adopted by the Board will contain a minimum combined debt service coverage of 1.60X for the budget and all years of the Financial Plan. Debt Service Coverage will be calculated in accordance with the Master Indenture.

Pay-As-You-Go Capital Financing Policy

1. The CEO/General Manager will include in the annual ten-year financial plan, developed as part of the annual operating budget process, a separate schedule showing projected annual cash balances and planned annual pay-go financing of capital projects.
2. The planned annual pay-go financing will be formally approved by the Board of Directors as part of its annual approval of the ten-year financial plan, operating and capital budgets.
3. At any time during the fiscal year, the CEO & General Manager may use pay-go financing for capital projects, as approved by the Board of Directors.
4. During the fourth quarter of each fiscal year, the CEO & General Manager (or designee) will conduct an analysis of DC Water's financial performance.
5. The CEO & General Manager will report the results of this analysis and provide recommendations, including updated projected annual cash balances and annual pay-go financing, to the Finance and Budget Committee no later than its regularly scheduled meeting in July, for recommendation to the Board for action at its September meeting.

Cash Management and Investment Policies

The Board has adopted a "Statement of Investment Policy". This policy is designed to ensure the prudent management of Authority funds, the availability of operating and capital funds when needed, and an investment return competitive with comparable funds and financial market indices. The investment portfolio shall be managed to accomplish the following hierarchy of objectives:

1. Safety
2. Liquidity
3. Return on investment

The current Investment Policy is available on-line at www.dewater.com.

Debt Policy and Guidelines

The purpose of DC Water's Debt Policy and Guidelines (the "Debt Policy") is to provide DC Water officials and staff a comprehensive guide to DC Water's issuance and use of debt to fund capital projects or to refund/refinance/restructure outstanding debt. The advantages of adopting and adhering to a clear, concise, and comprehensive debt policy are:

- Enhancing the quality of decisions
- Documenting the decision-making process
- Identifying objectives clearly to facilitate staff implementation
- Demonstrating a commitment to Long-Term financial planning objectives that result in a sound financial position
- Enhancing the positive assessment of credit quality by the bond Rating Agencies to maintain and improve DC Water's high credit ratings
- Integrating the Debt Policy with the operating and capital budgets, the multi-year Capital Improvement Program (CIP), multi-year Financial Plan and other financial policies

The financial policies outlined in this document, in most cases, impose higher standards than the legal requirements contained in DC Water’s Master Indenture of Trust dated as of April 1, 1998, as amended, and supplemented from time to time (the “Indenture”) and other legal requirements.

The current Debt Policy and Guidelines is available on-line at www.dewater.com.

During FY 2021 DC Water met the financial goals set out by the Board and the FY 2021 – FY 2030 financial plan. DC Water successfully managed its finances through FY 2021, aligning expenditures to the revenue shortfall from the impacts of COVID. At the end of the year, revenues were below budget by \$24.2 million as a result of proactive measures to assist customers, pausing late fees and liens and discontinuing disconnections for non-payment. DC Water instituted a process to prioritize hiring, operating budget savings were identified by Finance and various departments, and some capital projects were deferred. Senior debt service coverage, reserve levels, and budget performance met or surpassed Board policies, as discussed in more detail below:

- DC Water Board policy requires senior debt service coverage of at least 140 percent; (a) In October 2021, the Board of Directors adopted a policy which requires to maintain a minimum combined debt service coverage of 160 percent (b) Combined debt service coverage was at 186 percent in FY 2021 and is projected at 204 percent in FY 2031 greater than the indenture requirement of 120 percent. **DC Water's senior debt service coverage in FY 2021 was at 508 percent**, while maintaining the Board's rate setting and financial policies. The senior debt service coverage is expected to increase to 767 percent by FY 2031 despite increase in capital spending and related debt issuance; the coverage is above the Board requirement of 140 percent. Subordinate debt service coverage, which includes DC Water's subordinated lien revenue bonds and Jennings Randolph Reservoir debt, was at 236 percent in FY 2021. DC Water is required to have 100 percent coverage of subordinate debt service.
- DC Water has maintained its bond rating from Standard & Poor's (AAA), Moody's (Aa1), and Fitch (AA+). Additionally, a second party opinion was provided by Vigeo Eris (V.E.) on DC Water's 2022 Series B green bonds. V.E considers that DC Water's issuance is aligned with the four core components of the ICMA's Green Bond Principles 2021.
- **COMMERCIAL PAPER:** These notes issued are considered subordinate debt under the Master Indenture of Trust. DC Water's commercial paper is issued in increments with maturities less than 270 days. The Board approved the commercial paper program in early FY 2002; proceeds from the sale of the notes are used for interim bond financing, short-term financing for capital equipment and certain taxable costs for the Washington Aqueduct. Each new bond issuance is evaluated to determine the most cost-effective way of reducing the amount of taxable commercial paper. Normal market conditions for commercial paper carry significantly lower interest rates than long term debt. Two series of notes have been issued under the commercial paper program: the tax-exempt Series B CP Notes in an aggregate principal amount not to exceed \$100,000, and the taxable Series C CP Notes in an aggregate principal amount not to exceed \$50,000. To provide liquidity and credit support for the Commercial Paper Notes, the Authority obtained irrevocable, direct-pay letters of credit issued by TD Bank, NA.
- **EXTENDABLE MUNICIPAL COMMERCIAL PAPER (EMCP):** The addition of the EMCP program in the amount of \$100 million provides diversification of the variable rate products available for interim financing needs. EMCP does not require a supporting bank letter of credit but relies on DC Water's liquidity to address any failed re-marketing of the EMCP. The initial placement is typically for 90 - 180 days and in the event of a failed re-marketing due to poor market conditions, DC Water has 3 – 6 months to address payment with a maximum number of days from the initial issuance of 270 days.
- **DC Water utilized \$2.5 million from the Rate Stabilization Fund (RSF) in FY 2021.** However, no amount was contributed RSF. The Rate Stabilization Fund's ending balance for FY 2021 was \$87.74 million.
- **DC Water's operating budget performance was impacted by COVID-19 in FY 2021** – For FY 2021, actual cash receipt was lower than the budget by \$24.2 million, or 3.3 percent. Although the lower receipts

as compared to budget were due to decline in consumption and increase in customer delinquencies on account of COVID-19, estimated operating expenditures and capital disbursements ended below budget. Actual operating expenditures were \$43.7 million, or 7.1 percent lower than budget. Underspending in debt service was attributable to lower interest rates, refinancing, and delayed issuances. Furthermore, due to favorable O&M position at 92.9 percent of budget, the Cash Financed Capital Improvements Fund was utilized for pay-go financing.

- **The Clean Rivers Impervious Surface Area Charge (CRIAC) was implemented in May 2009** to recover the cost of the Combined Sewer Overflow Long-Term Control Plan (CSO LTCP), also known as the DC Clean Rivers Project. In FY 2011, a six-tiered rate structure was successfully implemented for all residential retail customers to better reflect the impacts of various size residential properties. The thirty-year CSO LTCP, whose terms are outlined in a consent decree executed in March 2005, exclusive of the nine-minimum controls programs are projected to cost \$2.99 billion. See “Combined Sewer Overflow Long-Term Control Plan” in Section IV, Rates and Revenues for additional details on the projected rate impact of the plan.
- **DC Water implemented a retail water and sewer rate increase of 9.9 percent in FY 2021** to recover increased retail water and sewer revenue requirements of \$30.9 million. In FY 2021, \$2.5 million from the Rate Stabilization Fund (RSF) was utilized. The RSF helps to mitigate rate shock and reduces needed retail rate increases. In addition, there was a 2 percent increase in PILOT as per the PILOT MOU signed with the District on September 4, 2014. In FY 2021, PILOT fees increased to \$0.54 per Ccf whereas the ROW fee remains the same at \$0.19 per Ccf. The changes in PILOT and ROW fee are made to recover the full costs of these fees charged to DC Water by the District of Columbia government. The rate changes are mainly due to the increase in debt service cost to finance the capital improvement program.
- **Water System Replacement Fee (WSRF) was implemented in FY 2016**, effective October 1, 2015 (FY 2016), WSRF recovers the costs of one percent renewal and replacement program for water service lines. WSRF varies with meter size. The WSRF for 5/8” meter size is \$6.30. Low-income CAP customers get 100 percent discount for this fee.
- **Multi-Year Rates:** DC Water moved to a multi-year rate proposal in FY 2016 covering the period FY 2017 and FY 2018. This is the fourth time that DC Water has adopted a multi-year rate proposal in FY 2021 covering the period FY 2023 and FY 2024 and will become effective from October 1, 2022, and October 1, 2023, respectively.
 - The benefits of multi-year rates include:
 - Greater revenue certainty
 - Increased budget discipline
 - Better alignment between revenues and expenditures
 - 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

- In FY 2020, an Independent Review of Rate Structure and Customer Assistance Programs was conducted to review and benchmark DC Water's rates, rate structure and Customer Assistance Programs (CAP) to peer utilities. The findings of the study concurred that DC Water's current customer class structure, monthly water lifeline threshold of 4 Ccf, ERU basis for recovering the CRIAC charge, CAP bill discount and temporary assistance programs are consistent with industry standards for ratemaking.
- In FY 2020, DC Water conducted a Cost-of-Service Study (COS) to align the COS with the multi-year rate proposals, therefore both will be done every two years going forward. Previously, Cost of Service study was conducted every three years. The COS consist of three components: i) revenue sufficiency analysis – to ensure that the revenues cover the costs that DC Water incurs; ii) cost of service analysis/rate equity – to ensure that the rates are equitably recovering the costs of service provided to customers; and iii) alternative rate structure analysis – to ensure that DC Water meets its priority pricing objectives. The results of the COS support the multi-year rate, charges and fee proposals for FY 2021 and FY 2022.
- In FY 2022, a Cost-of-Service (COS) was conducted by Independent Financial Consultants to establish the multi-year rates for FY 2023 and FY 2024. The 2022 COS study includes the Groundwater and High Flow Filter Backwash Sewer rates. The results of COS study support the multi-year rates, charges and fees proposed for FY 2023 and FY 2024.

Independent Review of the Proposed FY 2023 and FY 2024 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
- For the twenty first-consecutive year, DC Water received the Government Finance Officers' Award for Distinguished Budget Presentation for its FY 2022 budget, submitted in 2021. DC Water received its twenty fourth unqualified audit opinion for the fiscal year ended September 30, 2021, and received the twenty fourth GFOA Certificate of Achievement for Excellence in Financial Reporting.
- In FY 2022, DC Water successfully renewed all the Authority's operations insurance policies at essentially the same terms up 28.0 percent from expiring costs than previous year. DC Water's coverage is generally comparable to expiring.
- DC Water completed its seventeenth year of its rolling owner-controlled insurance program (ROCIP), thirteenth year of ROCIP II, tenth year of ROCIP III, fourth year of ROCIP IV and first year of first year of ROCIP V. DC Water procures general liability and workers' compensation insurance coverage for most of its construction contractors. The result is substantially higher insurance coverage levels for all enrolled contractors and significant cost savings. At the end of FY 2021, 65 projects and 403 contractors were enrolled in the expired ROCIP I program, 47 projects and 771 contractors were enrolled in the now expired ROCIP II program, 46 projects and 841 contractors were enrolled in the ROCIP III program, and 43 projects and 490 contractors are/were enrolled in the ROCIP IV program. Verified avoided costs (aka savings) are in the range of \$5.4 million for ROCIP I; approximately \$11.2 million for ROCIP II, \$5.7 million for ROCIP III and \$5.8 million for ROCIP IV. ROCIP II and III were three-year insurance programs that support an estimated \$4.4 billion of planned and completed

construction. A major reason for the cost savings is the implementation of a uniformly strong safety program for all contractors.

- **Customer Assistance Programs (CAP)** – In FY 2019, DC Water, Mayor Muriel Bowser and the DC Council worked together to expand the existing customer assistance program. The new benefits were earmarked for non-profits, including churches and cemeteries, along with a group of residential customers who did not previously meet the income guidelines for assistance. In FY2020, FY2021 and FY2022, new Customer Assistance Programs were initiated. Details are given in section III and IV.

The assistance provided to customers in FY2021 is listed below:

Program	Assistance	Assisted Customers
CAP, CAP2, RAP and MAP		
CAP (Original)	\$2.38 million	5,630
CAP 2	\$245,637	835
RAP	\$1,892,843	2,842
MAP	\$2,507,484	239
CRIAC Residential Relief Program		
CAP 3	\$36,059	191
CRIAC Non Profit Relief Program		
Non Profit Relief	\$955,707	189
CRIAC Emergency Residential Relief Program (ERRP)		
ERRP	\$1,071,464	1,820
Stronger Together by Assiting You (STAY DC)		
STAY DC	352,419	304

SPLASH (Serving People by Lending A Supporting Hand) Program aids needy customers as well. It operates solely on contributions from Customers, the community, and DC Water employees. DC Water pays all administrative fees to Greater Washington Urban League (GWUL), who administers the program. For FY2021, DC Water received \$71,765 in contributions and assisted 96 customers as of September 2021. CAP, CAP2 and SPLASH together in FY 2021 provided \$2,695,728 in assistance to approximately 6,561 low-income households to help make their bills more affordable.

Expansion of Customer Assistance Programs to mitigate the impact of COVID-19:

The COVID-19 pandemic impacted DC Water with declines in commercial, federal, and municipal consumption and increases in delinquencies which impacted revenue. In response DC Water took strategic and cost reduction initiatives. This included delaying non-critical purchases and activities and pausing some hiring as well as modifying operations to protect staff by arranging work from home for most employees. DC Water also assessed its critical infrastructure needs and balanced it to its revenue challenges and continued to invest in critical capital programs based on priority. Additionally, DC Water also took initiatives to help our customers during the pandemic by reconnecting customers previously disconnected for non-payment, waiving late fees, pausing placing liens, arranging payment plans, and partnering with the District for emergency assistance for those impacted by COVID-19.

To respond to the impact of COVID-19 on our customers, both the District and DC Water have expanded customer assistance programs:

- Emergency Residential Relief Program (District Funded ERRP) – For customers struggling with unpaid DC Water bills during the coronavirus (COVID-19) public health emergency and 105 days thereafter, eligible households may receive bill assistance up to \$2,000 as a one-time emergency benefit
- DC Water Cares Residential Assistance Program (RAP) – New \$3 million program to continue the Emergency Residential Relief Program in FY2021 to provide onetime assistance to customers impacted by COVID. Assistance up to \$2,000 per residential customer
- DC Water Cares Multi-Family Assistance Program (MAP) – New \$7 million for a new program to provide one-time assistance to residents in multi-family buildings that have been negatively impacted by COVID; assistance amount to be provided per affordable unit with household income 80% AMI or less.
- FY2022 Target Assistance - \$5 million held for FY2022 targeted assistance for customers in need

In FY2021 DC Water Collections worked with DOEE to automatically recertify and re-enroll previously participating CAP 1 and CAP 2 customers for FY2022 funding and participation. Nearly five thousand customers (4,991) received the CAP discount on their water account. DC Water also worked with DOEE on the administration of federal assistance programs including DC STAY Program and the Federally funded Low Income Household Water Assistance Program (LIHWAP) to maximize assistance to customers during the pandemic. More than 300 customers received federal assistance for their water utility bill.

The new DC Water programs created in FY2021: Residential Assistance Program (RAP) and Multi-Family Assistance Program (MAP) provided water bill assistance to more than eight thousand residents in single family and multi-family dwellings.

Customer Contacts:

In FY2021, we performed a branding survey to understand the customer’s perception of DC Water based on service and community support. Using the data in the report, a transactional survey was created to identify customer concerns and process improvements. The branding survey is an annual effort and FY2022 is in the planning stage.

In FY2021, other system enhancements were performed to provide more customer self-service:

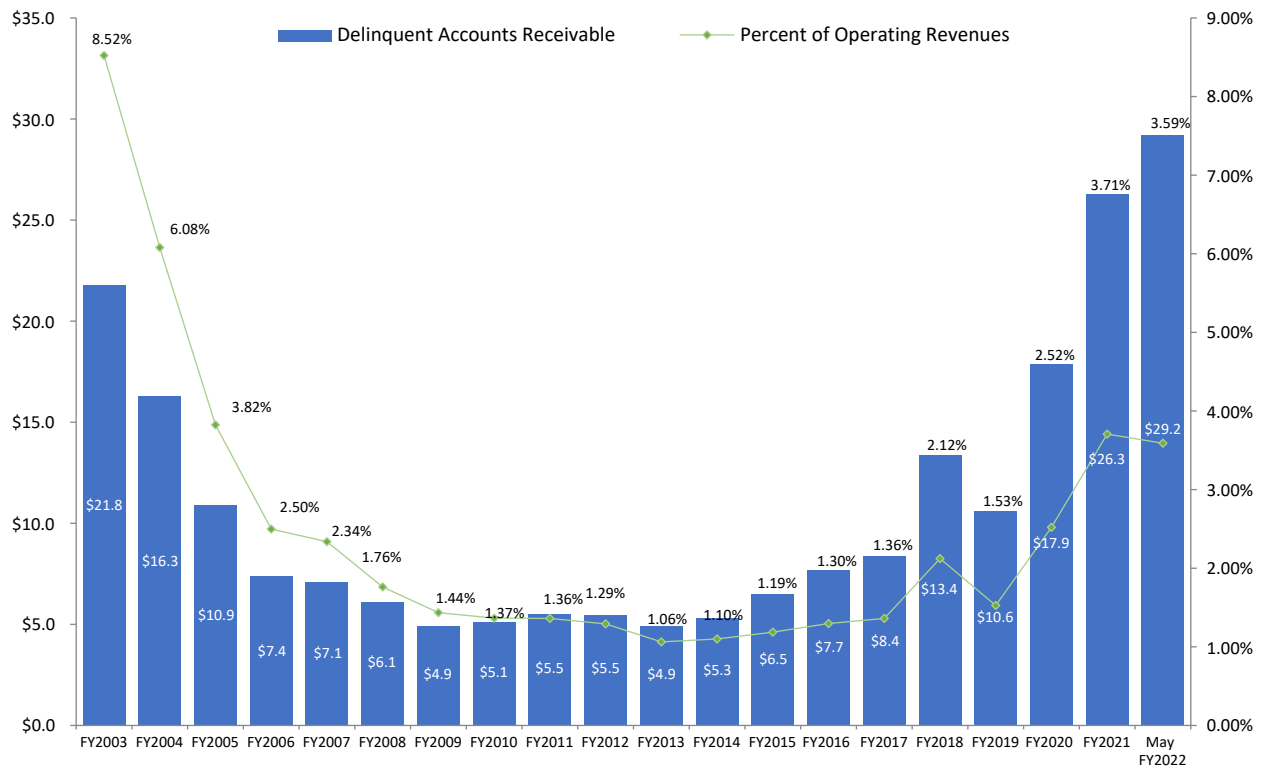
- Upgraded to new Automated Call Distribution System (ACD) through the Genesys Pure Connect Platform

- Enhanced Interactive Voice Response (IVR) system with changes that allows more self-service transaction and informational options.
- Provided continual communication and updates related to assistance programs and payment arrangements.

Other Upcoming Projects:

- Leak Assistance Program to support low-income customers that may have a leak but cannot afford to have the repairs made.
- Genesys ACD move from a server-based platform to a full cloud platform.
- V1 enhancement with water smart function to provide more user-friendly application to the customers as well as additional functions that allow greater insight into customer usage and leak detection
- Aclara upgrade to provide enhancements to the meter reading interface.
- Maintain the predictive dialer outbound calls to remind customers to pay before balances become unmanageable
- Coordinate with 311 for inbound call support for emergency
- Continued focus on larger replacements and meter issues that hinder transmission
- Continued focus on customer outreach to increase enrollment in financial assistance plans.
- Continue Customer engagement through transactional and branding surveys
- Increase customer engagement through outreach using various media platforms including mobile notification.

Delinquent Accounts Receivable (in Millions)



- The graph above represents Delinquent Accounts Receivable as percent of Total Operating Cash Receipts (includes Retail, Wholesale and Other)
- In FY2020, there was an increase in delinquent accounts receivable, greater than 90 days due to the impact of COVID-19 and a suspension of cut off and collection efforts. The delinquency greater than 90-days increased from 2.52 percent in FY2020 to 3.71 percent in FY2021. The delinquency at the end of May 2022 increased to \$29.2 million or 3.59 percent.
- Delinquent accounts receivable increased by \$8.4 million from FY2020 to FY2021 due to suspension in regular collection activity and disconnection of delinquent accounts. These actions were taken in support of on-going meter replacement projects through December of 2019 and following the on-set of the coronavirus public health emergency in March of 2020 and in anticipation of the second wave of COVID-19.

General Principles of Affordability for Low-Income Customers Policy

On September 4, 2014, The General Principles of Affordability for Low-Income customers was approved. It is the policy of the Board of Directors of DC Water in setting retail rates, to follow the General Principles of Affordability for Low-Income Customers articulated herein:

1. Consideration of rate impacts on low-income customers.
2. Exploration of affordability alternatives for low-income customers; and
3. Development of a more innovative rate structure, the goal of which is to reduce the economic burden on low-income customers at the earliest practicable date consistent with the Board's need to gather sufficient data to support any rate structure chosen.

DC Water reviews the equity and sufficiency of its rates and rate structures periodically through various cost of service (COS) studies. The COS study prioritizes the following pricing objectives:

- Revenue sufficiency – Rates should recover revenue necessary to operate and maintain the utility in perpetuity
- Cost of Service Recovery – Rates should be supported by industry practice and ensure that customers pay their fair share
- Simplicity – Rates and charges should be easy for our customers to understand
- Affordability – DC Water should minimize customer bills while not sacrificing good, clean and safe service

In FY 2015, a Cost-of-Service Study was conducted by the Independent Financial Consultants which provided several recommendations:

Additional Alternative Fees and Charges:

1. Customer Class-Based Volumetric Rates – Rate differentiation based on the peaking demands of each customer class (residential, multi-family and non-residential).
2. Lifeline Rate – A lifeline rate for first 4 Ccf of Single Family Residential (SFR) water use to reflect baseline usage by residential customers without peaking costs. The lifeline rate provides an economic benefit to low-volume Residential customers, while spreading the cost of peaking to high volume Residential customers.
3. Water System Replacement Fee (WSRF) – In Fiscal Year 2016, DC Water to modify its existing rate structure and to implement a new meter-based Water System Replacement Fee (WSRF) in order to recover the cost of the 1 percent renewal and replacement program for water service lines. It is anticipated that the new WSRF will generate \$40 million per year. DC Water's low-income CAP customers would receive a 100 percent credit for this fee.
4. System Availability Fee (SAF) – DC Water to propose a new System Availability Fee (SAF). A one-time fee assessed to a property owner of any premises, building or structure to recover the cost of system capacity put in place to serve all metered water service and sanitary sewer connections and renovation or redevelopment projects that require an upsized meter service connection to the district's potable water system. The fee is assessed based on the peak water demand, excluding fire demand, for new

meter water service connection and renovation or redevelopment projects that increase the peak water demand and associated SAF meter size for the property.

5. Based on the 2015 Cost of Service Study, DC Water has adopted several changes to its existing retail rate structure starting in Fiscal Year 2016. These changes are designed to better align the Authority's revenues and expenditures by establishing customer class-based volumetric water rates based upon peaking factors, to create a more progressive rate structure for its residential customers by establishing lifeline water rates which discount core consumption, and to fund the authority's water main replacement program by establishing a monthly, fixed Water System Replacement Fee.

In FY 2018, a Cost-of-Service study was conducted by the Independent Financial Consultants which provided several recommendations:

- Every three years DC Water conducted Cost of Service Study for the Water and Sewer rates, and the Clean Rivers Impervious Area Charge (CRIAC) to update actual and projected expenditures to ensure that these charges are appropriately recovering costs
- DC Water has taken several actions over the last several years to lower CRIAC costs including Century Bonds, refinancing older debt for savings, and restructuring debt so the relief is provided to today's customers. These savings are now reflected in the projected charges
- A reallocation of the costs associated with the Clean Rivers Impervious Area Charge (CRIAC) to the Sewer utility results in a reduction in the CRIAC and an increase in the Sewer volumetric charge
- The revenue collected from the Water System Replacement Fee, originally designed to fund the annual costs of 1 percent of DC Water's water service line renewal and replacement program has been used in its entirety to offset the Water utility's revenue requirements, resulting in a decrease to all Water volumetric charges
- Although these two reallocations cause shifts in the cost structure, and subsequent rates, DC Water customers will see only minimal changes to their bills

In FY2020, an Independent Review of Rate Structure and Customer Assistance Programs was conducted to review and benchmark DC Water's rates, rate structure and Customer Assistance Programs (CAP) to peer utilities. The findings of the study concurred that DC Water's current customer class structure, monthly water lifeline threshold of 4 Ccf, ERU basis for recovering the CRIAC charge, CAP bill discount and temporary assistance programs are consistent with industry standards for ratemaking.

In FY2020, DC Water conducted a Cost-of-Service Study (COS) to align the COS with the multi-year rate proposals, therefore both will be done every two years going forward. Previously, the Cost-of-Service study was conducted every three years. The COS consist of three components: i) revenue sufficiency analysis – to ensure that the revenues cover the costs that DC Water incurs; ii) cost of service analysis/rate equity – to ensure that the rates are equitably recovering the costs of service provided to customers; and iii) alternative rate structure analysis – to ensure that DC Water meets its priority pricing objectives. The results of the COS support the multi-year rate, charges and fee proposals for FY2021 and FY2022.

According to the COS, the proposed CRIAC shift to sewer volumetric with 18 percent in FY2020, 28 percent in FY2021 and 37 percent in FY2022 and beyond was recommended because it balances infrastructure investment with growth in rates. The shift is based on an assessment that on average 37 percent of volume in the tunnels is from wastewater. With the shift the overall household charges increase is 6.7 percent in FY2022, 6.0 percent in FY2023 and 5.4 percent for FY2024. The gradual shift helps avoid rate shock to customers. The CRIAC for FY2023 is projected to decrease from \$18.40 to \$18.14 per ERU, per month and

increase to \$21.86 per ERU per month for FY2024.

As part of the COS, the study focused on the reallocation of some Customer Service operating costs associated with metering, billing, and collections activities to the Metering Fee. Historically, only automated metering capital costs were recovered in the Metering Fee. Many utilities recover capital and operating costs associated with metering and billing in a fixed, meter-based charge, which shifts costs to the Metering Fee and away from the volumetric rates. The 2020 COS study recommended to re-allocate more customer service expense for metering and billing to the metering fee. The changes in Metering Fee are summarized below:

- In FY 2019, Metering Fee recovered \$11.6 million
 - In FY 2003, established Metering Fee at @2.01 for 5/8" meter
 - In FY 2011, increased Metering Fee to \$3.86 for 5/8' meter
 - Originally fee amount set to cover the capital costs of the original Automated Meter Infrastructure (AMI) system and meter purchase and installation (debt service) plus about \$4 million of Customer Service costs
- The 2020 Cost of Service Study recommended recovering \$24.1 million in FY2022, consistent with independent rate review recommendation.
 - Includes costs associated with metering and billing
 - Customer assistance, shutoff/restore, and leak adjustment etc. remain in the volumetric charges
 - Proposed FY 2021 fee recovers \$15.4 million, all the debt service and coverage plus about half of the full Customer Service O&M allocation (\$4.96 for a 5/8" meter)
 - Proposed FY2022 fee adds the additional half of Customer Service allocation for a total of about \$24.1 million (\$7.75 for a 5/8" meter)
- In FY 2022 a cost-of-service study (COS) was conducted by our Independent Rate Consultants for Water, Sewer, Clean Rivers IAC, Groundwater, and High Flow Filter Backwash Sewer Rate. The COS study results support the multi-year rate charges for FY 2023 and FY 2024. The Independent Consultants stated in their report that the DC Water's existing rate structure provides for a reasonable allocation of cost recovery to utility customers. The consultants recommended that no additional change in the rate structure be made at this time.

Water System Replacement Fee (WSRF)

Effective October 1, 2015 (FY 2016), DC Water modified its existing rate structure and implemented a new meter-based Water System Replacement Fee (WSRF) to recover the cost of the 1 percent renewal and replacement program for water service lines. It is anticipated that the new Water System Replacement Fee (WSRF) will generate approximately \$39.7 million per year from fiscal years 2019 through 2028. The fee is based upon meter size and average flow. DC Water's low-income CAP customers receive a 100 percent credit for this fee.

Effective October 1, 2017, (FY 2018), DC Water amended the Water System Replacement Fee (WSRF) regulations to add rules and procedures for a Multi-family WSRF adjustment; amend the Customer Classifications to clarify the definitions for Residential, Multi-family and Non-Residential customers to include cooperative housing associations and other clarifications; and amend the definitions set forth in Chapter 41 to define the terms Condominium, Cooperative Housing Association, and Dwelling Unit used in the Customer Classification regulations. The following terms are defined:

Condominium – means real estate, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the owners of the portions designated for separate ownership, provided the undivided interests in the common elements are vested in the unit owners.

Cooperative Housing Association – means an association, whether incorporated or unincorporated, organized for the purpose of owning and operating residential real property, the shareholders, or members of which, by reason of their ownership of a stock or membership certificate, a proprietary lease or other evidence of membership, are entitled to occupy a dwelling unit pursuant to the terms of a proprietary lease or occupancy agreement.

Dwelling Unit – any habitable room or group of rooms with kitchen and bathroom facilities forming a single unit located within a building or structure, which is wholly or partially used or intended to be used for living, sleeping and the preparation and consumption of meals by human occupants, and is under the control of and for the use of the occupant.

Fire Services Protection Fee

DC Water has assessed a fire protection fee to the District of Columbia since April 1, 2000. This fee is intended to recover costs incurred by DC Water for fire protection service provided by the Water System of DC Water. The purpose of the 2018 cost of service study was to assess the appropriate level of cost recovery required from the District government for this service.

Fire protection service differs from other services offered by water utilities because it is primarily a standby service that is required to be available when the need exists, i.e., as demanded. The development and maintenance of the supply, treatment, pumping, storage and distribution capacity for fire protection service requires capital investments in facilities that are designed larger than would otherwise be required to be able to accommodate fire demand and annual operation and maintenance (“O&M”) expenses to ensure that the assets are appropriately maintained and provide service as needed.

In 2018, the Independent Financial Consultants performed a cost-of-service study (COS) to determine the costs of providing fire protection service to the district. DC Water provides Fire Protection Services to the District, including but not limited to the delivery of water for firefighting, inspection, maintenance and upgrading of public fire hydrants in the District of Columbia. The consultants compared DC Water costs with the revenues received from the district for fire protection services. The consultants reviewed and tabulated historical fire service costs of DC Water (FY2013 - FY2017). Projections of DC Water costs were developed for FY2018 – FY2021. As per terms of the 2013 MOU and based on the results of the 2018 COS, Fire Protection Service fee was established at \$12.527 million for fiscal years FY 2019, FY2020 and FY2021. This fee is \$1.7 million higher than the FY 2015 fee of \$10.796 million. As per the 2018 cost of service study, the Fire Protection Service Fee projected for the years FY 2019 to FY 2022 increased from \$10.796 million to \$12.527 million per year.

In 2021, the Independent Financial Consultants performed a cost of service study (COS) to determine the costs of providing fire protection service to the District. DC Water provides Fire Protection Services to the District, including but not limited to the delivery of water for firefighting, inspection, maintenance and upgrading of public fire hydrants in the District of Columbia. The consultants compared DC Water costs with the revenues received from the District for fire protection services. The consultants reviewed and tabulated historical fire service costs of DC Water (FY 2016 - 2020). Projections of DC Water costs were developed for FY 2021 – FY 2024. As per terms of the 2013 MOU and based on the results of the 2021 COS, Fire Protection Service fee was established at \$11.535 million for fiscal years FY 2022, FY 2023 and FY 2024. This fee is \$0.992 million lower than the FY 2018 fee of \$12.527 million.

System Availability Fee (SAF)

Many utilities have implemented a fee, assessed to new development (or redevelopment) to recover the investment in available system capacity. On June 17, 2016, DC Water’s Board approved a new System Availability Fee (SAF) to be effective from January 1, 2018. All Residential Customers with meters 1 inch or smaller will use the same set of fees. All Residential Customers with meters larger than 1”, and all Multi-Family and Non-Residential Customers will have SAF based on their meter size.

The System Availability Fee will be assessed for all new buildings, structures or properties under

development and properties under redevelopment. For properties under redevelopment, DC Water will determine the net System Availability Fee by determining the property's proposed capacity requirements and applying a credit for the capacity of accounts being removed from the system. However, if the associated credit for capacity removed is equal to or greater than the future System Availability Fee, the net System Availability Fee shall be zero. Properties under redevelopment shall not receive a credit for accounts that are inactive for more than 12 months.

In FY 2018, DC Water has determined that implementing the System Availability Fee (SAF) regulations on the effective date of January 1, 2018, could present significant fiscal impacts to the District's New Communities Initiative, which includes redevelopment, one for one replacement and/or augmentation, of affordable housing units. On March 1, 2018, the DC Water Board considered comments received during the SAF public comment period and agreed to; 1) Extend the System Availability Fee (SAF) effective date from January 1, 2018 to June 1, 2018 for DCRA Construction Permit Applicants and federal facilities new water and sewer connections and renovation or redevelopment projects for existing connections to the District's potable water and sanitary sewer systems based on the SAF meter size in accordance with the fee schedule and requirements; 2) Revised the DC Water guidance document used to determine the SAF meter size from DC Water Standard Details and Guideline Masters to DC Water's Sizing Instructions and Worksheets; 3) Added procedures and requirements to receive credits for Affordable Housing Units (AHU) development and redevelopment; 4) Clarified the requirements for projects submitted prior to the effective date of June 1, 2018 and approved by June 1, 2019; 5) Added formulas to clarify how the SAF is calculated with the SAF credit, AHU credit and Net AHU credit; 6) Clarified requirements for Payment Plan Agreement; 7) Properties under redevelopment shall not receive a credit for accounts that are inactive for more than 24 months.

Effective June 1, 2018, DCRA Construction Permit Applicants and federal facilities shall be assessed a System Availability Fee (SAF) for new water and sewer connections and renovation or redevelopment projects for existing connections to the district's potable water and sanitary sewer systems based on the SAF meter size in accordance with the fee schedule and requirements.

A new PILOT MOU was signed between DC Water and the District of Columbia on September 4, 2014, which reduced the annual PILOT payment. As per agreement, the PILOT of \$15.3 million for FY 2015 would be escalated by 2 percent per year. The agreement will be effective till September 30, 2024.

On October 07, 2014, DC Water and the District reached an agreement on the ROW terms and conditions, which provides that DC Water will continue to make payments totaling \$5.1 million annually to the District for FY2015 – FY2024.

Operating Reserve/Renewal and Replacement Reserve

DC Water periodically reassesses its policies every five years regarding the operating reserve requirement. The Independent Financial Consultants conducted the study to consider the appropriate level of its Total Operating Reserves for FY2013 and subsequent years. The Independent Financial Consultants recommended that DC Water maintain its current operating reserve policy to require a minimum balance of the greater of \$125.5 million or 120 days of budgeted O&M expenses. In 2018, Independent Financial Consultants conducted the study and recommended to revise the current reserve policy (120 days of operating and maintenance expenses or \$125.5 million, the bond indenture requires 60 days of operating expenses) to the higher of \$140.0 million or 140 days of operating and maintenance expense. The next Operating Reserves study will be conducted in FY 2023.

- The Independent Financial Consultants noted that the wholesale customers have not contributed to

the reserves and that DC Water may consider having wholesale customers provide a proportionate share of the contributions required for the R&R Reserve Fund.

- DC Water Indenture of Trust requires the Authority to maintain a Renewal and Replacement (R&R) Reserve Fund. In FY 2013, the Independent Financial Consultants conducted this study to examine the reasonableness of the amount on deposit in the R&R Reserve Fund and make recommendations to the Authority for the value of the Fund for the next 5-year period of FY 2013 through FY 2017. The Independent Financial Consultants recommended that DC Water maintain its current R&R Reserve Fund policy to require a balance of \$35 million. In FY 2018 study, the Independent Financial Consultants recommended to maintain R&R Reserve Fund at \$35.0 million. The recommendation will be presented to the DC Water Board for approval. The next R&R Reserve Fund study will be conducted in FY2022.
- Over the last ten years, DC Water has made contributions to the RSF and made withdrawals to help mitigate rate increases. In FY 2018, the Independent Financial Consultant performed a cost of service (COS) study to determine the appropriate level of Rate Stabilization Fund (RSF) to help mitigate rate increases. The study recommended that the Authority maintain current RSF policy of allowing management discretion on deposits and withdraws; consider adding to the RSF in future years from year-end operation balances to support one or more Board objectives.
- With respect to Operating Reserves, Renewal and Replacement (R&R) Reserve Fund Study and Rate Stabilization Fund (RSF), the Independent Financial Consultants also recommended the following:
 - DC Water’s Operating Reserves, Rate Stabilization (RSF) and R&R Reserve Fund requirement be reassessed at least every five years in conjunction with the Indenture-required system assessment (or sooner in event of changes in the underlying factors, assumptions, or market conditions)
 - DC Water and its financial advisor should monitor the rating agencies assessment of the Total Operating Reserves (including the R&R Reserve Fund) on an ongoing basis. The purpose of such monitoring would be to ensure that the rating agencies remain comfortable with the level of the reserves

All Legal Covenants, Financial Board Policies, Accomplishments and Targets are Incorporated into the Ten-Year Financial Plan.

Compliant	Description	Legal Covenant	Performance Target	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected
✓	Senior Debt Service Coverage	120%	140%	524%	508%	589%	539%
✓	Operating Cash Reserves*	N/A	\$125.5 million	186.8 million	186.8 million	\$185 million	\$194 million
	Day of Cash on Hand*		250 days			250 Days	250 Days
✓	Short Term Investment Return Benchmark Merrill Lynch 3-Month Treasury Index	N/A	25 basis points	226 basis points	69 basis points	7 basis points	19 basis points
✓	Long Term Investment Return Benchmark Merrill Lynch 1-3 Year Treasury Index	N/A	50 basis points	225 basis points	70 basis points	21 basis points	55 basis points
✓	Water and Sewer Rates	Revenues must be sufficient to cover: operating expenses, senior and sub debt service, amounts necessary to maintain DSRF and ORF levels, and any annual PILOT payments	Each customer will be charged for the actual cost to provide each service, and rate increases will be reliable and predictable		Future rate increases are driven by financial impact of the capital program and full utilization of the RSF; the development of a 10-year financial plan allows DC Water to meet these key goals of full cost recovery and predictability	Same as Performance Target	
✓	Rate Stabilization Fund (RSF)	N/A	Help to avoid spikes in rate increases for retail customers	\$28.8 million contribution resulted in a balance of \$90.24 million	Utilization of \$2.5 million of RSF in FY 2021 leaves a balance of \$87.74 million	Projected utilization of \$52.1 million of RSF in FY 2022 will leave a balance of \$35.64 million	Projected RSF at \$35.64 million at the end of FY 2023

*Up to FY 2021 operating reserve policy required a minimum balance of the greater of \$125.5 million or 120 days of budgeted O&M expenses. The Board revised the policy in October 2021 (FY 2022) requiring 250 days of O&M expenses

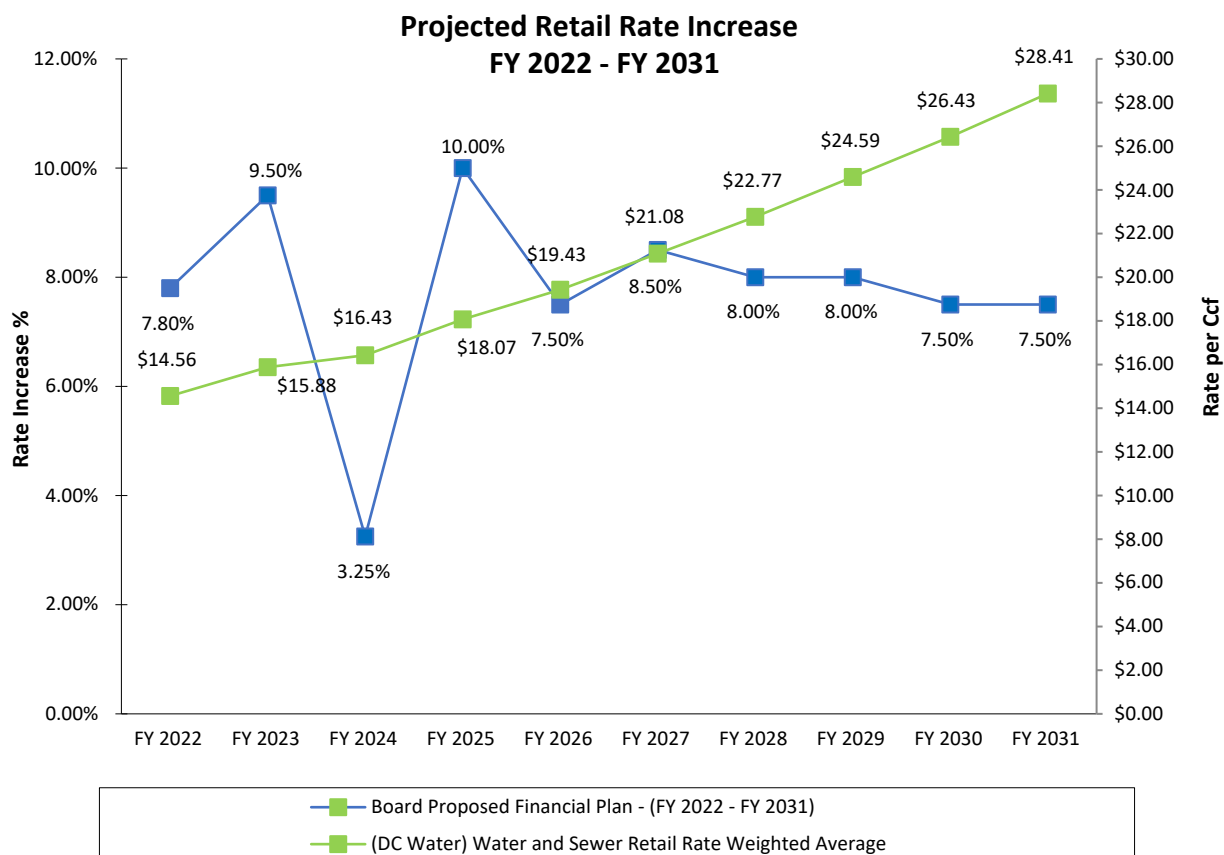
The Approved FY 2022 - FY 2031 financial plan includes the resources necessary to accomplish critical financial and operational goals over the coming years, as summarized below:

- Continue adherence to the Board's financial, investment, rate-setting and long-term planning policies
- Continue implementation of the ten-year \$6.42 billion capital improvement program
- Includes disbursements of \$1.12 billion over the ten-year planning period for Clean Rivers Project (CSO Long-Term Control Plan) exclusive of the nine-minimum controls program
- Continued exceptional financial performance, reduction in overtime, adherence to Board's customer outreach and transparency to include customer input and flexibility to meet emerging needs
- Improving Public Image: re-focus of the government relations activities to bring greater visibility to DC Water and the national need for infrastructure investment and funding; and various pilot projects to look for additional improvements to DC Water services
- Workforce
 - Continue to focus employees' efforts on DC Water's most important goals in line with the Board Strategic Plan
 - Improve recruiting process by identifying high-quality candidates using job descriptions based upon the expertise of high performing employees holding uniquely valued competencies
 - Fill critical talent management needs and address company and industry changes promptly
 - Continue to Enhance management skills through training

The ten-year financial plan reflects the following major assumptions:

- Operating and maintenance expenses (excluding the payment-in-lieu-of-taxes and right-of-way fee) are projected to grow at an average annual rate of 3.1 percent, primarily due to projected inflation
- Personnel services is projected to increase to accommodate for insourcing initiatives to support the capital program
- Payment-in-lieu-of-taxes (PILOT) to the District of Columbia for FY2022, FY 2023 and FY2024 will be at \$16.49 million, \$17.97 million and \$18.33 million respectively. PILOT payment is projected to increase by 2 percent per annum in accordance with the new memorandum of understanding (MOU) signed on September 4, 2014, with the district
- According to the new memorandum of understanding (MOU) dated October 4, 2014, the Right-of-Way payment to the District of Columbia stays level at \$5.1 million
- Days of cash on hand which is an important measure of short- and long-term liquidity typically exceeds 250 days of cash excluding the Rate Stabilization Fund. The Board's policy approved in October 2021 requires a minimum of 250 days of cash on hand.
- The Board's policy is to target combined coverage at 1.6X. The combined coverage for FY2023 to FY2031 range from 1.85 to 2.04. DC Water Indenture requires Senior Lien coverage of 1.2X and Subordinate at 1.0X, Board Policy is 1.4X for Senior and 1.0X for Subordinate
- Debt Service:
 - Overall increase of Debt Service is to support the capital program. The Debt Service as a percent of operating revenues does not exceed 33 percent in the Financial Plan. Debt Service represents 30.0 percent, 29.5 percent and 29.8 percent of the total operating revenue in FY2022, FY2023 and FY2024 respectively.
 - Interest on Variable debt assumed to be 2.5 percent in FY2022, FY2023, and FY2024
 - Interest on Fixed debt assumed to be 4.0 percent in FY 2022 and 5.0 percent in FY2023 and FY2024
 - Utilization of the Commercial Paper program/Extendable Municipal Commercial Paper (EMCP) is assumed for interim financing for bond issuance, capital equipment and Washington Aqueduct

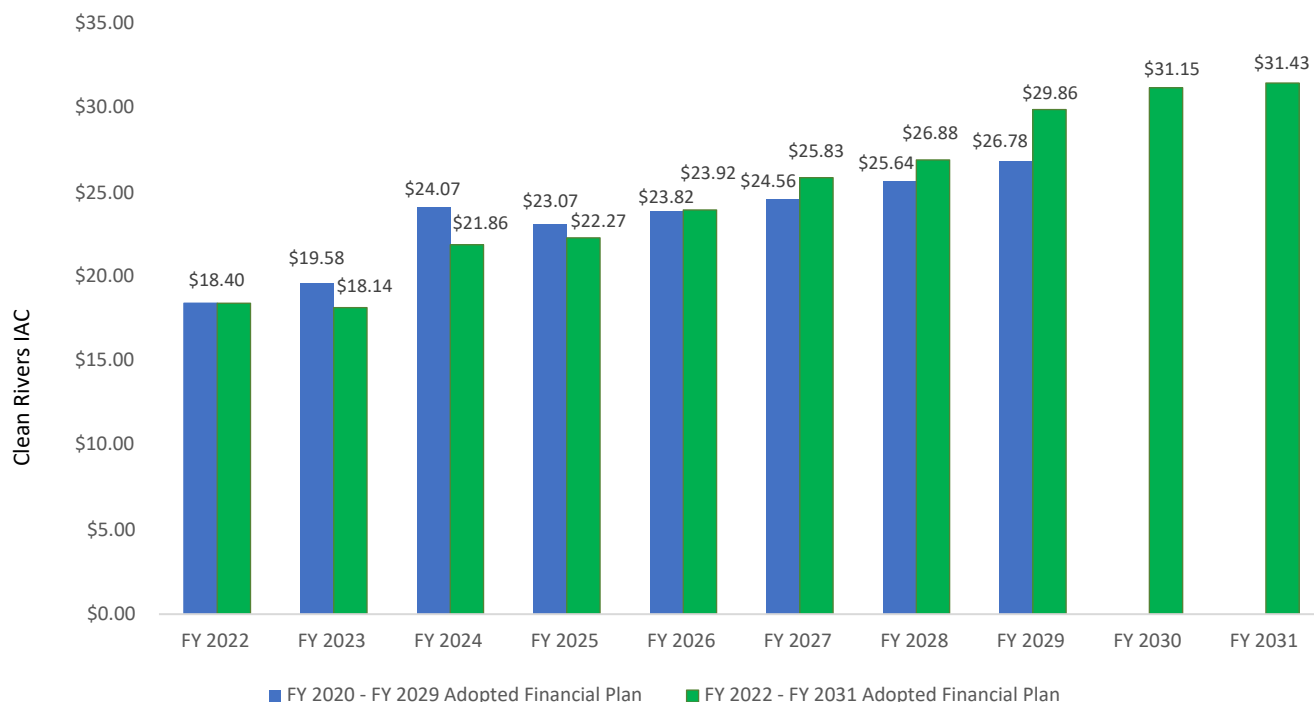
Due to these ongoing and new initiatives, from FY 2022 – FY 2031 DC Water’s water and sewer volumetric retail rates are projected to increase by \$0.55 to \$1.98 per 100 cubic feet as shown in the chart below. Cumulative rate increases would total 77.6 percent over the ten-year period compared to 78.7 percent projected in last year’s ten-year plan (FY 2021 – FY 2030).



Rates shown above reflect weighted water and sewer rates for Residential customers’ category. The proposed retail water and sewer combined rate for FY 2023 is \$15.88 per Ccf and \$16.43 per Ccf for FY 2024. In addition, the proposed increase in the combined Right-of-Way and PILOT Fees is \$0.03 per Ccf, {\$0.04 per 1,000 gallons}, in FY 2023 and is \$0.02 per Ccf, {\$0.03 per 1,000 gallons} in FY 2024 to recover the full amount for services charged to DC Water by the District. There is no increase in Right-of-Way Fee for FY 2023 and FY 2024, which remains same at \$0.19 per Ccf (\$0.25 per 1,000 gallons). The proposed monthly Clean Rivers Project CRIAC charges for FY 2023 and FY 2024 are \$18.14 and \$21.86 respectively per ERU (Equivalent Residential Unit); decrease of \$0.26 compared to the FY 2022 charge and increase of \$3.72 compared to the FY 2023 charge respectively.

PROJECTED MONTHLY CLEAN RIVERS IMPERVIOUS SURFACE AREA CHARGE (CRIAC) CHANGES

FY 2022 – FY 2031



- The projected charges displayed in the chart above are primarily driven by anticipated debt service costs necessary to support the thirty year \$2.99 billion Clean Rivers Project, which includes the federally mandated CSO-LTCP and the nine-minimum controls program
- The annual Clean Rivers Project costs for the average Tier 2 residential customer (700 – 2,000 sq. ft. of impervious area) is projected to increase from \$18.40 per month in FY 2022 to \$31.43 per month in FY 2031
- The proposed CRIAC shift to sewer volumetric with 18 percent in FY 2020, 28 percent in FY 2021 and 37 percent in FY 2022 and beyond was recommended because it balances infrastructure investment with growth in rates. The shift is based on an assessment that on average 37 percent of volume in the tunnels is from wastewater. With the shift the overall household charges projected increase is 6.7 percent for FY 2022, 6.0 percent for FY 2023 and 5.4 percent for FY 2024. The gradual shift helps avoid rate shock to customers. The CRIAC is projected to decrease from \$18.40 to \$18.14 per ERU per month for FY 2023 and increase to 21.86 or per ERU per month for FY 2024.

The proposed rate and fee adjustments included in the FY 2022 – FY 2031 financial plan are driven by the following trends and initiatives:

- Assumed retail water consumption decline of 1.4 percent in FY 2022 over FY 2021 Actual, conservation of 1.0 percent in FY 2023 for all categories of customers except for commercial. However, due to the impact of COVID-19, 12.0 percent decline is projected for commercial in FY 2022 and beyond. In FY 2023 and onwards, one percent decrease in consumption has been assumed due to conservation.
- Increasing debt service expenditures, driven by DC Water’s \$6.4 billion capital improvement program (cash disbursements basis), which increases on average by 5.9 percent over the Financial Plan period.
- Operations and maintenance expenditure (excluding the payment-in-lieu-of-taxes and right-of-way -fee) increase on average of 3.1 percent annually over ten-year period.
 - Increasing operating expenditures, driven primarily by projected increases in personnel services, contractual services, chemicals, electricity, and water purchases
 - Continuation of In-Sourcing Proposals for in-house planning & design and valve operations
 - Enhanced service to the development community through improved permitting operations

Customer Assistance Programs (CAP): We continued our commitment to help improve the quality of life for those of our customers who are least able to pay, by providing relief through our customer assistance programs (CAP). Through CAP, we provide eligible customers a discount of 4 Ccf per month on their water and sewer bills. Since it began in FY 2001, participation in CAP has continued to increase. In FY 2004, the Authority expanded the CAP to include tenants who meet financial eligibility requirements and whose primary residence is separately metered by the Authority. As of October 1, 2010, the Board expanded the CAP discount to include the first 4 Ccf of Payment-in-Lieu-of-Taxes (PILOT) and Right-of-Way (ROW) to qualifying low-income residential customers. The District Department of Energy and Environment (DOEE), administers this program for the Authority and several other utilities in the area.

In FY 2016, DC Water implemented Water System Replacement Fee (WSRF). This is a fixed monthly fee set to recover the costs of the 1 percent renewal and replacement program for water service lines. The fee is based on meter size and average flow. The DC Water’s low-income CAP customer will receive 100 percent credit for this fee.

As of May 1, 2017, the Authority further expanded the CAP to include 50 percent discount for CRIAC. Effective October 1, 2020, the CRIAC discount for low-income CAP customers was increased from fifty percent to seventy five percent.

In FY 2019, DC Water, Mayor Muriel Bowser, and the DC Council worked together to expand the existing customer assistance program. The new benefits were earmarked for non-profits, including churches and cemeteries, along with a group of residential customers who did not previously meet the income guidelines for assistance (CAP2 and CAP3).

CAP2 provides a discount on the first 300 cubic feet (2,250 gallons) of water and sewer services used each month (apart from PILOT and ROW fees) and a fifty percent reduction in the monthly CRIAC fee.

CAP3 provides a discount of seventy five percent off the monthly CRIAC.

For FY 2021, \$2,378,326 in discount benefits was provided to 5,630 CAP customers and 835 CAP2 customers received discount of \$245,637. The CAP and CAP2 discount programs administered by DOEE provided discount as of September 30, 2021, to 6,465 customers representing \$2,623,963. DC Water's SPLASH program customers donated an additional \$71,765 through their water bills for the benefit of those customers who needed additional help.

DC Clean Rivers Impervious Surface Area Charge Incentive Program: DC Water Board Approved a DC Clean Rivers Impervious Surface Area Charge Incentive Program (CRIAC) effective from October 1, 2013. This is a three-year pilot credit/discount program for the DC Clean Rivers Impervious Surface Area Charge. Eligibility determinations are made by the District Department of Energy and Environment. Customers who manage stormwater on their property using approved best management practices such as rain gardens, rain barrels, pervious paving, green roofs, bio retention practices and stormwater will avail this discount. FY 2020 budget proposed an increase from 4 percent to 20 percent for stormwater best management practices. The DC Water Board approved the CRIAC Incentive Discount Program's incentive discount from four percent to twenty percent, which became effective from October 1, 2019.

Expansion of Customer Assistance Programs: To respond to the impact of COVID-19 on our customers, both the District and DC Water are expanding customer assistance programs:

- Emergency Residential Relief Program (District Funded) – For customers struggling with unpaid DC Water bills during the coronavirus (COVID-19) public health emergency and 105 days thereafter, eligible households may receive bill assistance up to \$2,000 as a one-time emergency benefit
- DC Water Cares Residential Assistance Program (RAP) – New \$3 million to continue the Emergency Residential Relief Program in FY2021 to provide one-time assistance to customers impacted by COVID. Assistance up to \$2,000 per residential customer. RAP was extended to FY 2022.
- DC Water Cares Multi-Family Assistance Program (MAP) - New \$7 million for a new program to provide one-time assistance to residents in multi-family buildings that have been negatively impacted by COVID; assistance amount to be provided per affordable unit with household income 80% AMI or less. MAP was extended to FY 2022.
- FY2022 Target Assistance - \$5 million held for FY2022 targeted assistance for customers in need
- LIHWAP (Low Income Household Water Assistance Program) - Provides funds to assist low-income households with water and wastewater bills.
- STAY (Stronger Together Assisting You) - Is a financial program for D.C renters and housing providers who are looking for support to cover housing and utility expenses and offset the loss of income.

\$ in thousands

The Proposed FY 2023 operating receipts projection totals 800.0 million, a decrease of \$0.09 million as compared to the FY 2022 Approved budget. The Proposed FY 2024 operating receipts total \$827.7 million, an increase of \$27.7 million over the Proposed 2023 receipts.

Comparative Operating Receipts FY 2022 – FY 2024

	FY 2022 Approved	FY 2023 Proposed	Increase / (Decrease)	Percent Change	FY 2024 Proposed	Increase / (Decrease)	Percent Change
Residential	130,515	136,324	5,809	4.5%	144,336	8,012	5.9%
Commercial	172,180	179,276	7,096	4.1%	189,863	10,587	5.9%
Multi-family	125,076	145,282	20,206	16.2%	151,149	5,867	4.0%
Sub-Total Residential, Commercial and Multi-family	427,771	460,882	33,111	7.7%	485,348	24,466	5.3%
Federal Government ⁽¹⁾	77,746	84,768	7,022	9.0%	79,943	(4,826)	-5.7%
District Government	18,668	21,039	2,371	12.7%	22,904	1,865	8.9%
D.C. Housing Authority	12,592	13,465	873	6.9%	13,954	489	3.6%
Transfer from Rate Stabilization Fund ⁽³⁾	52,100	-	(52,100)	-100.0%	-	-	0.0%
Water System Replacement Fee (WSRF)	39,717	39,717	-	0.0%	39,717	-	0.0%
Metering Fee	24,083	24,083	-	0.0%	24,083	-	0.0%
Total Retail	652,677	643,954	(8,722)	-1.3%	665,949	21,994	3.4%
IMA Wastewater Charges	74,226	74,764	539	0.7%	77,871	3,107	4.2%
Potomac Interceptor Wastewater Charges	10,443	10,956	513	4.9%	11,271	315	2.9%
Total Wholesale	84,669	85,720	1,051	1.2%	89,142	3,422	4.0%
District Stormwater Revenue ⁽²⁾	1,000	1,000	-	0.0%	1,000	-	0.0%
Misc. Rev. (e.g. water tap installation, fire hydrant usage, etc.)	28,823	30,694	1,871	6.5%	32,589	1,895	6.2%
Washington Aqueduct Backwash - DC Water's prorata share	-	3,275	3,275	100.0%	3,275	-	0.0%
Washington Aqueduct Debt Service Revenue for Falls Church & Arlington	193	193	-	0.0%	193	-	0.0%
Interest Income (including interest on Bond Debt Service Reserve Fund)	3,437	4,387	950	27.6%	4,427	41	0.9%
System Availability Fee (SAF)	7,700	7,700	-	0.0%	7,700	-	0.0%
Right-of-Way Fee	5,100	5,100	-	0.0%	5,100	-	0.0%
PILOT Fee	16,488	17,970	1,482	9.0%	18,330	359	2.0%
Total Other	62,741	70,319	7,578	12.1%	72,614	2,295	3.3%
Total Operating Cash Receipts	800,087	799,993	(94)	0.0%	827,705	27,712	3.5%

1. Historical actuals are presented on revenue basis. Projected amounts shown are billed revenues. Actual Federal receipts are a combination of current year projected revenues and prior year adjustments, which are presented as reserve items. See Section III for further explanation.
2. Reflects District stormwater fee revenue that will fund DC Water's share of District stormwater permit compliance activities, and will not be funded through DC Water's retail rates or other DC Water revenue sources. See Section III for further explanation.
3. FY 2022 receipts include \$41.6 million Rate Stabilization Fund (RSF) amount, which was transferred to Ending Cash Balance.

Major assumptions underlying the revenue projections contained in the FY 2022 – FY 2031 financial plan include:

- For FY 2023, 1.0 percent reduction in water sales is assumed over FY 2022 projection for all customer categories, based on historical trends in consumption levels. For Commercial category, due to impact of COVID-19, twelve percent decline in consumption was assumed for FY 2022 and beyond. For FY 2023 and onwards, 1.0 percent conservation is assumed for all categories.
- 3.0 percent average revenue increase between FY 2025 and FY 2031 for wholesale customers, in line with operating and maintenance expense increases for joint use facilities. However, the wholesale revenues are projected to increase by \$1.1 million or 1.2 percent for FY2023 and \$3.4 million or 4.0 percent for FY2024 due to revised operations and maintenance expense projections. Revenue estimates are based on most recent flow data.
- Based on the current interest rate environment, interest projections are conservatively assumed at 1.0 percent earnings rate in FY 2023, 2.0 percent in FY2024 and FY 2025, 2.5 percent in FY2026 and 2.75 percent in FY 2027. Interest rates for FY 2028 and onwards are assumed at 3.0 percent.
- The majority of other non-operating revenues, totaling \$42.8 million in FY 2023 are projected to increase within the ten-year plan, and include such items as:
 - Reimbursement from Arlington County and Falls Church for debt service issued for pre-1997 Washington Aqueduct capital improvements - \$0.2 million.
 - Reimbursement from the Stormwater Enterprise Fund for services provided to DOEE under their MS4 permit - \$1.0 million.
 - Recovery of indirect costs from DC Water’s IMA partners - \$5.9 million - this reflects recovery of indirect costs on capital projects (e.g., costs for Finance, Accounting and Budget, General Counsel, and Human Resources functions).
 - Reimbursement from the District for the Fire Protection Services fee of \$11.5 million.
 - Other miscellaneous fees and charges, including service line replacements, developer-related fees, and the Engineering Review, waste hauler fees and System Availability Fee (SAF) - \$24.2 million.

The Proposed FY2023 receipts projection totals \$800.0 million, approximately \$0.09 million lower than the FY 2022 Approved budget. The FY 2022 receipts include \$41.6 million Rate Stabilization Fund (RSF) amount, which was transferred to Ending Cash Balance (Reserves). Without \$41.6 million RSF, FY 2022 receipts will increase by \$41.5 million compared to FY 2022. The decrease is due primarily to:

- **Residential, Commercial and Multi-Family Receipts** - Projections for FY 2023 reflect an increase of \$33.1 million, or 7.7 percent from FY 2022 Approved due to proposed retail rate increase of 9.5 percent (water and sewer volumetric rates) and a decrease of \$0.26 monthly ERU fee for the Clean Rivers IAC. (See Section IV – Rates and Revenues for details on all rate and fee proposals).
 - One percent decrease in overall consumption in FY 2023 over FY 2022 projections has been assumed due to conservation.
- **Federal revenues** – Proposed FY 2023 federal revenues are projected to increase by \$7.0 million or 9.0 percent over FY 2022 Approved budget. Under existing federal billing legislation, federal billings are prepared on an estimated basis eighteen months in advance of the start of the fiscal year (e.g., the FY 2022 billing was prepared in April 2020, and are based on the current consumption estimates and projected rate increases as included in the current ten-year plan. These estimates are then reconciled with actual consumption and rate increases, and an adjustment is made in the subsequent year's billing (e.g., the reconciliation of FY 2020 estimated vs. actual consumption and rate increases will be included in the FY 2023 billing, prepared in April 2021). Federal revenues in the ten-year plan are presented on a revenue basis, net of any adjustments for prior year reconciliations which are accounted for as reserve items. Consistent with this methodology, the proposed FY 2022 federal revenues reflect the final billing sent to the federal government in April 2020 net of the adjustment for the prior-year (FY 2019) reconciliation.
- **Municipal & D.C. Housing Authority Receipts** - are projected to increase by \$3.2 million (or 10.4 percent) mainly due to proposed retail rate increases of 9.5 percent and decrease of \$0.26 monthly ERU fee for the Clean Rivers IAC.
- **Rate Stabilization Fund Utilization** – The ten-year plan and near-term revenue projections assume utilization of \$52.1 million of RSF in FY 2022, which includes \$41.6 million transfer from the RSF to the Ending Cash Balance. The RSF is not utilized in FY 2023. There will be a balance of \$35.64 million by the end of FY 2031. Prior years' plans assumed the use of these funds, which is necessary as DC Water reaches its peak years of spending in the CIP. Utilization of RSF monies allows DC Water to implement future rate increases in a reliable and predictable manner while still meeting Board and indenture policies on cash reserves and debt service coverage.
- **Water System Replacement Fee** – Proposed fixed monthly fee set to recover the costs of one percent renewal and replacement program for water service lines generating approximately \$39.7 million per year.
- **Customer Metering Fee** - This fee recovers the costs associated with installing, operating, maintaining, and replacing meters, and is charged to all retail customers (including federal and municipal customers). The fee varies based on meter size, with monthly fees ranging from \$7.75 for a 5/8-inch meter (typical size of a residential customer meter) to 701.62 for 16" meters (typically used for large commercial customers). Based on the FY 2020 Cost of Service study, the Customer Metering fees due to proposed increase is projected to generate \$24.1 million in FY 2022 and onwards.

- **Wholesale Receipts** – DC Water’s wholesale customers are responsible for a proportionate share of operating and maintenance expenses (associated only with shared facilities primarily at Blue Plains) based on their respective share of wastewater volume discharged. In addition, each user is responsible for a proportionate share of related indirect costs. In FY 2023 wholesale revenues are projected to increase by \$1.1 million or 1.2 percent to \$85.7 million mainly due to projected increase in operations and maintenance expenses.
- **Stormwater** - DC Water’s FY2023 receipts include \$1.0 million from the Department of Energy and Environment (DOEE) formerly DDOE which will be used to fund DC Water’s services provided on behalf of the District’s stormwater permit compliance activities including the billing and collection through DC Water invoices of fees established by DOEE. The FY 2022 – FY 2031 financial plan assumes that all incremental costs borne by DC Water for stormwater permit compliance activities will be reimbursed by the stormwater fund, and that DC Water funds will be advanced to pay for these activities.
- **Right-of-Way and Payment-In-Lieu of Taxes (PILOT) Pass-Through Fees** – Similar to other Washington area utilities, DC Water has implemented fees that pass through the costs of the District’s Right-of-Way fee (ROW) and Payment In Lieu of Taxes (PILOT) as separate line items on its bill. PILOT fee increases by 2 percent over prior year as per PILOT MOU signed with the District Government on September 4, 2014. In FY 2023 Proposed budget as compared to FY 2022 Approved budget, PILOT is projected to increase by \$1.5 million or 9.0 percent mainly due to slightly higher consumption. ROW fee remains same at \$5.1 million.
- **Other Revenues** – In FY 2023, Other Revenues are projected to increase by \$7.6 million or 12.1 percent mainly due to increase in the D.C Fire Protection Services Fee, IMA Indirect Cost Reimbursement for Capital Projects, Washington Aqueduct Backwash – DC Water’s pro rata share and Interest earnings.

The Proposed FY 2024 receipts projection totals \$827.7 million, approximately \$27.7 million, or 3.5 percent higher than the Proposed FY 2023 projections. This increase is due primarily to:

- **Residential, Commercial & Multi-Family** - FY 2024 projections reflect an increase of \$24.5 million, or 5.3 percent from FY 2023 primarily due to proposed retail rate increases of 3.25 percent (water and sewer volumetric rates) and increase of 3.72 monthly ERU fee for the Clean Rivers IAC (see Section IV- Rate and Revenues for detail on all rate and fee proposals)
 - One percent decrease in consumption over FY 2023 Proposed has been assumed for Residential, Commercial and Multi-family due to conservation in FY 2024.
- **Federal Revenues** - Proposed FY 2024 federal revenues are projected to decrease by \$4.8 million or 5.7 percent below the FY 2023 Proposed budget to \$79.9 million.
- **Municipal & D.C. Housing Authority Receipts** - are projected to increase by \$2.4 million (or 6,8 percent), mainly due to proposed retail rate increases of 3.25 percent and increase of \$3.72 monthly ERU fee for the Clean Rivers IAC.
- **The Rate Stabilization Fund** - The ten-year plan and near-term revenue projections assume no utilization of RSF in FY 2024. There will be a balance of \$35.64 million by the end of FY 2031.
- **Water System Replacement Fee** - Proposed fixed monthly fee set to recover the costs of 1 percent renewal and replacement program for water service lines generating approximately \$39.7 million per year.
- **Customer Metering Fee** - This fee recovers the costs associated with installing, operating, maintaining and replacing meters, and is charged to all retail customers (including federal and municipal customers). The fee varies based on meter size, with monthly fees ranging from \$7.75 for a 5/8-inch meter (typical size of a residential customer meter) to \$701.62 for 16" meters (typically used for large commercial customers). The Customer Metering fee is projected to generate \$24.1 million in FY 2024.
- **Wholesale Receipts** - In FY 2024, Wholesale revenues are projected to increase by \$3.4 million or 4.0 percent to \$89.1 million due to projected increase in operations and maintenance expenses.
- **Stormwater** - As noted earlier, the Proposed FY 2024 receipts for this category include \$1.0 million each year from the Department of Energy and Environment (DOEE).
- **FY 2022 PILOT Fee** increase by 2.0 percent over prior year as per the PILOT MOU signed with the District Government on September 4, 2014. The PILOT for Proposed FY 2024 is projected to increase by \$0.4 million or 2.0 percent as compared to Proposed FY 2023.

(\$ in thousands)

DISTRICT OF COLUMBIA WATER & SEWER AUTHORITY FY 2022 - FY 2031 FINANCIAL PLAN (In 000's)

OPERATING	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
<i>Retail*</i>	\$ 622,165	\$ 667,024	\$ 689,378	\$ 735,355	\$ 778,670	\$ 830,705	\$ 879,018	\$ 939,516	\$ 991,672	\$1,041,654
<i>Wholesale*</i>	84,669	85,720	89,142	91,817	94,571	97,408	100,330	103,340	106,440	109,634
<i>Other</i>	41,153	47,249	49,184	51,608	55,781	60,678	59,678	58,527	58,854	59,895
<i>RSF</i>	52,100	-	-	-	-	-	-	-	-	-
Operating Receipts ⁽¹⁾	\$ 800,087	\$ 799,993	\$ 827,705	\$ 878,779	\$ 929,022	\$ 988,791	\$1,039,026	\$1,101,383	\$1,156,967	\$1,211,182
Operating Expenses	(364,345)	(374,597)	(386,094)	(398,023)	(409,935)	(422,213)	(434,869)	(447,914)	(461,361)	(475,221)
Debt Service	(223,513)	(234,679)	(245,482)	(272,262)	(289,036)	(311,322)	(338,312)	(358,587)	(367,280)	(374,011)
Cash Financed Capital Improvement	\$ (37,830)	\$ (46,692)	\$ (48,256)	\$ (58,828)	\$ (70,080)	\$ (74,763)	\$ (79,112)	\$ (84,556)	\$ (89,251)	\$ (93,749)
Net Revenues After Debt Service	\$ 174,400	\$ 144,025	\$ 147,872	\$ 149,666	\$ 159,971	\$ 180,492	\$ 186,733	\$ 210,326	\$ 239,076	\$ 268,202
Operating Reserve-Beg Balance	196,286	235,600	242,600	251,600	261,600	266,600	276,600	284,600	293,600	300,600
Other Misc (Disbursements)/Receipts										
Wholesale/Federal True Up	(8,460)	(9,188)	(4,500)	-	-	-	-	-	-	-
Pay-Go Financing	(126,625)	(127,837)	(134,372)	(139,666)	(154,971)	(170,492)	(178,733)	(201,326)	(232,076)	(259,202)
Operating Reserve - Ending Balance	\$ 235,600	\$ 242,600	\$ 251,600	\$ 261,600	\$ 266,600	\$ 276,600	\$ 284,600	\$ 293,600	\$ 300,600	\$ 309,600
Rate Stabilization Fund Balance RSF ⁽²⁾	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)
Senior Debt Service Coverage	589%	539%	646%	707%	681%	649%	666%	719%	724%	767%
Combined Debt Service Coverage	201%	187%	188%	185%	188%	190%	186%	189%	196%	204%
Actual/Projected Water/Sewer Rate Increases	7.8%	9.5%	3.3%	10.0%	7.5%	8.5%	8.0%	8.0%	7.5%	7.5%
*Operating Receipts \$ Increase/Decrease										
Retail	37,277	44,859	22,354	45,976	43,315	52,036	48,313	60,498	52,156	49,981
Wholesale	1,682	1,051	3,422	2,674	2,754	2,837	2,922	3,010	3,100	3,193
*Operating Receipts % Increase/Decrease										
Retail	6.4%	7.2%	3.4%	6.7%	5.9%	6.7%	5.8%	6.9%	5.6%	5.0%
Wholesale	2.0%	1.2%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

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

⁽²⁾ FY 2023 planned transfers of \$0.0 million to Rate Stabilization Fund and \$0.0 million utilization will bring the total fund balance to \$35.644 million

\$ in thousands

As in previous years, debt service continues to be the fastest-growing expenditure in the ten-year financial plan as a result of DC Water's \$6.4 billion capital improvement program, growing at an average annual rate of 5.9 percent. All other operating expenses are projected to grow at an average annual rate of 3.1 percent. The following chart provides a detailed comparison of the FY 2022 and FY 2023 operating budgets.

Comparative Operating Budgets FY 2022 – FY 2023

	FY 2022 APPROVED	FY 2023 APPROVED	Increase (Decrease)	Percentage Change
Personnel Services	\$180,353	\$186,223	\$5,870	3.3%
Contractual Services	88,504	88,504	1	0.0%
Water Purchases	35,217	40,334	5,117	14.5%
Chemicals and Supplies	34,201	36,994	2,793	8.2%
Utilities	27,329	28,799	1,470	5.4%
Small Equipment	1,108	1,108	0	0.0%
Subtotal Operations & Maintenance	\$366,711	\$381,962	\$15,251	4.2%
Debt Service	231,164	234,679	3,515	1.5%
Cash Financed Capital Improvements	37,830	46,692	8,862	23.4%
Payment in Lieu of Taxes	17,618	17,970	352	2.0%
Right of Way Fees	5,100	5,100	-	0.0%
Subtotal Debt Service, CFCI & PILOT/ROW	291,712	304,441	12,730	4.4%
Total Operating Expenditures	\$658,423	\$686,403	\$27,980	4.2%
Personnel Services charged to Capital Projects	(25,086)	(30,435)	(5,349)	21.3%
Total Net Operating Expenditures	\$633,337	\$655,968	\$22,631	3.6%

The approved FY 2023 budget total of \$686.4 million is approximately 4.2 percent higher than the approved FY 2022 budget. The net increase is primarily due to increase in Debt Service, Cash Financed Capital Improvements costs associated with DC Water's capital improvement program, as well as increase in the operations and maintenance budget. The FY 2023 operations and maintenance budget net increase of 4.2 percent is primarily due to increase in personnel services, water purchases, chemicals and utilities. Specific information regarding each department is included in Section VII. A description of the assumptions and major issues/changes in each major expenditure category follows.

Personnel Services - increase of \$5.9 million or 3.3 percent above the approved FY 2022 budget. The increase is primarily attributable to salary adjustments, combined with 73 new positions added throughout the Authority to reduce continued reliance on consultants for support of various operational and day-to-day activities.

Utilities – increase of approximately \$1.5million or 5.4 percent above the approved FY 2022 budget is due to electricity budget increase of \$1.8 million in the energy needed to operate the Plant, Pump Stations, and Operational facilities and an increase in water usage in the Plant due to changes made in the wastewater treatment process. DC Water’s thermal hydrolysis process and anaerobic digesters continues to generate approximately 6.5MW electricity to offset the Authority-wide energy consumption of 33.04MW. This is offset by reduction of \$0.3 million from changes/upgrades to telephone services.

Chemicals – increase of \$2.7 million or 8.2 percent above the approved FY 2022 budget is due to projected higher unit prices for major chemicals (methanol, sodium bisulfite, and ferric chloride) based on prevailing market conditions.

Water Purchase – increase of approximately \$5.1 million or 14.5 percent above the approved FY 2022 budget. This represents DC Water’s share of the Washington Aqueduct’s FY 2023 O&M budget and includes funding for the McMillan Sewer Backwash project.

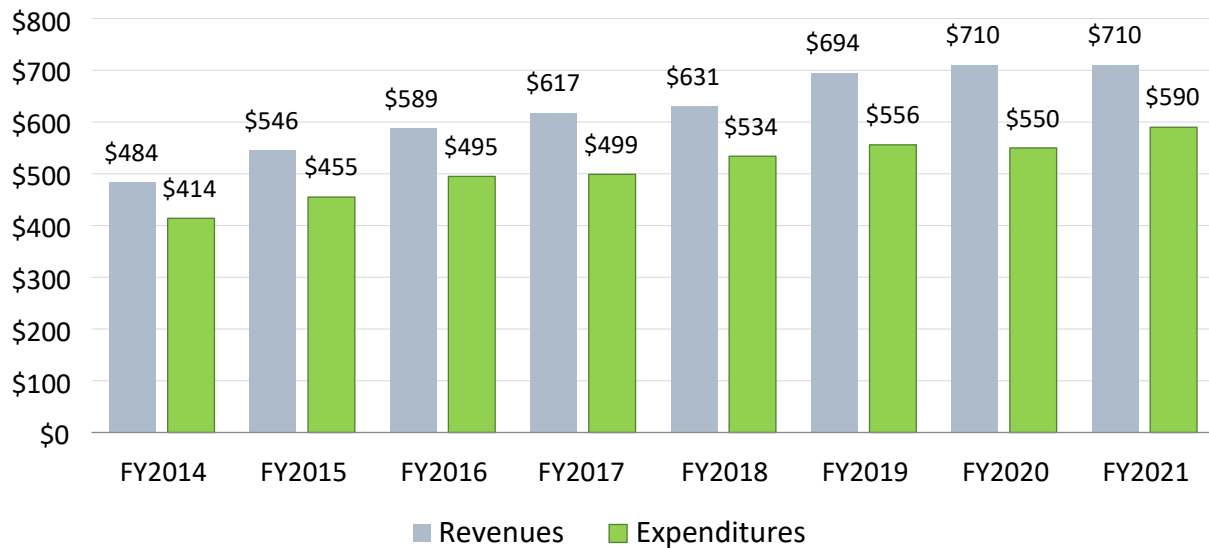
Biosolids Hauling – slightly lower compared to FY 2022 budget, due to continued increased marketing efforts of BLOOM, and the materialized savings from reduced transportation costs attributable to the production of Class A biosolids, estimated at 450 wet tons/day from the digesters. Previously, the Blue Plains Plant produced 1,200 wet tons per/day of Class B biosolids.

\$ in thousands

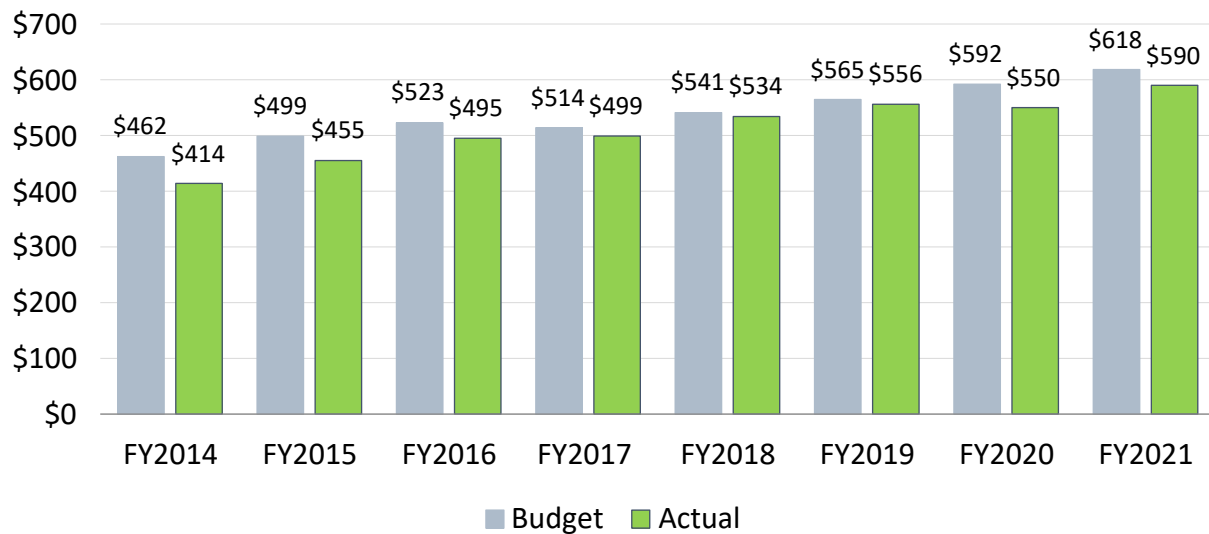
Solid Financial Performance with Revenues Consistently Exceeding Expenses

- FY 2021 Actual Operating cash receipts decreased by 0.5 million to \$709.6 million or 0.07 percent mainly due to the impact of COVID-19
- FY 2021 Actual Operating expenses increased by \$40.6 million to \$590.4 million, or 7.4 percent
- FY 2021 Budget to actual results showed revenues slightly lower than budget and expenses below budget. DC Water successfully managed its finances through FY 2021, aligning expenditures to the revenue shortfall from the impact of COVID-19.

Revenue vs. Expenditures



Expenditure Budget vs. Actual



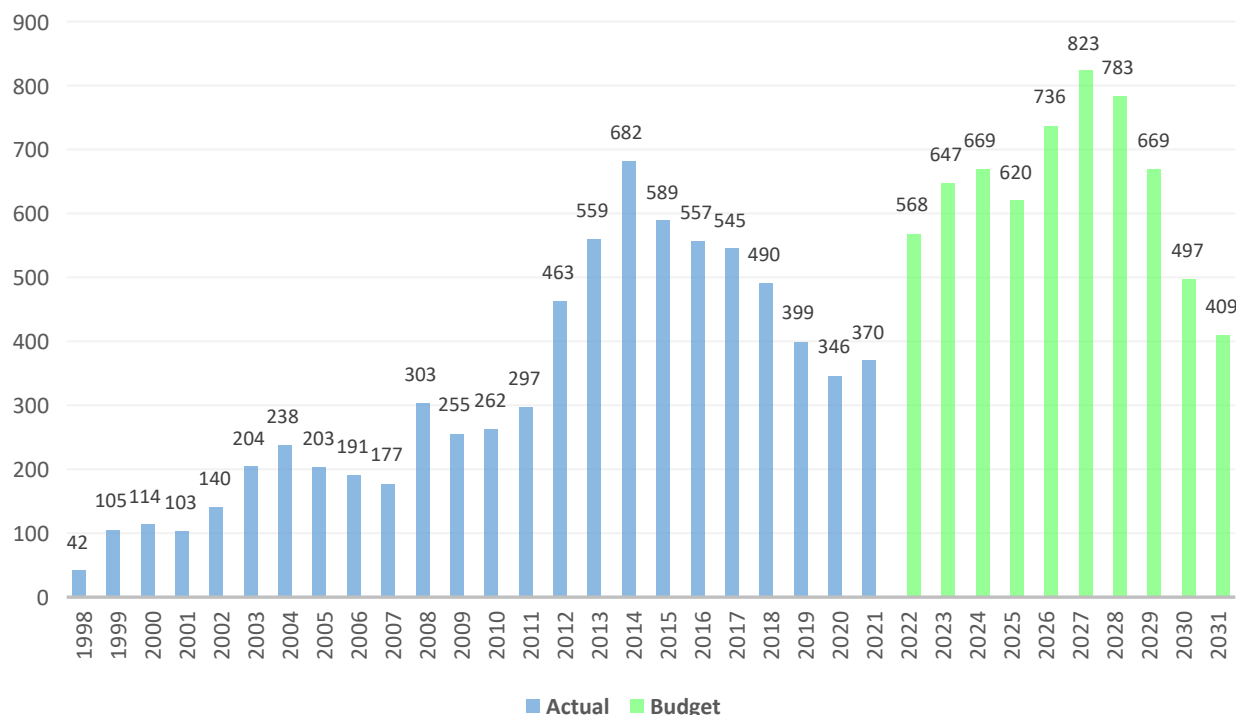
\$ in thousands

The 6.42 Billion Ten-Year CIP Protects Our Assets While Leveraging Long-Term Debt

The FY 2022 – FY 2031 financial plan anticipates capital disbursements of \$6.42 billion. Over the last 24 years, \$7.64 billion has been invested on DC Water’s system averaging approximately \$318.2 million per year. Projected annual spending ranges from \$409 million to nearly \$823 million as shown in the chart below (or approximately \$642 million per year from FY 2022 – FY 2031). The financing of DC Water’s capital program comes from four primary sources, as more fully described in this section. The amount of EPA grant funding is defined by annual federal appropriations, while jurisdictional capital contributions are based on a fixed percentage of Blue Plains and other shared facilities. The remainder of the program is funded with DC Water’s debt and Pay-Go financing from operations.

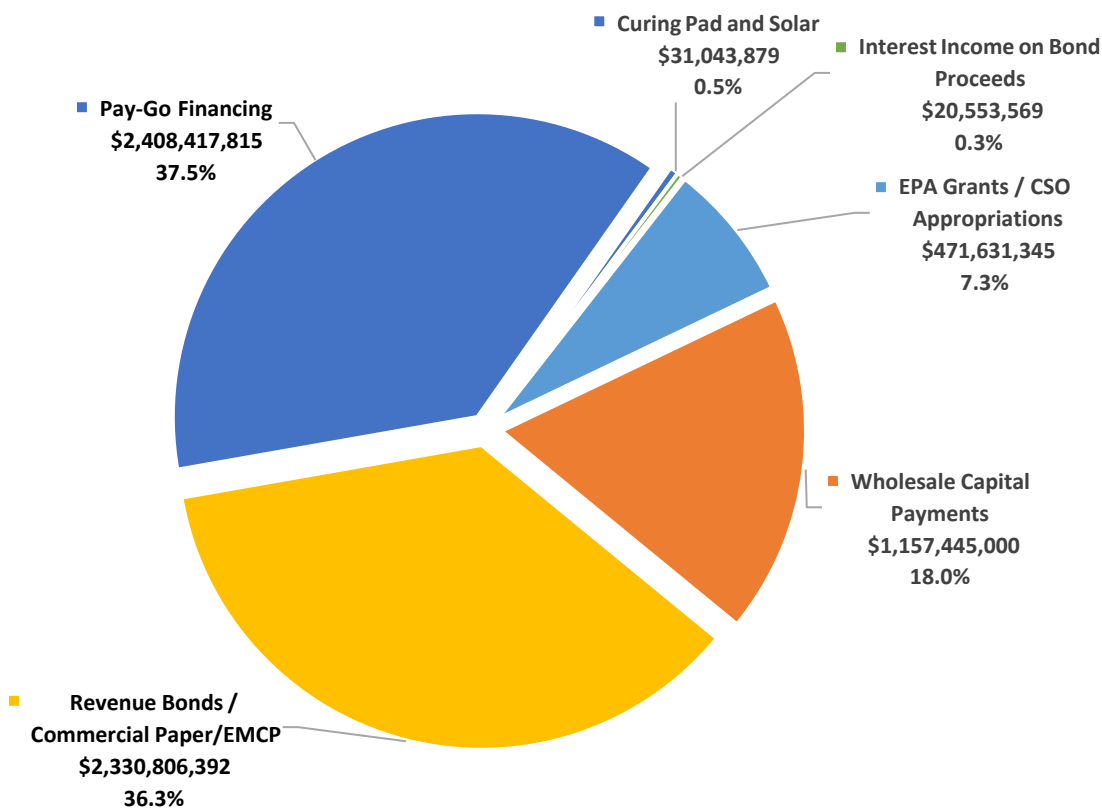
As noted earlier in this section, DC Water developed a comprehensive financing plan in FY 1999 with the dual goals of 1) securing the lowest cost of capital possible, and 2) maximizing administrative and operating flexibility. The plan includes the following components: Grants; wholesale capital payments; permanent financing; Interim financing and Pay-Go.

**Historical and Projected Capital Spending
FY 1998 - FY 2031**



FY 2022 – FY 2031 Capital Improvement Program Sources of Funds

	FY 2022 - FY 2031 Plan Total	Percent of Total
EPA Grants / CSO Appropriations	\$ 471,631,345	7.35%
Wholesale Capital Payments	1,157,445,000	18.03%
Revenue Bonds / Commercial Paper/EMCP	2,330,806,392	36.31%
Pay-Go Financing	2,408,417,815	37.51%
Curing Pad and Solar	31,043,879	0.48%
Interest Income on Bond Proceeds	20,553,569	0.32%
TOTAL SOURCES	\$ 6,419,898,000	100.0%



- **EPA and CSO Grants** – For FY 2022 – FY 2031, EPA and CSO grants represent only 7.35 percent of the funding for 10-year capital program. DC Water currently plans to finance part of its Ten-Year CIP through EPA grant funding for certain eligible projects under the Clean Water and Safe Drinking Water Acts. In general, the District of Columbia projects carried out by DC Water are supported by approximately one percent of the available annual funding through revolving fund programs associated with the Clean Water and Safe Drinking Water Acts. In addition, DC Water has received \$276.8 million in Congressional appropriations for the Clean Rivers Project (aka CSO LTCP) as of December 31, 2021.
- **Wholesale Capital Payments** - Approximately 60 percent of the capacity of DC Water’s wastewater treatment facilities are contractually committed to provide wholesale service to suburban jurisdictions under various contracts. Montgomery and Prince George’s Counties (through the Washington Suburban Sanitary Commission (WSSC), Fairfax County, and the Loudoun County Sanitation Authority pay a proportionate share of capital-related costs equal to their share of contracted capacity at Blue Plains. DC Water anticipates 18.0 percent of its capital funding will come from wholesale customers.
- **Revenue Bonds/Commercial Paper/EMCP** - Currently debt financing represents only 36.3 percent of the funding in the ten-year capital program.
- **Pay-Go (Internal) Financing** – ‘Pay-go’ financing shall mean any cash financing of capital projects. The amount transferred from operations to the capital program each year shall be cash in excess of all operating requirements or restricted use. Approximately 37.5 percent of total funding for the FY 2022 – FY 2031 plan is projected to come from PAY-GO financing, which strikes an appropriate balance between maintaining moderate debt levels and financing provided by current ratepayers. Pay-Go funds will be used in a manner consistent with our financial policies: 1) to fund capital financing or for repayment of higher cost debt and that whenever possible, the least costly capital financing be used for capital projects, 2) to produce the lowest practical cost of debt for financing its capital projects.

FY 2022 and FY 2023 Debt Issuance Plans & Debt Service Assumptions

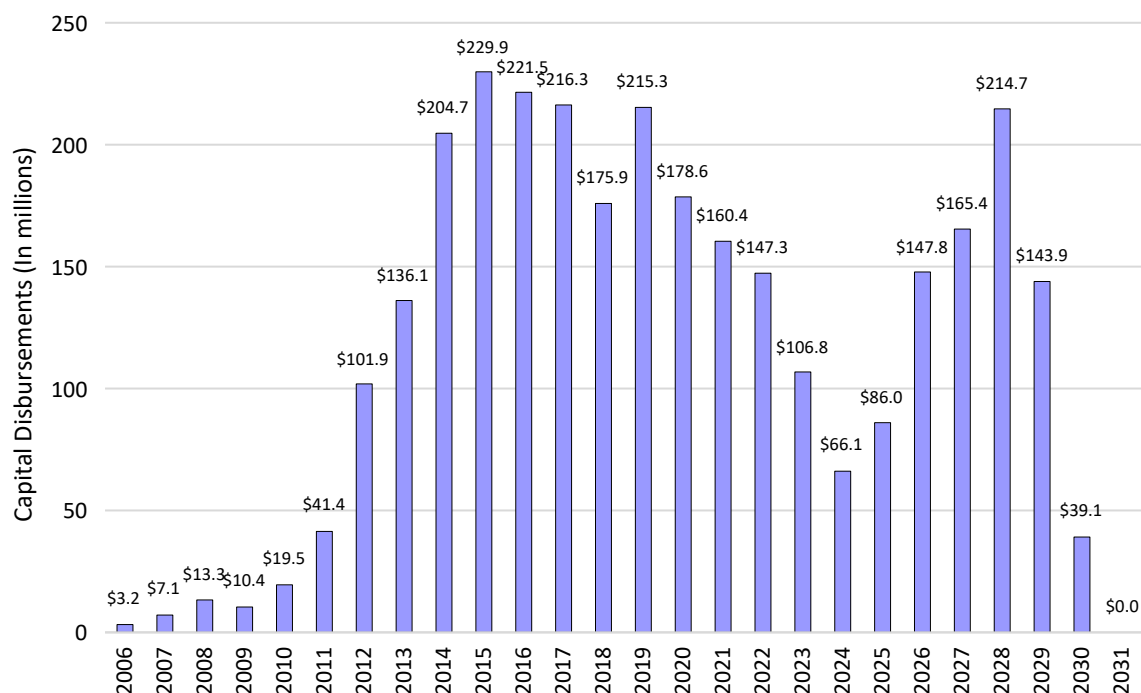
DC Water issued approximately \$400 million in new bonds in the second quarter of FY 2022, for Series 2022 B, C, D, and E, with \$25 million used to pay a portion of the Authority’s Commercial Paper Notes. Additionally, DC Water partially refunded over \$200 million of Series 2014 C bonds, along with 2015 A and B bonds. Moreover, DC Water capitalized on the volatile investment market in the third quarter of FY 2020, by refunding approximately \$300 million of Series 2012 A and C bonds with a Forward Direct Purchase (FDP), but savings could not be recognized until FY 2022. The FDP is expected to be completed in July 2022.

For the purpose of financial planning, (1) we have assumed fixed rate, tax-exempt bonds at 4.0 percent for FY 2022. Similarly, for the remainder of the ten-year plan we have assumed issuing long term bonds at 5.0 percent for FY 2023 and FY 2024, and 6.0 percent for FY 2025 to FY 2031; and 2) issue commercial paper/EMCP for interim financing. The ten-year plan assumes a variable interest rate of 2.5 percent in FY 2022 to FY 2031. To yield the best possible interest rate savings, our debt portfolio is evaluated on a regular basis. Cash balances totaled \$285.0 million at the end of FY 2021, which includes \$87.7 million for the Rate Stabilization Fund, as detailed below. Over the next ten years, cash balances are projected to meet Board-required reserve levels for 250 days of operating and maintenance expense budget, plus 160 percent combined coverage.

DC Clean Rivers Projects

In December 2004, the Board reached agreement with the federal government on the proposed DC Clean Rivers Project LTCP and entered a related consent decree. Lifetime capital costs for this project currently stands at approximately \$2.99 billion and this year's approved ten-year plan includes \$1.12 billion of projected disbursements. Projected spending by fiscal year for the Clean Rivers Project is shown in the next chart.

In FY 2021, DC Water received federal funding of \$8.0 million for the Combined Sewer Overflow Long Term Control Plan Service Area. However, as the project spending increases over the years, so does the projected Clean Rivers Impervious Surface Area Charge (CRIAC) fee. If additional federal assistance is provided, the Clean Rivers IAC would increase at a slower pace than this ten-year plan proposal assumes. As noted earlier, this plan assumes jurisdictional contributions, for joint use Projects, to the Clean Rivers Project under the IMA of 7.1 percent beginning in FY 2011. Please see section IV for more details on the Clean Rivers IAC.



Cash balances totaled \$285.0 million at the end of FY 2021. As detailed below, this includes \$87.74 million for rate stabilization. Over the next ten years, cash balances are projected to meet the Board required reserve level, of 250 days of operating and maintenance expense budget.

DC Water's operating reserve includes the following components:

FY 2021 Year - End Cash

(\$ in thousands)

Board-Adopted Operating Reserves (120 Days of O&M)

60 Day Operating Reserve (Indenture Required)	\$	50,031
Renewal & Replacement Reserve (Indenture Required)		35,000
Undesignated Reserve		<u>40,469</u>

Total Operating Revenue	\$	125,500
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Other Reserves

Rate Stabilization Fund Reserve	\$	87,744
DC Insurance Reserve		<u>1,000</u>

Total Other Reserve	\$	88,744
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Total Reserves

Cash in Excess of Reserves (1)	\$	70,786
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Total Cash Position (1)	\$	285,029
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(1) Excludes Debt Service Reserve Funds

- **Indenture-Required Operating Reserve** - This reserve is required by DC Water's bond indenture and is equivalent to two months' operations and maintenance expenses from the prior year, or approximately \$50.0 million in FY 2021
- **Renewal & Replacement Reserve** - In FY 2018 the Board reaffirmed the amount of \$35 million in the financing policy. In 2018, Independent Financial Consultant reviewed R&R Reserves and recommended to maintain it at \$35 million. The recommendations were presented to the Board for review and approval. The reserve level will be reviewed every five years by DC Water's independent rate consultants in conjunction with the indenture-required assessment of the physical condition of the system. The next Cost-of-Service (COS) study to review Renewal & Replacement Reserves will be conducted by Independent Financial Consultants in FY 2023.

- **Undesignated Reserve** - After allocating portions of the operating and maintenance reserve to the reserves listed above, the amount that remains (approximately \$40.5 million for FY 2021) is DC Water's undesignated reserve and is available for other contingencies.

DC Water has other reserves that are available for very specific circumstances:

- **Rate Stabilization Fund (RSF)** - Consistent with the Board's financial policies and as envisioned in the bond indenture, this fund is to be established to mitigate large annual rate increases. This year's plan reflects continued use of the rate stabilization fund, which totaled \$87.7 million as of September 2021. The year-end RSF balance is projected at \$35.6 million for FY 2022 and FY 2023. Future deposits to the rate stabilization fund will be determined annually based on financial performance in that fiscal year and updated ten-year capital and operating forecasts. The current plan anticipates \$35.6 million available at the end of FY 2031.
- **Debt Service Reserve Funds** - The supplemental bond indenture associated with the Series 1998 senior lien bonds requires DC Water to maintain a debt service reserve fund. This reserve which is in addition to the 120 days operating and maintenance reserve, is held by DC Water's trustee and can only be used if net revenues are insufficient to meet the next debt service payment. DC Water earns interest on this reserve that is included in other operating revenue and is used to offset annual debt service payments. The amount of interest earnings that DC Water can retain on the debt service reserve fund is limited by federal arbitrage restrictions.



Approved FY 2023 Budgets

Section IV: RATES AND REVENUES



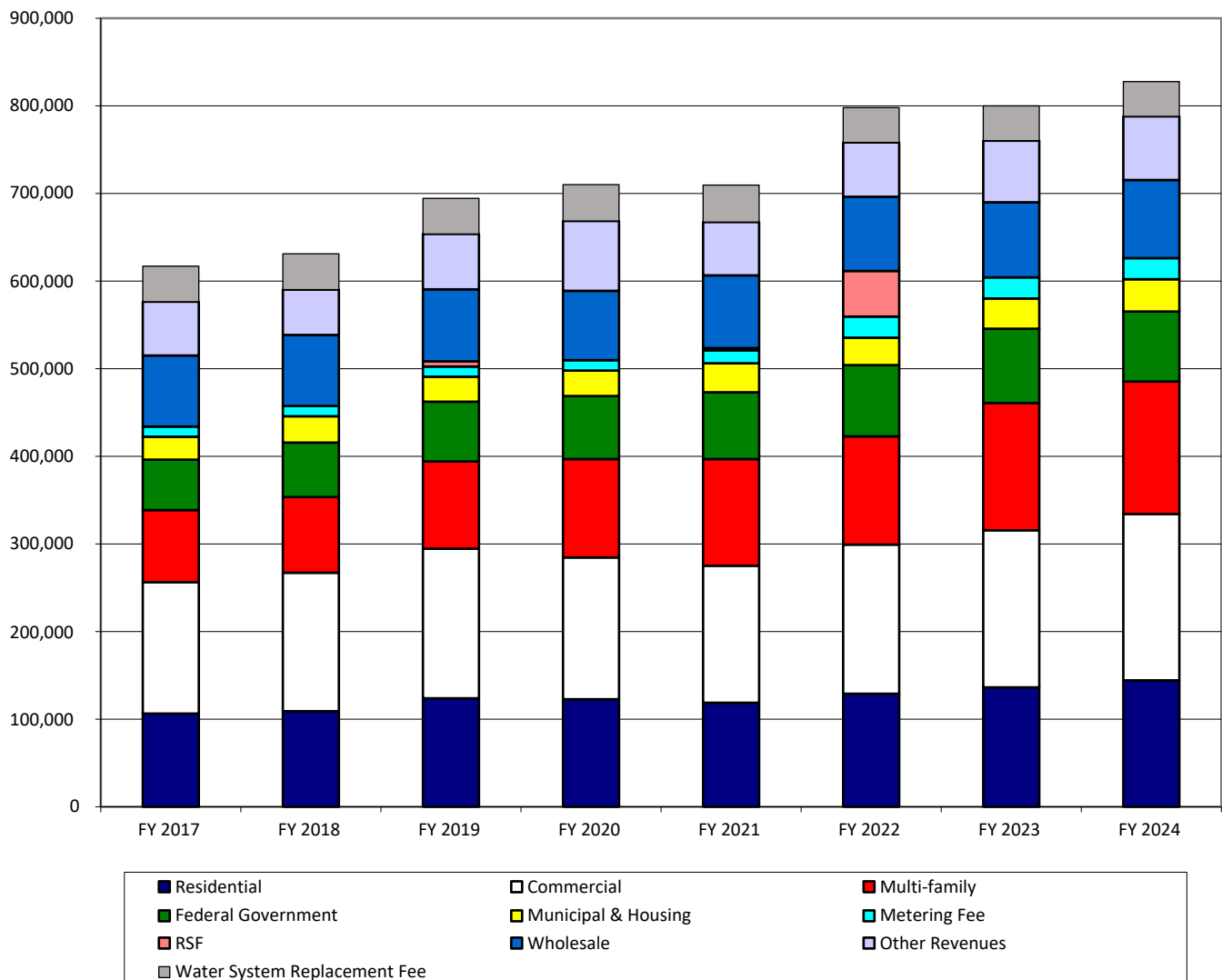
LEADERSHIP TEAM RETREAT

OCTOBER 27-29, 2021



In order to provide continuous delivery of water and wastewater services, DC Water must ensure a reliable and predictable revenue stream that cover operating and maintenance (O&M) costs and meet or exceed all Board and other financial requirements. DC Water has a diverse customer base and thus receives cash receipts from a variety of sources. This diversity mitigates reliance on any single customer and provides a level of revenue stability.

Historical and Projected Cash Receipts (\$'000's)



The COVID-19 has an impact on consumption and revenue. The proposed budget for FY 2022 assumed revenue of \$800.1 million from consumption of 31,359,280 Ccf. The revenue projections assume a 1.4 percent retail water consumption decline in FY 2022 over FY 2021 actual. However, for Commercial category, consumption for FY 2022 and beyond is assumed to decline by 12 percent. The major assumptions are:

- Assumed increase in delinquencies
- Assumed lower collection of receipts for Late Fees
- Suspended placing liens
- Suspended cut-off
- Partnered with the District for the Emergency Relief to District customers
- Assumed lower miscellaneous fee revenue and interest earnings
- For FY 2022 and beyond, projected that the Commercial consumption decline would continue

Historical and Projected Operating Cash Receipts (\$000's)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
	Actual	Actual	Actual	Actual	Revised	Proposed	Proposed
Residential	109,135	123,866	122,774	118,770	130,515	136,324	144,336
Commercial	158,021	170,764	161,824	156,345	172,180	179,276	189,863
Multi-family	86,431	99,573	112,286	121,777	125,076	145,282	151,149
Sub-Total Residential, Commercial and Multi-family	353,587	394,203	396,884	396,892	427,771	460,882	485,348
Federal Government (1)	62,100	68,163	71,954	76,206	77,746	84,768	79,943
District Government	21,362	17,356	18,067	20,933	18,668	21,039	22,904
D.C. Housing Authority	8,704	11,136	10,998	12,173	12,592	13,465	13,954
Transfer from Rate Stabilization Fund	-	6,000	-	2,500	52,100	-	-
Water System Replacement Fee (WSRF)	40,896	40,660	41,456	42,212	39,717	39,717	39,717
Metering Fee	11,745	11,613	11,829	14,862	24,083	24,083	24,083
Total Retail	498,394	549,130	551,188	565,777	652,677	643,954	665,949
IMA Wastewater Charges	71,080	72,029	69,020	71,797	74,226	74,764	77,871
Potomac Interceptor Wastewater Charges	9,942	10,087	10,136	11,189	10,443	10,956	11,271
Total Wholesale	81,022	82,116	79,157	82,987	84,669	85,720	89,142
District Stormwater Revenue (2)	1,247	1,503	1,143	1,148	1,000	1,000	1,000
Misc. Rev. (e.g. water tap installation, fire hydrant usage, etc.)	26,881	35,020	47,017	28,822	28,823	30,694	32,589
Washington Aqueduct Backwash - DC Water's prorata share	-	-	-	-	-	3,275	3,275
Washington Aqueduct Debt Service Revenue for Falls Church & Arlington	193	193	193	193	193	193	193
Interest Income (including interest on Bond Debt Service Reserve Fund)	2,200	3,392	4,582	3,627	3,437	4,387	4,427
System Availability Fee (SAF)	-	2,006	5,271	5,403	7,700	7,700	7,700
Right-of-Way Fee	5,100	5,100	5,100	5,100	5,100	5,100	5,100
PILOT Fee	16,136	15,976	16,446	16,512	16,488	17,970	18,330
Total Other	51,757	63,191	79,752	60,805	62,741	70,319	72,614
Total Operating Cash Receipts	631,173	694,437	710,097	709,569	800,087	799,993	827,705

- (1) Historical actuals are presented on revenue basis. Projected amounts shown are billed revenues. Actual Federal receipts are a combination of current year projected revenues and prior year adjustments, which are presented as reserve items. See Section III for further explanation.
- (2) Reflects District stormwater fee revenue that will fund DC Water's share of District stormwater permit compliance activities and will not be funded through DC Water's retail rates or other DC Water revenue sources. See Section III for further explanation.

CUSTOMER CATEGORIES AND ACCOUNTS

As of September 30, 2021, DC Water had 126,461 active, metered water and wastewater accounts. In addition, there are 6,041 separate accounts that are billed only for impervious surface. DC Water's customers are classified as retail (residential, multi-family and non-residential) and wholesale customers only. However, within the retail customer class, DC Water tracks receipts and associated consumption at a more detailed level in order to analyze trends and service characteristics. Retail customers' characteristics can be viewed in six groups: residential, multi-family, commercial, federal, DC Municipal and Housing Authority.

FY 2021 revenue receipts are actual as of September 30, 2021.

In FY 2011, a study of the demand characteristics of DC Water customers was undertaken to determine if additional customer classes should be defined for the purpose of cost allocation. Review of 12 months of data (May 2010 to April 2011) revealed, (among other things) that there is a difference in peaking characteristics between many of the customer groups. Generally, the federal customers have the highest peaking factor, with commercial customers having the next highest peaking factor and municipal, residential, multi-family and Housing Authority customers having the lowest peaking factor. Segmentation of water customers is typically done by class-based peak use characteristics with the higher peaking customers allocated more of the system costs (primarily driven by electricity and system capacity costs).

This information helped to inform an analysis of alternative rate structures within the FY 2012 Cost of Service Study (COS). Among the alternatives reviewed, the study reviewed different volumetric rates by customer class/category based on the different demands they place on the system. Differentiation could be based on water peaking characteristics or discharge strength contributions (wastewater). While it was recommended that additional analysis be undertaken in for any further consideration of discharge strength differentiation, management recommended that a new customer class, "Multi-Family", be created to acknowledge the similarity of peaking characteristics with other residential customers, yet provide transparency between single family and multi-family residential units. (Multi-Family residential facilities will continue to be defined as those facilities with 4 or more residential units.) The new Multi-family class has been effective from October 1, 2013. The three customer classes are defined as follows:

Residential – a customer whose premises is a single-family dwelling unit used for domestic purposes, whether as a row, detached or semi-detached structure, or as a single dwelling unit within an apartment building, or as a single dwelling unit within a condominium, or as a single dwelling unit within a cooperative housing association, where each unit is served by a separate service line and is individually metered and used for domestic purposes; or a multi-family structure or development of less than four (4) single-family, apartment, condominium, or cooperative housing association dwelling units where all the units are used for domestic purposes and served by a single service line that is master metered; excluding a premises operated as a nursing home, dormitory or transient housing business, including, but not limited to a bed and breakfast, hotel, motel, inn, boarding house or rooming house.

Multi-Family – a customer whose premises is a multi-family structure or development (such as an apartment, condominium, or cooperative housing association) used for domestic purposes, with four or more single-family, apartment, condominium, or cooperative housing association residential dwelling units served by the same service line that is master metered; excluding a premises operated as a nursing home, dormitory or transient housing business, including, but not limited to a bed and breakfast, hotel, motel, inn, boarding house or rooming house.

Non-residential – all customers not within either the residential or multifamily class including customers whose premises is comprised of one or more units that is not used for domestic purposes and all units are served by the same service line that is master metered.

In FY 2015, a COS was conducted by Independent Financial Consultants. These recommendations were incorporated in the FY 2016 rate proposal, and were approved by the Board. These are summarized below:

- New class-based rate structure including Lifeline rate
- Based on similar peaking ratios, District of Columbia Housing Authority (DCHA) category moved to Multi-family class

In FY 2018, a COS was conducted by Independent Financial Consultants, which provided several recommendations that were incorporated in the FY 2019 rate proposal, and were approved by the Board.

- A reallocation of the costs associated with the Clean Rivers Impervious Area Charge (CRIAC) to the sewer utility results in a reduction in the CRIAC and an increase in the sewer volumetric charge.
- The revenue collected from the Water System Replacement Fee (WSRF), originally designed to fund the annual costs of 1 percent of DC Water’s water service line renewal and replacement program, has been used in its entirety to offset the water utility’s revenue requirements, resulting in a decrease to all water volumetric charges.
- Although these two reallocations cause shifts in the cost structure, and subsequent rates, DC Water customers will see only minimal changes to their bills

In FY 2020, DC Water conducted a Cost of Service Study (COS) to align the COS with the multi-year rate proposals, therefore both will be done every two years going forward. Previously, Cost of Service study was conducted every three years. The COS consist of three components: i) revenue sufficiency analysis – to ensure that the revenues cover the costs that DC Water incurs; ii) cost of service analysis/rate equity – to ensure that the rates are equitably recovering the costs of service provided to customers; and alternative rate structure analysis – to ensure that DC Water meets its priority pricing objectives. The results of the COS support the multi-year rate, charges and fee proposals for FY 2021 and FY 2022.

In FY 2020, an Independent Review of Rate Structure and Customer Assistance Programs was conducted to review and benchmark DC Water’s rates, rate structure and Customer Assistance Programs (CAP) to peer utilities. The findings of the study concurred that DC Water’s current customer class structure, monthly water lifeline threshold of 4 Ccf, ERU basis for recovering the CRIAC charge, CAP bill discount and temporary assistance programs are consistent with industry standards for ratemaking.

In FY 2022, a COS Study was conducted by Independent Financial Consultants to establish the multi-year rates for FY 2023 and FY 2024. The 2022 COS Study included the groundwater and high flow filter backwash sewer rates. The results of the COS support the multi-year rate, charges and fee proposal for FY 2023 and FY2024.

Independent Review of the proposed FY 2023 and FY 2024 Rates was conducted by the 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.

Residential, commercial and multi-family receipts are projected to increase in FY 2022 by approximately \$30.9 million, or 7.8 percent, over the FY 2021 level due to:

- Board-approved volumetric retail rate (water and sewer) increase of 7.8 percent, effective October 1, 2021
- Board-approved Clean Rivers Project CRIAC rate decreased from \$19.52 in FY 2021 to \$18.40 per ERU in FY 2022
- Due to the impact of COVID-19, assumed a 12 percent decline in consumption for Commercial category in FY2022 and beyond.
- In FY 2021, DC Water's collections on its retail receivables was impacted due to COVID-19, with accounts receivable over 90 days at \$26.3 million as of September 30, 2021, which is \$8.4 million higher than FY 2020. DC Water will continue its collection efforts
- The customer assistance program reduces projected revenues by approximately \$3.0 million

Residential, commercial and multi-family customers:

- In FY 2022, residential customers include 106,799 accounts that comprise 16.3 percent of the total operating revenues. Given the large number of individual account holders who are in residential, it is unlikely that any one customer will have a major impact on the DC Water cash receipts.
- Multi-family customers house 4 or more units within one building with a master meter. In FY 2022, there are 8,463 accounts that comprise of 15.6 percent of the total operating revenues.

The commercial group of customers includes a number of nationally recognized universities and regional hospitals, national associations, lobbying firms, major law firms and hotels. This group has 9,131 accounts and will comprise of 21.5 percent of the projected FY 2022 operating revenues. In FY 2023 and FY 2024, they will comprise of 22.4 percent and 22.9 percent respectively of the fiscal year operating revenue.

FY 2023 projections for Residential, Multi-Family and Commercial customers reflect an increase of \$33.1 million, or 7.7 percent from FY 2022 due primarily to proposed retail rate increase of 9.5 percent (combined water and sewer volumetric rates) and a decrease of \$0.26 monthly ERU fee for the Clean Rivers IAC. For FY 2024, the revenue increase is projected at \$24.5 million or 5.3 percent over FY 2023 due to the projected rate increase of 3.25 percent and an increase of \$3.72 monthly ERU for CRIAC. The revenue projections assume a 1.4 percent retail water consumption decline in FY 2022 over FY 2021 actual. However, for Commercial category, consumption in FY 2022 is assumed to decline by 12 percent. In FY 2023 and onwards, one percent decrease in consumption has been assumed due to conservation. However, it is projected that the commercial consumption decline of 12 percent will continue beyond FY 2022.

The Federal customers' revised FY 2022 receipts are projected to total \$77.7 million; an increase of \$1.5 million, or 2.0 percent over FY 2021. In FY 2023, Federal revenues are projected to be \$84.8 million or 7.0 percent of the total operating revenues. The projected federal revenues will be higher by \$7.0 million or 9.0 percent in FY 2023 due to estimated rate and consumption assumptions provided under the federal billing policies. It may be noted that in order to reduce costs, the federal government issued an executive order to federal agencies to reduce water and electricity consumption, coupled with the federal telework and commuting act to reduce footprint in the District, transfer of federal properties and large metering issues at restricted federal properties. In FY 2024, Federal receipts are projected to decrease by \$4.8 million or 5.7 percent.

Under existing federal billing legislation, federal billings are prepared on an estimated basis eighteen months in advance of the start of the fiscal year (e.g., the FY 2022 billing was prepared in April 2020), and are based on the current consumption estimates and projected rate increases as included in the current ten-year plan. These estimates are then reconciled with actual consumption and rate increases, and an adjustment is made in the subsequent year's billing (e.g., the reconciliation of FY 2022 estimated vs. actual consumption and rate increases will be included in the FY 2025 billing, to be prepared in April 2023), Federal revenues in the ten-year plan are presented on a revenue basis, net of any adjustments for prior year reconciliations which are accounted for as reserve items. Consistent with this methodology, revised FY 2022 federal revenues reflect the final billing sent to the federal government in April 2020 net of the adjustment for the prior year (FY 2019) reconciliation. The Authority serves many facilities of the federal government as well as the District of Columbia. The largest federal accounts include General Services Administration, U.S. Congress, the Smithsonian Institution, Department of the Navy, National Park Service and the Department of Defense in both DC and VA.

Municipal & D.C. Housing Authority – FY 2022 receipts from the District of Columbia government and the District of Columbia Housing Authority are projected at \$31.3 million, a decrease of \$1.8 million or 5.6 percent below FY 2021. In 2023, receipts from these organizations are projected to total \$34.5 million, an increase of \$3.2 million, or 10.4 percent, mainly due to increases in retail volumetric rates. In FY 2024, the projected increase is \$2.4 million or 6.8 percent over FY 2023, operating 2.6 percent of the proposed 2023 budget.

- The municipal customer group includes 515 accounts under the authority of the District of Columbia government. This includes offices and facilities for various government agencies and activities such as education, regulatory affairs and general government operations. This group will comprise of 2.3 percent of the FY 2022 budget, and 2.8 percent of the proposed FY 2024 budget.
- The D.C. Housing Authority has multiple accounts that include public housing at various facilities throughout the District of Columbia. They have 1,062 accounts. Their annual billings make up only 1.6 percent of the FY 2022 cash receipts and 1.7 percent each of the proposed FY 2023 and FY 2024 cash receipts.

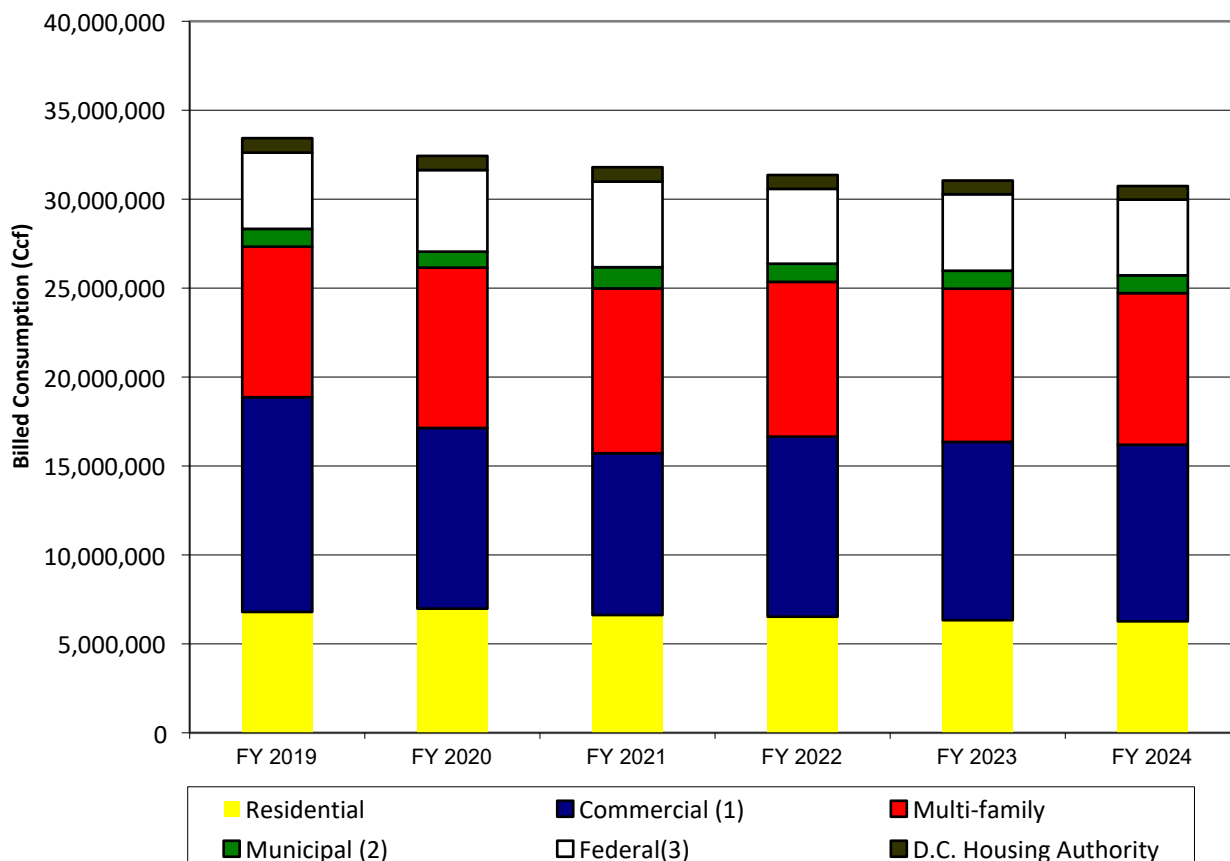
Wholesale customer revenue - FY 2022 revenues are projected at \$84.7 million, an increase of \$1.7 million or 2.0 percent over FY 2021. In FY 2023, the Wholesale revenues are projected to increase by \$1.1 million or 1.2 percent to \$85.7 million. In FY 2024, the Wholesale revenues are projected to increase by \$3.4 million or 4.0 percent to \$89.1 million. DC Water provides wholesale wastewater treatment services to User Jurisdictions at the Blue Plains Plant. The Wholesale customers' share of operating costs at Blue Plains and other multi-jurisdictional use facilities (MJUFs) are recovered in accordance with the Blue Plains Intermunicipal Agreement of 2012, effective April 3, 2013, (which replaces Blue Plains Intermunicipal Agreement of 1985), the Potomac Interceptor Agreements and the Loudoun County Sanitation Authority Agreement (as discussed in more detail in "THE SYSTEM – The Wastewater System"), and are based on actual costs of operating and maintaining the plant and the collection facilities, prorated to each User Jurisdiction based on its respective actual share of wastewater flows. The User Jurisdiction's share of capital costs is based on each User Jurisdiction's share of capacity allocations in the Plant. Both operating and capital payments are made on a quarterly basis. Capital-related charges are billed quarterly with payments due on the 15th day of the second month following the end of the quarter. The operating and maintenance related charges are billed annually by mid-October and payments are due on November, February, May and August. Receipts are projected to be 10.6 percent, 10.7 percent and 10.8 percent of total receipts in FY 2022, FY 2023 and FY 2024 respectively.

In FY 2017, DC Water began billing our wholesale customers for the operating and maintenance costs of MJUFs, which include twelve interceptors and four pumping stations that carry suburban wastewater to the Blue Plains Plant. Following each fiscal year, the Authority prepares a reconciliation that determines the actual costs and each wholesale customer’s appropriate share of such costs. Adjustments are then billed or credited to the wholesale customers in the first quarter of the subsequent fiscal year. The wholesale customers include: Washington Suburban Sanitary Commission (WSSC), Loudoun County, VA, Fairfax County, VA and a group of small customers of the Potomac Interceptor (PI). The PI customers are comprised of Dulles International Airport (MWAA), National Park Service, Department of Navy and the Town of Vienna.

CONSUMPTION

While wholesale customers pay for their proportional share of wastewater services, retail customers are billed based upon metered consumption. Therefore, variations in consumption have a direct impact upon DC Water retail rates. The consumption for DC retail customers declined by 2.0 percent in FY 2021. Given the uncertainty of the current economy as well as the federal government's goal to close some neighboring federal facilities and implement several conservation best practices over the next few years, the revenue projections assumed a 1.4 percent decline in FY 2022 over FY 2021 actual, 1.0 percent decline in FY 2023, FY 2024 and beyond. Due to impact of COVID-19, assumed 12 percent decline in consumption for Commercial category in FY 2022 and onwards.

Historical and Projected Billed Consumption (Ccf)



Historical and Projected Billed Consumption (Ccf)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>
Residential	6,793,773	6,980,738	6,620,451	6,526,000	6,330,000	6,267,000
Commercial ⁽¹⁾	12,073,263	10,154,277	9,098,077	10,125,280	10,024,000	9,924,000
Multi-family	8,461,956	9,017,482	9,260,560	8,700,000	8,613,000	8,527,000
Municipal ⁽²⁾	1,002,306	897,857	1,195,762	1,020,000	1,010,000	1,000,000
Federal ⁽³⁾	4,287,024	4,587,318	4,813,337	4,209,000	4,300,000	4,257,000
D.C. Housing Authority	<u>811,671</u>	<u>794,434</u>	<u>808,267</u>	<u>779,000</u>	<u>771,000</u>	<u>763,000</u>
Total Retail	33,429,993	32,432,106	31,796,454	31,359,280	31,048,000	30,738,000

(1) Reflects consumption at Commercial facilities. For 2019 only, the selected facilities at Soldiers' Home are included in Commercial

(2) Reflects consumption at District of Columbia Government facilities and DC Water facilities

(3) Reflects consumption at Federal facilities and selected facilities at Soldiers' Home for FY 2020 and onwards

(4) Ccf = hundred cubic feet or 748 gallons

COST OF SERVICE STUDIES:

In FY 2010, DC Water's Independent Financial Consultants performed a Cost of Service (COS) Study to include objectives from senior staff on prioritizing DC Water's pricing objectives. One of the objectives noted was the Class-Based Volumetric Differentiation.

In FY 2011, a Customer Segmentation Study was performed to identify classes of customers for the purpose of rate-setting, planning, supply management and cost analysis among others. Typically, this classification is based on: A) general service characteristics, and B) demand patterns. Each class is assumed to have somewhat different needs and progressively higher demands than the previous class. Most water utilities typically have three principal classes of customers: A) Residential, B) Commercial, and C) Industrial. DC Water has two customer classes: A) Residential and B) Non-Residential.

Furthermore, the FY 2012 Cost of Service Study identified several customer categories that demonstrated a reasonable level of differentiation in terms of peak usage. The customer classes identified included A. Residential, B. Multi-family and C. Non-residential. DC Water added a new class of customer, Multi-family effective October 1, 2014.

In FY 2015, DC Water successfully completed its Cost of Service Study (COS). This study is undertaken every three years to review and certify DC Water's water and wastewater volumetric rates, Clean Rivers Impervious Surface Area Charge (CRIAC) and other DC Water fees and charges to ensure that revenues are sufficient to recover projected revenue requirements, that Board rate setting policies are followed, and that rates are allocated equitably.

DC Water expanded the COS to include alternative rate structure analysis that would more effectively meet DC Water's highest priority pricing objectives:

- Lifeline Rates
- Classed-based Volumetric Rates
- Water System Replacement Fee (WSRF)
- System Availability Fee (SAF)

In FY 2018, a Cost of Service Study (COS) was conducted by Independent Financial Consultants, which provided several recommendations that were incorporated in the FY 2019 rate proposal, and were approved by the Board.

- A reallocation of the costs associated with the Clean Rivers Impervious Area Charge (CRIAC) to the sewer utility results in a reduction in the CRIAC and an increase in the sewer volumetric charge.
- The revenue collected from the Water System Replacement Fee (WSRF), originally designed to fund the annual costs of 1 percent of DC Water's water service line renewal and replacement program, has been used in its entirety to offset the water utility's revenue requirements, resulting in a decrease to all water volumetric charges.

- Although these two reallocations cause shifts in the cost structure, and subsequent rates, DC Watercustomers will see only minimal changes to their bills.

In FY 2020, DC Water conducted a Cost of Service Study (COS) to align the COS with the multi-year rate proposals, therefore both will be done every two years going forward. Previously, Cost of Service study was conducted every three years. The COS consist of three components: i) revenue sufficiency analysis – to ensure that the revenues cover the costs that DC Water incurs; ii) cost of service analysis/rate equity – to ensure that the rates are equitably recovering the costs of service provided to customers; and iii) alternative rate structure analysis – to ensure that DC Water meets its priority pricing objectives. The results of the COS support the multi-year rate, charges and fee proposals for FY 2021 and FY 2022.

In FY 2020, an Independent Review of Rate Structure and Customer Assistance Programs was conducted to review and benchmark DC Water’s rates, rate structure and Customer Assistance Programs (CAP) to peer utilities. The findings of the study concurred that DC Water’s current customer class structure, monthly water lifeline threshold of 4 Ccf, ERU basis for recovering the CRIAC charge, CAP bill discount and temporary assistance programs are consistent with industry standards for ratemaking.

In FY 2022, a COS Study was conducted by Independent Financial Consultants to establish the multi-year rates for FY 2023 and FY 2024. The 2022 COS Study includes the Groundwater and High Flow Filter Backwash Sewer rates. The results of the COS study support the multi-year rate, charges and fee proposal for FY 2023 and FY 2024.

Lifeline Rate

The lifeline rate allows for the first 4 Ccf of Single Family Residential (SFR) water use to reflect baseline usage by residential customers without peaking costs. The lifeline water rate provides an economic benefit to low-volume Residential customers, while spreading the cost of peaking to high-volume Residential customers.

Class-based Rate Structure

The Independent Financial Consultants analyzed rate differentiation based on the peaking demands of each customer class. They also analyzed consumption patterns to better understand how customers use water and how their use of water may inform selection of an optimized rate structure. Based upon the analysis of the peak demand of different customer classes as well as affordability considerations, the Board approved establishing class-based water volumetric rates for Residential, Multi-family and Non-residential customers effective from October 1, 2015 (FY 2016). The class-based water volumetric rates for FY 2022 to FY 2024 are listed below:

Water Volumetric	Class-Based (w/lifeline)		
	FY 2022	FY 2023	FY 2024
Residential - 0-4 Ccf	\$3.63	\$4.28	\$4.38
Residential - >4 Ccf	\$4.74	\$5.58	\$5.70
Multi-Family / DC Housing	\$4.15	\$4.90	\$5.00
Non-Residential	\$4.91	\$5.78	\$5.89

Water System Replacement Fee (WSRF)

Effective October 1, 2015 (FY 2016), DC Water modified its existing rate structure and implemented a new meter-based Water System Replacement Fee (WSRF) in order to recover the cost of the 1 percent renewal and replacement program for water service lines. It is anticipated that the Water System Replacement Fee (WSRF) will generate approximately \$39.7 million per year from fiscal years 2022 through 2031. The fee is based upon meter size and average flow. DC Water's low income CAP customers receive a 100 percent credit for this fee.

Effective October 1, 2017 (FY 2018), DC Water amended the Water System Replacement Fee (WSRF) regulations to add rules and procedures for a Multi-family WSRF adjustment; amend the Customer Classifications to clarify the definitions for Residential, Multi-family and Non-Residential customers to include cooperative housing associations and other clarifications; and amend the definitions set forth in Chapter 41 to define the terms Condominium, Cooperative Housing Association, and Dwelling Unit used in the Customer Classification regulations.

Meter Size (inches)	Meter Register Type	Monthly Water System Replacement Fee
5/8"	Single Register	\$ 6.30
3/4"	Single Register	\$ 7.39
1"	Single Register	\$ 9.67
1"x1.25"	Single and Multiple Register	\$ 15.40
1.5"	Single Register	\$ 41.35
2"	Single and Multiple Register	\$ 83.75
3"	Single and Multiple Register	\$ 232.13
4"	Single and Multiple Register	\$ 561.02
6"	Single and Multiple Register	\$ 1,292.14
8"	Single Register	\$ 5,785.51
8"x2"	Multiple Register	\$ 1,899.60
8"x4"x1"	Multiple Register	\$ 2,438.35
10"	Single and Multiple Register	\$ 6,679.65
12"	Single and Multiple Register	\$ 6,679.65
16"	Single Register	\$ 6,679.65

The following terms are defined:

Condominium – means real estate, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the owners of the portions designated for separate ownership, provided the undivided interests in the common elements are vested in the unit owners.

Cooperative Housing Association – means an association, whether incorporated or unincorporated, organized for the purpose of owning and operating residential real property, the shareholders or members of which, by reason of their ownership of a stock or membership certificate, a proprietary lease or other evidence of membership, are entitled to occupy a dwelling unit pursuant to the terms of a proprietary lease or occupancy agreement.

Dwelling Unit – any habitable room or group of rooms with kitchen and bathroom facilities forming a single unit located within a building or structure, which is wholly or partially used or intended to be used for living, sleeping and the preparation and consumption of meals by human occupants, and is under the control of and for the use of the occupant.

Multi-Year Rates

DC Water moved to a multi-year rate proposal in FY 2016 covering the period FY 2017 and FY 2018. The third time that DC Water had adopted a multi-year rate proposal was in FY 2020 covering the period FY 2021 and FY 2022. The FY 2022 rates became effective from October 1, 2021. On March 3, 2022, DC Water's Board adopted a multi-year rate proposal for a fourth time covering the period FY 2023 and FY 2024.

The benefits of multi-year rates include:

- Greater revenue certainty
- Increased budget discipline
- Better alignment between revenues and expenditures
- 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

System Availability Fee (SAF)

Many utilities have implemented a fee, assessed to new development (or redevelopment) to recover the investment in available system capacity. On June 17, 2016, DC Water's Board approved a new System Availability Fee (SAF) to be effective from January 1, 2018. All Residential Customers with meters 1 inch or smaller will use the same set of fees. All Residential Customers with meters larger than 1", and all Multi-Family and Non-Residential Customers will have SAF based on their meter size.

The System Availability Fee is assessed for all new buildings, structures or properties under development and properties under redevelopment. For properties under redevelopment, DC Water will determine the net System Availability Fee by determining the property's proposed capacity requirements and applying a credit for the capacity of accounts being removed from the system. However, if the associated credit for capacity removed is equal to or greater than the future System Availability Fee, the net System Availability Fee shall be zero. Properties under redevelopment shall not receive a credit for accounts that are inactive for more than 12 months.

DC Water has determined that implementing the System Availability Fee (SAF) regulations on the effective date of January 1, 2018 could present significant fiscal impacts to the District's New Communities Initiative, which includes redevelopment, one for one replacement and/or augmentation, of affordable housing units. On March 1, 2018, the DC Water Board considered comments received during the SAF public comment period and agreed to; 1) Extend the System Availability Fee (SAF) effective date from January 1, 2018 to June 1, 2018 for DCRA Construction Permit Applicants and federal facilities new water and sewer connections and renovation or redevelopment projects for existing connections to the District's potable water and sanitary sewer systems based on the SAF meter size in accordance with the following fee schedule and requirements; 2) Revised the DC Water guidance document used to determine the SAF meter size from DC Water Standard Details and Guideline Masters to DC Water's Sizing Instructions and Worksheets; 3) Added procedures and requirements to receive credits for Affordable Housing Units (AHU) development and redevelopment; 4) Clarified the requirements for projects submitted prior to the effective date of June 1, 2018 and approved by June 1, 2019; 5) Added formulas to clarify how the SAF is calculated with the SAF credit, AHU credit and Net AHU credit; 6) Clarified requirements for Payment Plan Agreement; 7) Properties under redevelopment shall not receive a credit for accounts that are inactive for more than 24 months.

Effective June 1, 2018, DCRA Construction Permit Applicants and federal facilities shall be assessed a System Availability Fee (SAF) for new water and sewer connections and renovation or redevelopment projects for existing connections to the District's potable water and sanitary sewer systems based on the SAF meter size in accordance with the following fee schedule and requirements:

- (a) Residential customers shall be charged a System Availability Fee based on the SAF meter size as listed below:

SAF Meter Size (inches)	Water System Availability Fee	Sewer System Availability Fee	Total System Availability Fee
5/8"	\$ 1,135	\$ 2,809	\$ 3,944
3/4"	\$ 1,135	\$ 2,809	\$ 3,944
1"	\$ 1,135	\$ 2,809	\$ 3,944
1"x1.25"	\$ 2,047	\$ 5,066	\$ 7,113
1.5"	\$ 5,491	\$ 13,591	\$ 19,082
2"	\$ 11,125	\$ 27,536	\$ 38,661

- (b) Multi-Family and all Non-Residential customers shall be charged a System Availability Fee based on the SAF meter size as listed below:

SAF Meter Size (inches)	Water System Availability Fee	Sewer System Availability Fee	Total System Availability Fee
1" or smaller	\$ 1,282	\$ 3,173	\$ 4,455
1"x1.25"	\$ 2,047	\$ 5,066	\$ 7,113
1.5"	\$ 5,491	\$ 13,591	\$ 19,082
2"	\$ 11,125	\$ 27,536	\$ 38,661
3"	\$ 32,500	\$ 80,442	\$ 112,942
4"	\$ 83,388	\$ 206,394	\$ 289,782
6"	\$ 229,246	\$ 567,408	\$ 796,654
8"	\$ 229,246	\$ 567,408	\$ 796,654
8"x2"	\$ 229,246	\$ 567,408	\$ 796,654
8"x4"x1"	\$ 229,246	\$ 567,408	\$ 796,654
10"	\$ 229,246	\$ 567,408	\$ 796,654
12"	\$ 229,246	\$ 567,408	\$ 796,654
16"	\$ 229,246	\$ 567,408	\$ 796,654

The following terms are defined:

Development – the construction of a premises, building or structure that establishes a new water and/or sewer connection.

Redevelopment – the renovation or alteration of a premises, building or structure or reconstruction of a property that increases or decreases the water supply demand or drainage, waste, and vent (DWV) system load. Redevelopment shall not include the up-sizing of a water service or sewer lateral to comply with the D.C. Construction Codes Supplement, provided the water supply demand and DMV system load remain the same.

System Availability Fee – A one-time fee assessed to a property owner of any premises, building or structure to recover the cost of system capacity servicing all metered water service and sanitary sewer connections and renovation or redevelopment projects that require an upsized meter service connection to the District’s potable water system. The fee is assessed based on the peak water demand, excluding fire demand, for new meter water service connection and renovation or redevelopment projects that increase the peak water demand and associated SAF meter size for the property.

Affordable Housing Unit (AHU) – A housing unit that is offered for rent or sale for residential occupancy and as a result of a federal or District subsidy, incentive or benefit, and is made available and affordable to households whose income limit requirements are established by the federal or District program or agency or the Council for the District of Columbia.

Force Majeure Event – an event arising from causes beyond the control of DC Water or the control of any entity controlled by DC Water, which results in the closure of DC Water facilities.

Customer Metering Fee

The Metering Fee was established in 2003 to recover automated metering infrastructure capital costs. In 2012 the Metering Fee was reviewed and adjusted as part of the Cost of Service Study to include capital costs and a small increment of direct Customer Service cost associated with meter maintenance. Many utilities recover operating costs associated with both metering and billing in a fixed meter-based charge. The 2020 cost of service study adopted this more common industry approach by allocating some additional water costs to a Customer Service/Meters classification. The new cost recovery pool is divided by equivalent system meters to determine the cost for residential meter (5/8” or 3/4”) then scale that up to reflect charges as meter size increases. As a result, cost recovery is shifted to the Metering Fee and away from the volumetric rate. DC Water chose to mitigate impacts by phasing in this methodology change over 2 years ending with FY2022 rates. The changes in Metering Fee are summarized below.

- In FY2019, the Metering Fee recovered \$11.6 million
 - In FY2003, established Metering Fee at \$2.01 for 5/8” meter
 - In FY2011, increased Metering Fee to \$3.86 for 5/8” meter
 - Originally fee amount set to cover the capital costs of the original Automated Meter Infrastructure (AMI) system and meter purchase and installation (debt service) plus about \$4 million of Customer Service costs

- The 2020 Cost of Service Study recommended recovering \$24.1 million in FY 2022, consistent with independent rate review recommendation
 - Includes costs associated with metering and billing
 - Customer assistance, shutoff/restore, and leak adjustment, etc. remain in the volumetric charges
 - Proposes FY2021 recovers \$15.4 million, all the debt service and coverage plus about half of the full Customer Service O&M allocation (\$4.96 for a 5/8" meter)
 - Proposed FY2022 fee adds the additional half of Customer Service allocation for a total of about \$24.1 million (\$7.75 for a 5/8" meter)

Customer Metering Fees

Meter Size	FY 2020	FY 2021	FY 2022
5/8"	\$ 3.86	\$ 4.96	\$ 7.75
3/4"	\$ 4.06	\$ 5.22	\$ 8.16
1"	\$ 4.56	\$ 5.86	\$ 9.16
1x1.25"	\$ 4.83	\$ 6.21	\$ 9.70
1.5"	\$ 6.88	\$ 8.85	\$ 13.82
2"	\$ 7.54	\$ 9.69	\$ 15.14
2x1/2"	\$ 8.00	\$ 10.28	\$ 16.07
2x5/8"	\$ 8.00	\$ 10.28	\$ 16.07
3"	\$ 76.98	\$ 98.92	\$ 154.56
3x5/8"	\$ 77.94	\$ 100.16	\$ 156.49
3x3/4"	\$ 77.94	\$ 100.16	\$ 156.49
4"	\$ 137.37	\$ 176.52	\$ 275.81
4x3/4"	\$ 138.15	\$ 177.52	\$ 277.38
4x1"	\$ 138.15	\$ 177.52	\$ 277.38
4x2"	\$ 138.15	\$ 177.52	\$ 277.38
4x2x5/8"	\$ 181.04	\$ 232.64	\$ 363.49
6"	\$ 268.14	\$ 344.56	\$ 538.37
6x1"	\$ 272.70	\$ 350.42	\$ 547.52
6x1x1/2"	\$ 272.70	\$ 350.42	\$ 547.52
6x1/2"	\$ 323.09	\$ 415.17	\$ 648.70
6x3x3/4"	\$ 323.09	\$ 415.17	\$ 648.70
6x3"	\$ 323.09	\$ 415.17	\$ 648.70
8"	\$ 323.29	\$ 415.42	\$ 649.10
8x2"	\$ 323.29	\$ 415.42	\$ 649.10
8x4x1"	\$ 358.26	\$ 460.36	\$ 719.31
10"	\$ 317.91	\$ 408.51	\$ 638.30
10x2"	\$ 403.62	\$ 518.65	\$ 810.38
10x6x1"	\$ 403.62	\$ 518.65	\$ 810.38
10x6"	\$ 403.62	\$ 518.65	\$ 810.38
12"	\$ 329.66	\$ 423.61	\$ 661.89
12x6"	\$ 329.66	\$ 423.61	\$ 661.89
16"	\$ 349.45	\$ 449.04	\$ 701.62

Clean Rivers IAC Credit:

In FY 2016, DC Water's Board asked management to evaluate and propose recommendations for expansion of the Customer Assistance Program (CAP) to include fees assessed for the Clean Rivers Impervious Surface Area Charge (CRIAC). The staff evaluated the three options for CRIAC credit: (i) Dollar credit, (ii) ERU credit, and (iii) percent of CRIAC credit (25%, 50%, 75%). Based on the detailed analysis, the management made recommendation to the Board to expand Customer Assistance Program (CAP) to low-income customers to include CRIAC credit in their monthly bills. On March 2, 2017, the Board approved the expansion of the Customer Assistance Program for eligible single-family residential accounts and individually metered accounts to include a fifty percent (50%) credit off of the monthly billed Clean Rivers Impervious Area Charge. The CRIAC became effective May 1, 2017. On March 5, 2020, DC Water's Board adopted a proposal to increase the maximum CRIAC IAC credit from 50% to 75%, effective October 1, 2020.

Clean Rivers Impervious Area Charge (CRIAC)

In September 2018, DC Water formed the 19-member Stakeholder Alliance (DCWSA) to provide independent advice and a diversity of viewpoints to DC Water Management on a variety of programs and policies; increase customer education by providing DC Water with new opportunities for outreach; and propose to DC Water ways to continue effective and efficient long-term public involvement with improved communication tools.

DCWSA conducted several meetings to discuss the Clean Rivers Impervious Area Charge (CRIAC) and options to mitigate the rapidly increasing CRIAC. Some of the possible criteria included: 1) equitableness; 2) administrative feasibility; 3) revenue neutrality; 4) legal challenges and defensibility; 5) executable; and 6) adheres to industry practice.

The DC Water's Department of Engineering and Technical Services (DETS) proposed two methodologies for shifting cost from the CRIAC to sewer volumetric rate. The two methodologies that were calculated: 1) 18 percent Shift – calculated based on an average of pollutants concentrations in sanitary wastewater, stormwater runoff and Combined Sewer Overflow (CSO); and 2) 37 percent Shift – calculated based on volume of sanitary wastewater, stormwater runoff and CSO. The 18 percent shift calculation and methodology has a lot more variation in the pollutant concentrations depending on the data used and the time of year. Management determined that the 37 percent Shift volumetric methodology has a greater justification, more easily defended and could be phased-in .

However, based on meetings with the Stakeholders Alliance (SA) and discussions with the customer groups, an 18 percent CRIAC shift to sewer volumetric rate was proposed for FY 2020 in order for the rates and charges to be fair and equitable for all customers .

After considering all possible criteria and customer impacts, the Board agreed to a proposal shifting 37 percent cost from the CRIAC to sewer volumetric rate to be phased-in; 18 percent in FY 2020, 28 percent in FY 2021 and 37 percent in FY 2022, effective October 1, 2019.

Clean Rivers Impervious Area Charge Incentive Program Discount

On October 1, 2013, DC Water's Board established the Clean Rivers Area Incentive Program Discount for stormwater best management practices, which provided a 4 percent maximum incentive discount off the chargeable CRIAC for customers that installed certain eligible stormwater best management practices that reduce the amount of stormwater runoff generated from a property.

The general public and Stakeholder Alliance (DCWSA) voiced concerns that the Clean Rivers Area Program Discount 4 percent maximum incentive for stormwater was too low and did not incentivize customers to install best management practices.

DC Water's management analyzed and evaluated the Clean Rivers Area Program Discount historical data and determined that it was feasible to increase the CRIAC incentive discount for customers that installed certain eligible stormwater best management practices.

On April 4, 2019, DC Water's Board adopted a proposal to increase the maximum CRIAC incentive discount from 4 percent to 20 percent, effective October 1, 2019

The Board has approved the following changes in the rates and fees for rate making to be effective from October 1, 2021:

- Water volumetric rates:
 - Residential customers: “Consumption of 0 – 4 Ccf” - water rate increase of \$0.14 per Ccf, {\$0.18 per 1,000 gallons} from \$3.49 per Ccf to \$3.63 per Ccf, {\$4.85 per 1,000 gallons}
 - Residential customers: “Consumption greater than 4 Ccf” - water rate increase of \$0.24 per Ccf, {\$0.32 per 1,000 gallons} from \$4.50 per Ccf to \$4.74 per Ccf, {\$6.34 per 1,000 gallons}
 - Multi-family customers: water rate increase of \$0.19 per Ccf, {\$0.26 per 1,000 gallons} from \$3.96 per Ccf to \$4.15 per Ccf, {\$5.55 per 1,000 gallons}
 - Non-Residential customers: water rate increase of \$0.26 per Ccf, {\$0.34 per 1,000 gallons} from \$4.65 per Ccf to \$4.91 per Ccf, {\$6.56 per 1,000 gallons}
- Sewer rate increase of \$0.87 per Ccf, {\$1.16 per 1,000 gallons} for all classes of customers from \$9.77 per Ccf to \$10.64 per Ccf, {\$14.22 per 1,000 gallons}
- Monthly Customer Metering Fee increase of \$2.79 from \$4.96 to \$7.75 for a 5/8” meter size. The Customer Metering fee varies by size
- Monthly Clean Rivers Impervious Area Charge (CRIAC) decrease of \$1.12 from \$19.52 per ERU to \$18.40 per ERU
- Clean Rivers Impervious Area Charge (CRIAC) six-tier residential rates structure is shown in the table below:

Tiers	Residential Impervious Area Range	ERU
Tier 1	100 – 600 sq ft	0.6 ERU
Tier 2	700 – 2,000 sq ft	1.0 ERU
Tier 3	2,100 – 3,000 sq ft	2.4 ERU
Tier 4	3,100 – 7,000 sq ft	3.8 ERU
Tier 5	7,100 – 11,000 sq ft	8.6 ERU
Tier 6	11,100 sq ft and more	13.5 ERU

- The Water System Replacement Fee (WSRF) recovers the cost of 1 percent renewal and replacement program for water service lines. There will be no increase in WSRF. The WSRF varies with meter size. WSRF for 5/8” meter size is \$6.30
- PILOT and Right-of-Way fee – These fees are proposed to increase to recover the full cost of the PILOT and Right-of-Way fees charged to DC Water by the District of Columbia
 - Increase of \$0.02 in the PILOT fee, {\$0.03 per 1,000 gallons} to \$0.56 per Ccf, {\$0.75 per 1,000 gallons}
 - There is no increase in the Right-of-Way (ROW) fee, which remains same at \$0.19 per Ccf, {\$0.25 per 1,000 gallons}
- These changes increased the typical residential customer’s total monthly bill by \$7.40 or 6.7 percent

The Board has approved the following changes in the rates and fees for rate making to be effective from October 1, 2022.

- Water volumetric rates:
 - Residential customers: “Consumption of 0 – 4 Ccf” - water rate increase of \$0.65 per Ccf, {\$0.87 per 1,000 gallons} from \$3.63 per Ccf to \$4.28 per Ccf, {\$5.72 per 1,000 gallons}
 - Residential customers: “Consumption greater than 4 Ccf” - water rate increase of \$0.84 per Ccf, {\$1.12 per 1,000 gallons} from \$4.74 per Ccf to \$5.58 per Ccf, {\$7.46 per 1,000 gallons}
 - Multi-family customers: water rate increase of \$0.75 per Ccf, {\$1.00 per 1,000 gallons} from \$4.15 per Ccf to \$4.90 per Ccf, {\$6.55 per 1,000 gallons}
 - Non-Residential customers: water rate increase of \$0.87 per Ccf, {\$1.17 per 1,000 gallons} from \$4.91 per Ccf to \$5.78 per Ccf, {\$7.73 per 1,000 gallons}
- Sewer rate increase of \$0.62 per Ccf, {\$0.83 per 1,000 gallons} for all classes of customers from \$10.64 per Ccf to \$11.26 per Ccf, {\$15.05 per 1,000 gallons}
- Monthly Clean Rivers Impervious Area Charge (CRIAC) decrease of \$0.26 from \$18.40 per ERU to \$18.14 per ERU
- Monthly Customer Metering Fee remains the same at \$7.75 for a 5/8” meter size. The Customer Metering fee varies by size
- The Water System Replacement Fee (WSRF) recovers the cost of 1 percent renewal and replacement program for water service lines. There will be no increase in WSRF. The WSRF varies with meter size. WSRF for 5/8” meter size is \$6.30
- PILOT and Right-of-Way fee – These fees are proposed to increase to recover the full cost of the PILOT and Right-of-Way fees charged to DC Water by the District of Columbia
 - Increase of \$0.03 in the PILOT fee, {\$0.04 per 1,000 gallons} to \$0.59 per Ccf, {\$0.79 per 1,000 gallons}
 - There is no increase in the Right-of-Way (ROW) fee, which remains same at \$0.19 per Ccf, {\$0.25 per 1,000 gallons}
- These changes increased the typical residential customer’s total monthly bill by \$7.05 or 6.0 percent

The Board has approved the following changes in the rates and fees for rate making to be effective from October 1, 2023:

- Water volumetric rates:
 - Residential customers: “Consumption of 0 – 4 Ccf” - water rate increase of \$0.10 per Ccf, {\$0.14 per 1,000 gallons} from \$4.28 per Ccf to \$4.38 per Ccf, {\$5.86 per 1,000 gallons}
 - Residential customers: “Consumption greater than 4 Ccf” - water rate increase of \$0.12 per Ccf, {\$0.16 per 1,000 gallons} from \$5.58 per Ccf to \$5.70 per Ccf, {\$7.62 per 1,000 gallons}
 - Multi-family customers: water rate increase of \$0.10 per Ccf, {\$0.13 per 1,000 gallons} from \$4.90 per Ccf to \$5.00 per Ccf, {\$6.68 per 1,000 gallons}
 - Non-Residential customers: water rate increase of \$0.11 per Ccf, {\$0.14 per 1,000 gallons} from \$5.78 per Ccf to \$5.89 per Ccf, {\$7.87 per 1,000 gallons}
- Sewer rate increase of \$0.44 per Ccf, {\$0.59 per 1,000 gallons} for all classes of customers from \$11.26 per Ccf to \$11.70 per Ccf, {\$15.64 per 1,000 gallons}
- Monthly Customer Metering Fee remains the same at \$7.75 for a 5/8” meter size. The Customer Metering fee varies by size
- Monthly Clean Rivers Impervious Area Charge (CRIAC) increase of \$3.72 from \$18.14 per ERU to \$21.86 per ERU
- The Water System Replacement Fee (WSRF) recovers the cost of 1 percent renewal and replacement program for water service lines. There will be no increase in WSRF. The WSRF varies with meter size. WSRF for 5/8” meter size is \$6.30
- PILOT and Right-of-Way fee – These fees are proposed to increase to recover the full cost of the PILOT and Right-of-Way fees charged to DC Water by the District of Columbia
 - Increase of \$0.02 in the PILOT fee, {\$0.03 per 1,000 gallons} to \$0.61 per Ccf, {\$0.82 per 1,000 gallons}
 - There is no increase in the Right-of-Way (ROW) fee, which remains same at \$0.19 per Ccf, {\$0.25 per 1,000 gallons}
- These changes increased the typical residential customer’s total monthly bill by \$6.79 or 5.4 percent

The ten-year projected water and sewer rate increases under this year's plan (FY 2022 – FY 2031) total 77.6 percent driven primarily by capital spending for DC Water's \$6.42 billion capital improvement program.

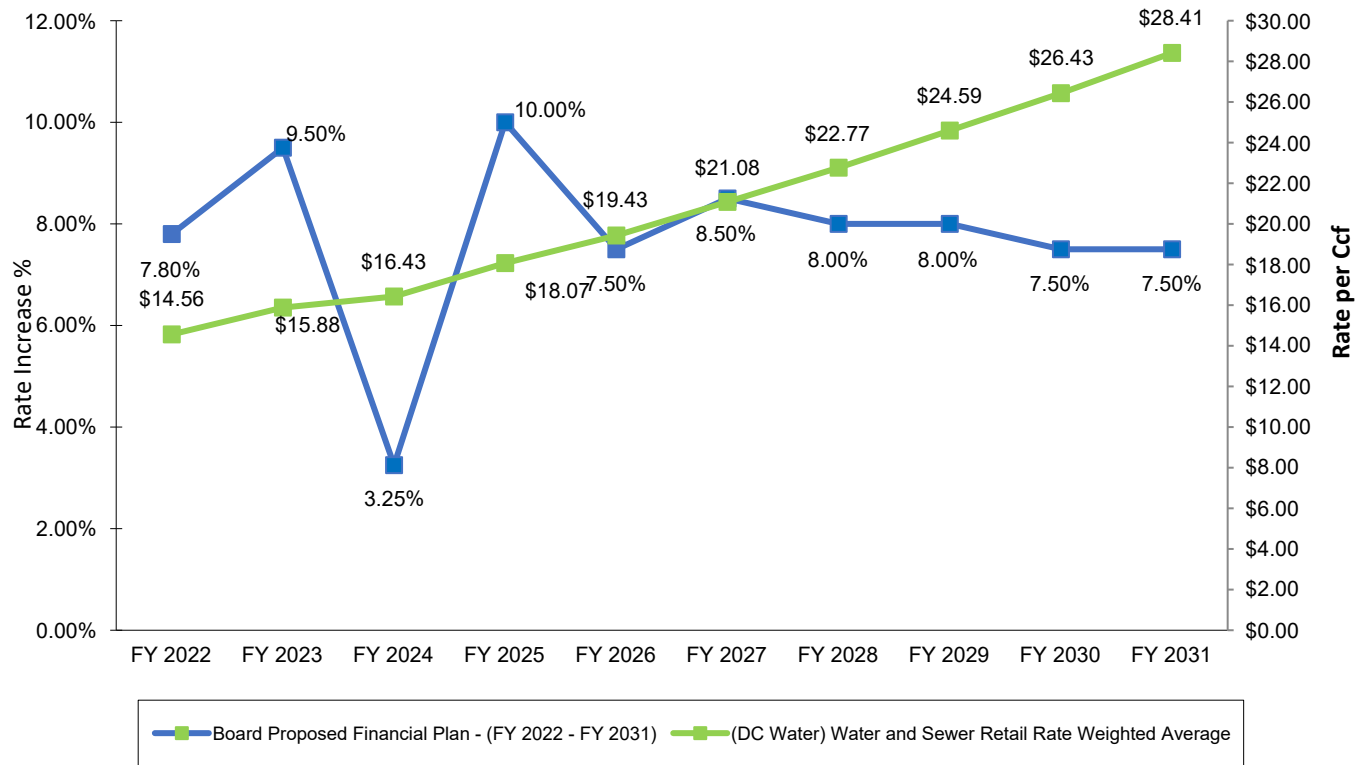
Primary spending in the ten-year capital plan include: the construction of the Potomac River Tunnel in the DC Clean Rivers program, continued investment in the Water System and Lead Free DC program, upgrades to the Effluent Filter and other infrastructure projects at Blue Plains, rehabilitation to the Sewer System small diameter mains, pump stations, major sewers and the Potomac Interceptor project, critical infrastructure improvements at the Washington Aqueduct, and various capital equipment projects.

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, the proposal was implemented for FY 2020 to shift 18 percent of the costs for the Clean Rivers program from the CRIAC to the sewer volumetric rate. This was increased to 28 percent in FY 2021 and 37 percent in FY 2022. This was based on an assessment that, on average, 37 percent of the volume in the new tunnels is from wastewater. The proposal to shift CRIAC to volumetric was adopted by the Board.

The public outreach and comment process for the rate proposal for FY 2023 and FY 2024 will occur between March and May 2022. With the approval of the rates by DC Water Board, these changes would increase the typical residential customer's monthly bill by \$7.05 or 6.0 percent in FY 2023 and \$6.79 or 5.4 percent in FY 2024 as shown on page 123.

PROJECTED RETAIL WATER & SEWER RATE CHANGES

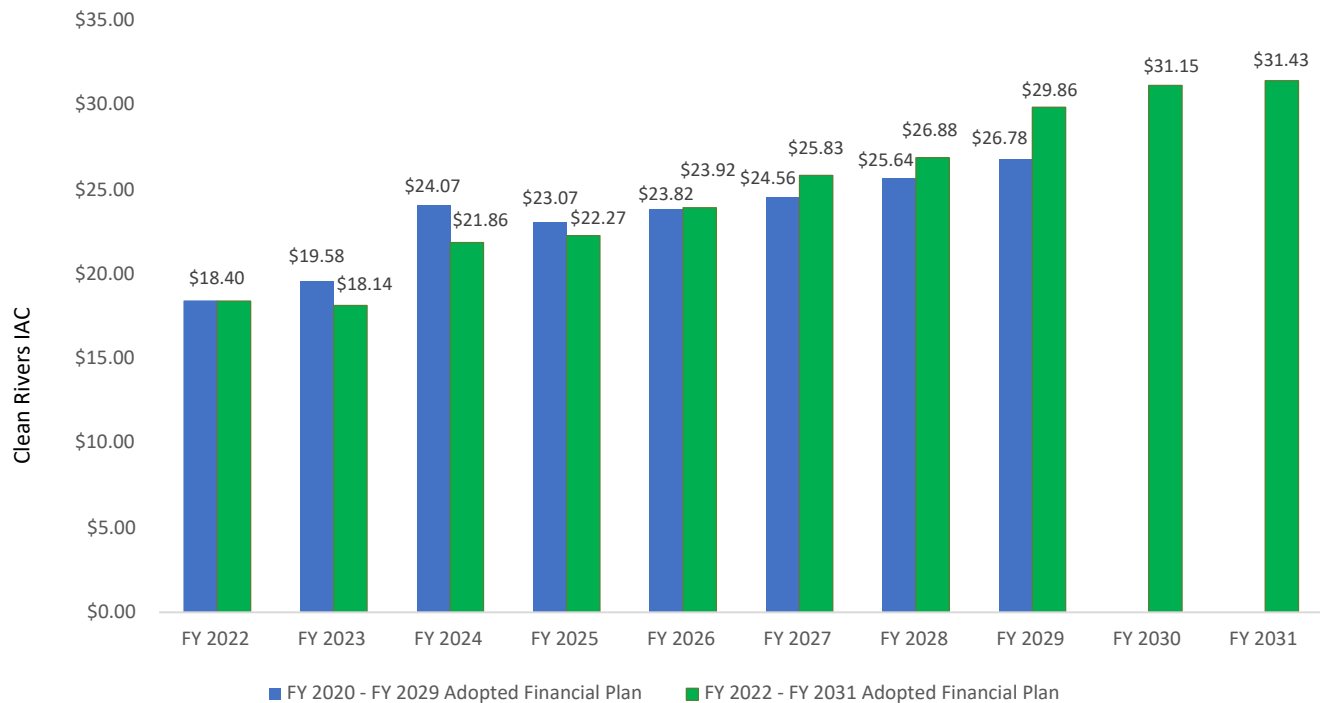
FY 2022 – FY 2031



- 1) Rates shown above reflect weighted water and sewer rates for Residential customer category
- 2) In FY 2023 proposed water and sewer rate increase of \$1.32 per Ccf, (\$1.76 per 1,000 gallons)
 - Combined water and sewer rate increases from \$14.56 to \$15.88 per Ccf
- 3) In FY 2024 proposed water and sewer rate increase of \$.55 per Ccf, (\$.74 per 1,000 gallons)
 - Combined water and sewer rate increases from \$15.88 to \$16.43 per Ccf
- 4) Rate increase of 9.5 percent for FY 2023 and 3.25 percent for FY 2024

PROJECTED MONTHLY CLEAN RIVERS IMPERVIOUS SURFACE AREA CHARGE (CRIAC) CHANGES

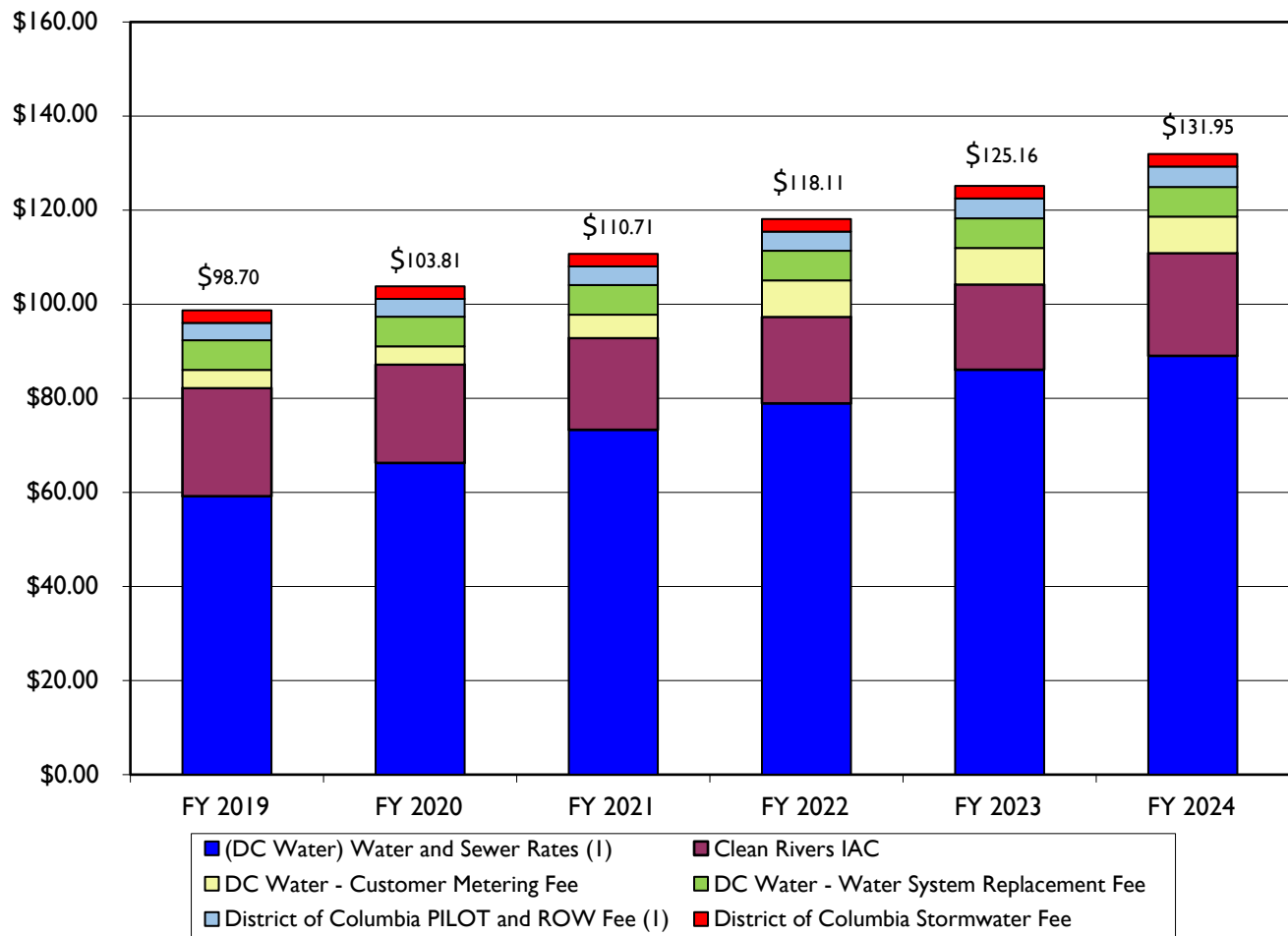
FY 2022 – FY 2031



- The projected charges displayed in the chart above are primarily driven by anticipated debt service costs necessary to support the thirty year \$2.99 billion Clean Rivers Project, which includes the federally mandated CSO-LTCP and the nine-minimum controls program
- The annual Clean Rivers Project costs for the average Tier 2 residential customer (700 – 2,000 sq. ft. of impervious area) is projected to increase from \$217.68 in FY 2023 to \$377.16 in FY 2031
- The CRIAC shift to sewer volumetric with 18 percent in FY 2020, 28 percent in FY 2021 and 37 percent in FY 2022 and beyond was recommended because it balances infrastructure investment with growth in rates. The shift is based on an assessment that on average 37 percent of volume in the tunnels is from wastewater. With the shift the overall household charges increase by 6.0 percent in FY 2023 and 5.4 percent in FY 2024. The gradual shift helps to avoid rate shock to customers. The CRIAC for FY 2023 is projected to decrease from \$18.40 to \$18.14 per ERU per month and increase to \$21.86 per ERU per month for FY 2024.

AVERAGE RESIDENTIAL CUSTOMER MONTHLY BILL

FY 2019 – FY 2024



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

- FY 2023 cost per gallon is a little over \$0.02 (water and sewer rates only)

AVERAGE RESIDENTIAL CUSTOMER MONTHLY BILL

FY 2019 – FY 2024

	Units	FY 2019	FY 2020	FY 2021	Current FY 2022	Proposed FY 2023	Proposed FY 2024
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 59.18	\$ 66.25	\$ 73.30	\$ 78.92	\$ 86.07	\$ 89.03
DC Water Clean Rivers IAC ⁽²⁾	ERU	23.00	20.94	19.52	18.40	18.14	21.86
DC Water Customer Metering Fee	5/8"	3.86	3.86	4.96	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
Subtotal DC Water Rates & Charges		\$ 92.34	\$ 97.35	\$ 104.08	\$ 111.37	\$ 118.26	\$ 124.94
Increase / Decrease		\$ 4.87	\$ 5.01	\$ 6.73	\$ 7.29	\$ 6.89	\$ 6.68
Percent Increase in DC Water Portion of Bill		4.6%	5.4%	6.9%	7.0%	6.2%	5.6%
District of Columbia PILOT Fee ⁽¹⁾	Ccf	\$ 2.71	\$ 2.76	\$ 2.93	\$ 3.04	\$ 3.20	\$ 3.31
District of Columbia Right-of-Way Fee ⁽¹⁾	Ccf	0.98	1.03	1.03	1.03	1.03	1.03
District of Columbia Stormwater Fee ⁽³⁾	ERU	2.67	2.67	2.67	2.67	2.67	2.67
Subtotal District of Columbia Charges		\$ 6.36	\$ 6.46	\$ 6.63	\$ 6.74	\$ 6.90	\$ 7.01
Total Amount Appearing on DC Water Bill		\$ 98.70	\$ 103.81	\$ 110.71	\$ 118.11	\$ 125.16	\$ 131.95
Increase / Decrease Over Prior Year		\$ 4.05	\$ 5.11	\$ 6.90	\$ 7.40	\$ 7.05	\$ 6.79
Percent Increase in Total Bill		5.3%	5.2%	6.6%	6.7%	6.0%	5.4%

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

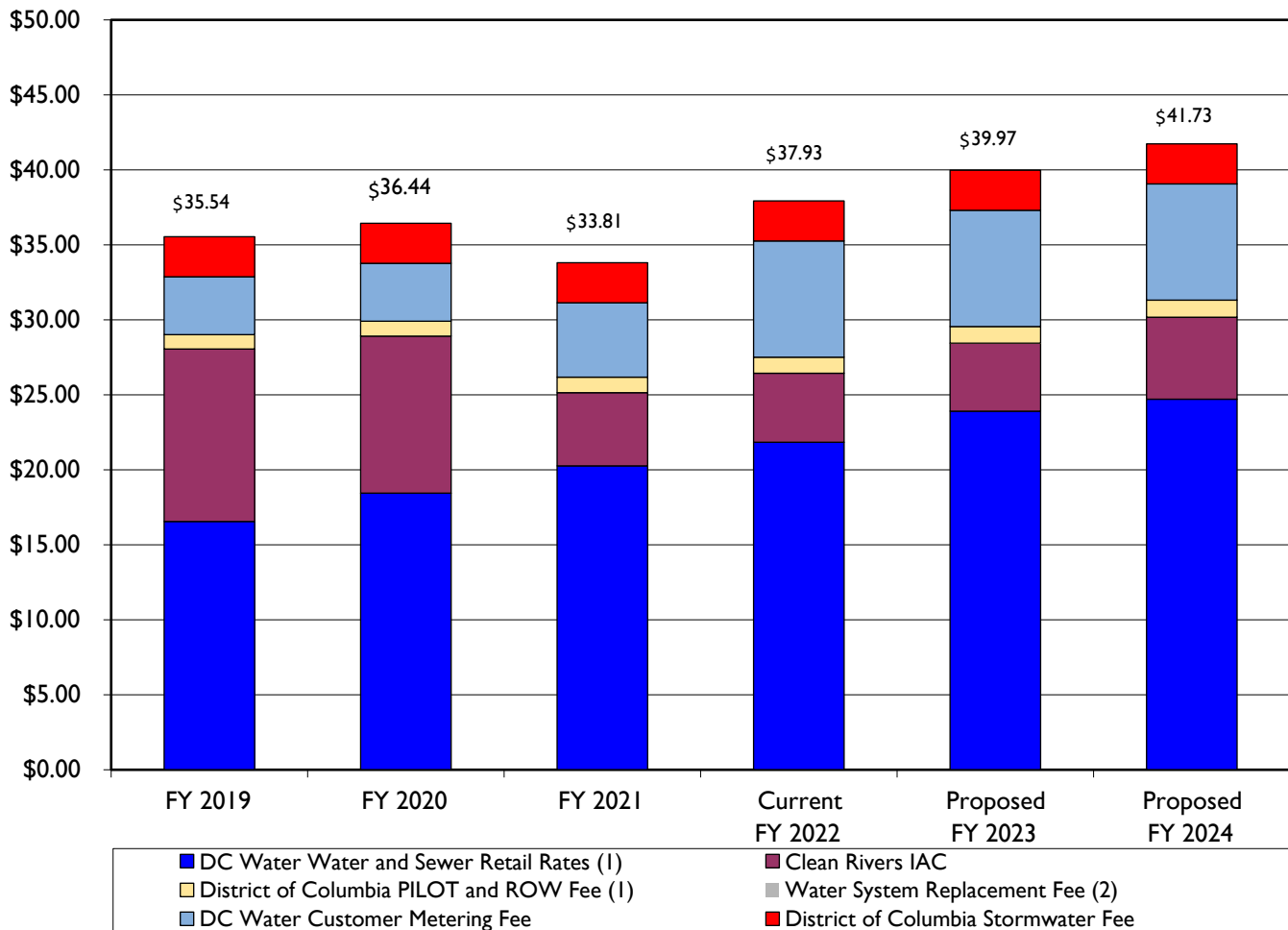
(2) Assumes average 1 Equivalent Residential Unit (ERU)

(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

FY 2019 – FY 2024



- Assumes average monthly consumption of 5.42 Ccf, or 4,054 gallons
 - FY 2023 & FY 2024 cost per gallon is a little over \$0.02 (water and sewer rates only)
- Assumes 100 percent discount for Water System Replacement Fee (WSRF) to CAP customers, therefore, WSRF is not shown in the above graph
- Assumes 50 percent credit up to FY 2020 and 75 percent credit for FY 2021 to FY 2024 for the Clean Rivers Impervious Area Charge (CRIAC).

AVERAGE CAP CUSTOMER MONTHLY BILL

FY 2019 – FY 2024

	Units	FY 2019	FY 2020	FY 2021	Current FY 2022	Proposed FY 2023	Proposed FY 2024
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 59.18	\$ 66.25	\$ 73.30	\$ 78.92	\$ 86.07	\$ 89.03
DC Water Clean Rivers IAC	ERU	23.00	20.94	19.52	18.40	18.14	21.86
DC Water Customer Metering Fee	5/8"	3.86	3.86	4.96	7.75	7.75	7.75
DC Water Water System Replacement Fee	5/8"	6.30	6.30	6.30	6.30	6.30	6.30
Subtotal DC Water Rates & Charges		\$ 92.34	\$ 97.35	\$104.08	\$111.37	\$118.26	\$124.94
Increase / Decrease		\$ 4.05	\$ 5.01	\$ 6.73	\$ 7.29	\$ 6.89	\$ 6.68
Percent Increase in DC Water Portion of Bill		4.6%	5.4%	6.9%	7.0%	6.2%	5.6%
District of Columbia PILOT Fee ⁽¹⁾	Ccf	\$ 2.71	\$ 2.76	\$ 2.93	\$ 3.04	\$ 3.20	\$ 3.31
District of Columbia Right-of-Way Fee ⁽¹⁾	Ccf	0.98	1.03	1.03	1.03	1.03	1.03
District of Columbia Stormwater Fee ⁽⁴⁾	ERU	2.67	2.67	2.67	2.67	2.67	2.67
Subtotal District of Columbia Charges		\$ 6.36	\$ 6.46	\$ 6.63	\$ 6.74	\$ 6.90	\$ 7.01
Total Amount		\$ 98.70	\$103.81	\$110.71	\$118.11	\$125.16	\$131.95
Less: CAP Discount (4 Ccf per month) ^{(1), (2)}		(45.36)	(50.60)	(55.96)	\$ (60.08)	\$ (65.28)	\$ (67.52)
Water System Replacement Fee (WSRF) ⁽³⁾		(6.30)	(6.30)	(6.30)	(6.30)	(6.30)	(6.30)
Clean Rivers IAC ⁽⁵⁾		(11.50)	(10.47)	(14.64)	(13.80)	(13.61)	(16.40)
Total Amount Appearing on DC Water Bill		\$ 35.54	\$ 36.44	\$ 33.81	\$ 37.93	\$ 39.97	\$ 41.73
Increase / Decrease Over Prior Year		\$ 0.02	\$ 0.90	\$ (2.63)	\$ 4.12	\$ 2.04	\$ 1.76
CAP Customer Discount as a Percent of Total Bill		-64.0%	-64.9%	-69.5%	-67.9%	-68.1%	-68.4%

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

(2) Expansion of CAP program in FY 2009 assumes discount to first 4 Ccf of Water and Sewer and to first 4 Ccf of PILOT and ROW in FY 2011

(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 50 percent discount up to FY 2020 and 75 percent discount for FY 2021 to FY 2024 for the Clean Rivers IAC

AVERAGE CAP2 CUSTOMER MONTHLY BILL

FY 2019 – FY 2024

	Units	FY 2019	FY 2020	FY 2021	Current FY 2022	Proposed FY 2023	Proposed FY 2024
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 59.18	\$ 66.25	\$ 73.30	\$ 78.92	\$ 86.07	\$ 89.03
DC Water Clean Rivers IAC	ERU	23.00	20.94	19.52	18.40	18.14	21.86
DC Water Customer Metering Fee	5/8"	3.86	3.86	4.96	7.75	7.75	7.75
DC Water Water System Replacement Fee	5/8"	6.30	6.30	6.30	6.30	6.30	6.30
Subtotal DC Water Rates & Charges		\$ 92.34	\$ 97.35	\$ 104.08	\$ 111.37	\$ 118.26	\$ 124.94
Increase / Decrease		\$ 4.87	\$ 5.01	\$ 6.73	\$ 7.29	\$ 6.89	\$ 6.68
District of Columbia PILOT Fee	Ccf	\$ 2.71	\$ 2.76	\$ 2.93	\$ 3.04	\$ 3.20	\$ 3.31
District of Columbia Right-of-Way Fee	Ccf	0.98	1.03	1.03	1.03	1.03	1.03
District of Columbia Stormwater Fee	ERU	2.67	2.67	2.67	2.67	2.67	2.67
Subtotal District of Columbia Charges		\$ 6.36	\$ 6.46	\$ 6.63	\$ 6.74	\$ 6.90	\$ 7.01
Total Amount		\$ 98.70	\$ 103.81	110.71	118.11	125.16	131.95
Less: CAP2 Discount (3 Ccf per month) ⁽²⁾		(31.98)	(35.85)	(39.78)	(42.81)	(46.62)	(48.24)
Clean Rivers IAC ⁽³⁾		(11.50)	(10.47)	(9.76)	(9.20)	(9.07)	(10.93)
Total Amount Appearing on DC Water Bill		\$ 55.22	\$ 57.49	61.17	66.10	69.47	72.78
Increase / Decrease Over Prior Year			\$ 2.27	\$ 3.68	\$ 4.93	\$ 3.37	\$ 3.31
CAP Customer Discount as a Percent of Total Bill		-44.0%	-44.6%	-44.7%	-44.0%	-44.5%	-44.8%

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

(2) Expansion of CAP2 program in FY 2019 assumes discount to first 3 Ccf of Water and Sewer

(3) Expansion of CAP2 program in FY 2019 and onwards assumes 50 percent discount for the Clean Rivers IAC

AVERAGE CAP3 CUSTOMER MONTHLY BILL

FY 2019 – FY 2024

	Units	FY 2019	FY 2020	FY 2021	Current FY 2022	Proposed FY 2023	Proposed FY 2024
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 59.18	\$ 66.25	\$ 73.30	\$ 78.92	\$ 86.07	\$ 89.03
DC Water Clean Rivers IAC	ERU	23.00	20.94	19.52	18.40	18.14	21.86
DC Water Customer Metering Fee	5/8"	3.86	3.86	4.96	7.75	7.75	7.75
DC Water Water System Replacement Fee	5/8"	6.30	6.30	6.30	6.30	6.30	6.30
Subtotal DC Water Rates & Charges		\$ 92.34	\$ 97.35	\$104.08	\$111.37	\$118.26	\$124.94
Increase / Decrease		\$ 4.87	\$ 5.01	\$ 6.73	\$ 7.29	\$ 6.89	\$ 6.68
District of Columbia PILOT Fee	Ccf	\$ 2.71	\$ 2.76	\$ 2.93	\$ 3.04	\$ 3.20	\$ 3.31
District of Columbia Right-of-Way Fee	Ccf	0.98	1.03	1.03	1.03	1.03	1.03
District of Columbia Stormwater Fee	ERU	2.67	2.67	2.67	2.67	2.67	2.67
Subtotal District of Columbia Charges		\$ 6.36	\$ 6.46	\$ 6.63	\$ 6.74	\$ 6.90	\$ 7.01
Total Amount		\$ 98.70	\$103.81	\$110.71	\$118.11	\$125.16	\$131.95
Less: CAP3 Discount Clean Rivers IAC ⁽²⁾		(17.25)	(15.71)	(14.64)	(13.80)	(13.61)	(16.40)
Total Amount Appearing on DC Water Bill		\$ 81.45	\$ 88.10	\$96.07	\$104.31	\$111.55	\$115.55
Increase / Decrease Over Prior Year		\$ -	\$ 6.65	\$ 7.97	\$ 8.24	\$ 7.24	\$ 4.00
CAP Customer Discount as a Percent of Total Bill		-17.5%	-15.1%	-13.2%	-11.7%	-10.9%	-12.4%

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

(2) Expansion of CAP3 program in FY 2019 assumes 75 percent discount for the Clean Rivers IAC

FY 2022 – FY 2031 FINANCIAL PLAN

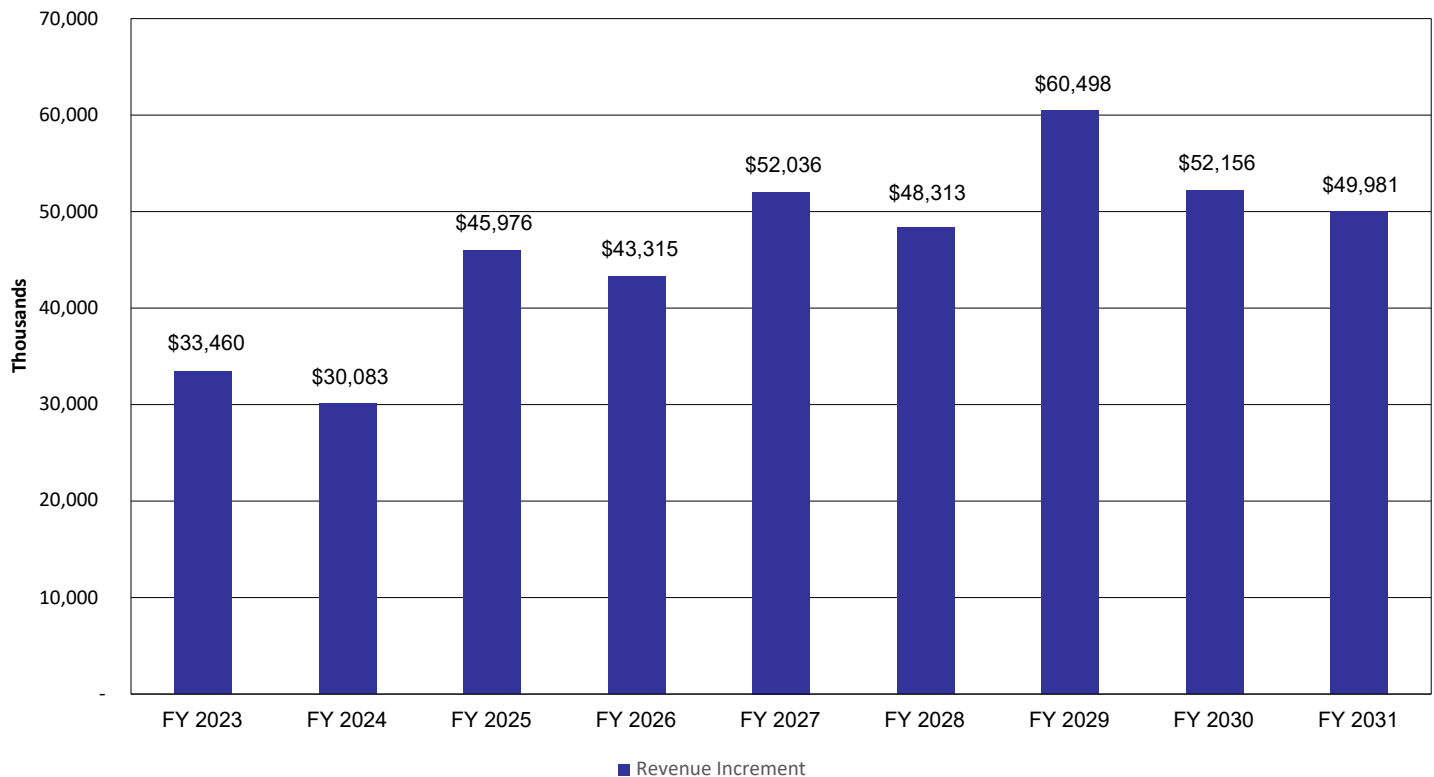
As shown in the chart below, incremental increases in retail revenues are projected to range from \$30.1 million to \$60.5 million in FY 2023 – FY 2031, due to:

- Average annual debt service increase of 5.9 percent
- Average annual O&M increase of 3.1 percent
- Annual projected Payment-in-Lieu of Taxes (PILOT) and Right-of-Way (ROW) increases due to DC Government increasing costs of providing services to the District
- This year's ten-year plan reflects increases in operating and maintenance and increases in debt service cost associated with DC Water's Capital Improvement Program (CIP).

INCREMENTAL INCREASE IN REVENUE

FY 2023 – FY 2031

(\$000's)

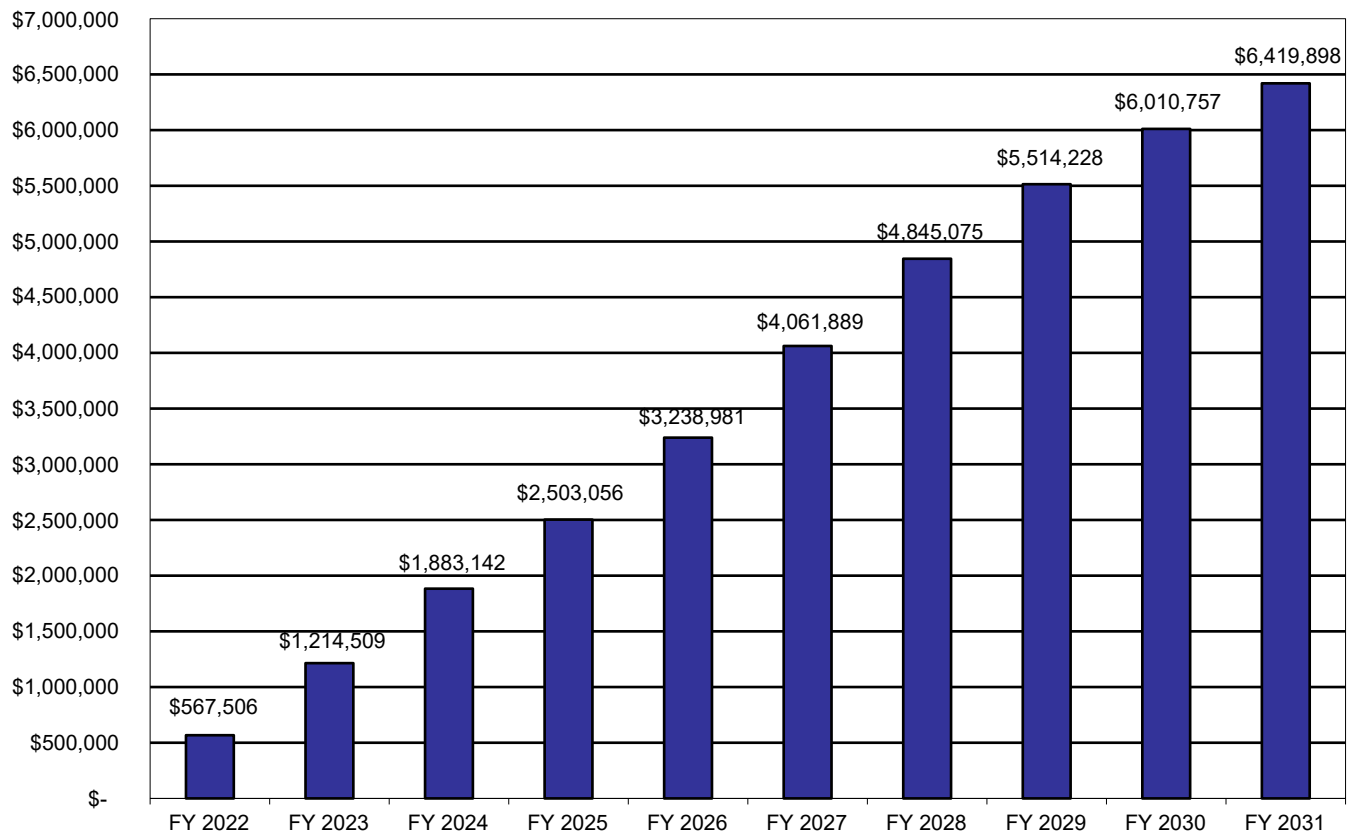


These costs would be recovered through:

- Proposed water and sewer rate increases of 9.5 percent in FY 2023 and 3.25 percent to 10.0 percent from FY 2024 to FY 2031.
- Proposed Clean Rivers Impervious Surface Area Charge (CRIAC) revenues ranging from \$18.14 to \$31.43 per ERU per month
- Proposed DC PILOT fee increases of 2 percent in accordance with the current MOU dated September 4, 2014, to recover the amount of PILOT payment obligation to the District of Columbia
- The ROW fee will remain the same at \$5.1 million per annum in accordance with the current MOU signed on October 2, 2014 to recover the amount of ROW payment obligation to the District of Columbia
- No Rate Stabilization Fund (RSF) will be utilized for FY 2023 to FY 2031 to offset retail rate increases.

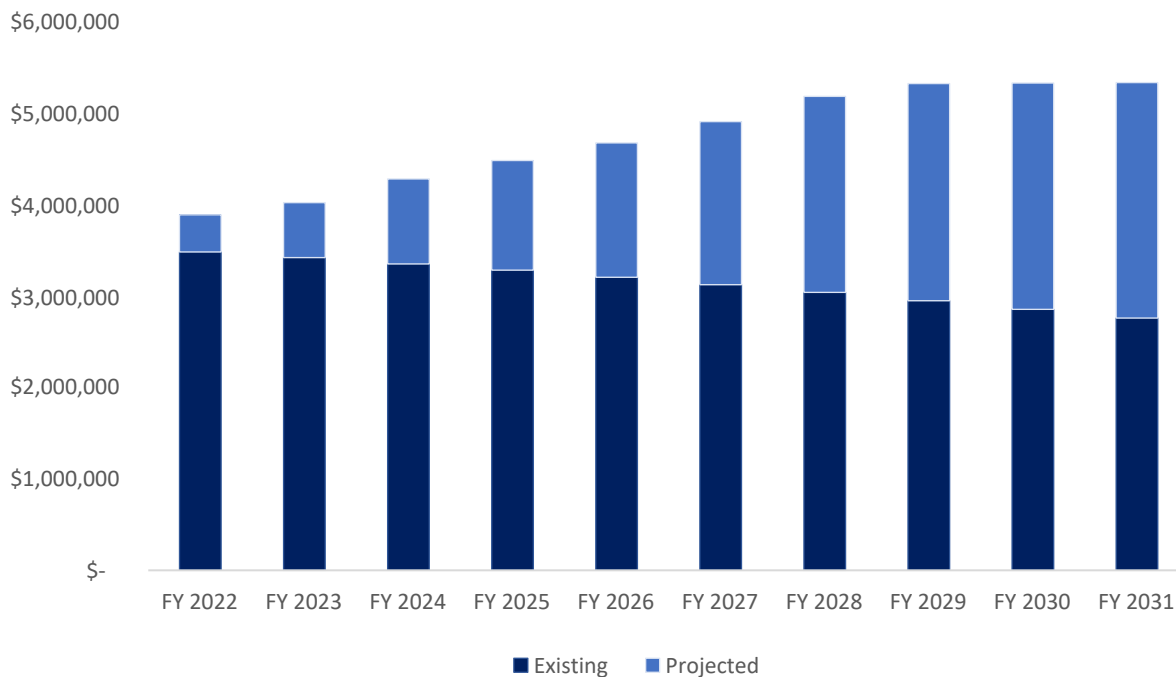
DC Water’s proposed rate increases are primarily required to fund increasing debt service costs from increased capital spending.

CUMULATIVE CAPITAL SPENDING FY 2022 – FY 2031 (\$000’s)



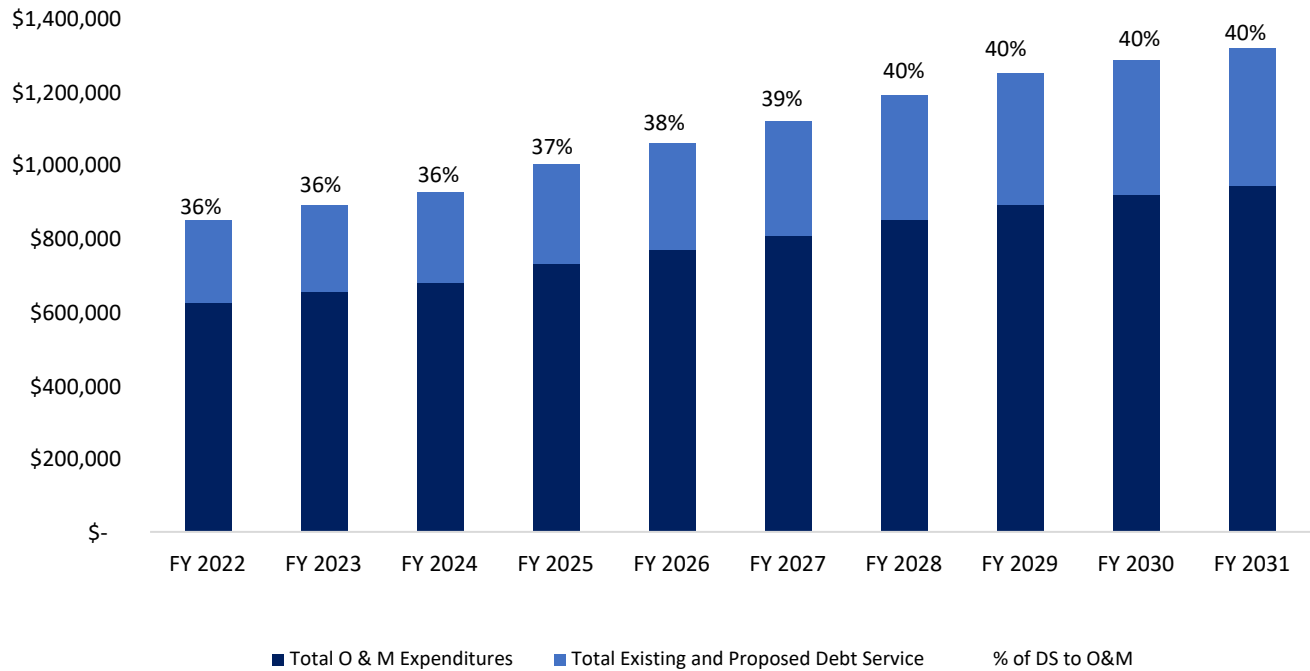
- DC Water’s ten-year capital improvement program totals \$6.42 billion, with annual spending ranging from \$409.1 million to \$822.9 million
- Once completed, the ten-year capital improvement project will double the book value of DC Water’s infrastructure
- The ten-year plan includes disbursements of the Clean Rivers Project (CSO LTCP), totaling nearly \$1.12 billion exclusive of nine minimum controls
- Water and sewer infrastructure continues to drive the ten-year Capital Improvement Plan from FY2022 through FY 2031

NEW & EXISTING DEBT OUTSTANDING FY 2022– FY 2031 (\$000's)



- The largest source of funding for DC Water’s capital program is debt
- Over the next ten years, DC Water will issue approximately \$2.6 billion in new debt (which includes the funding of reserves and costs of issuance), increasing total debt outstanding to \$5.3 billion at the end of FY 2031

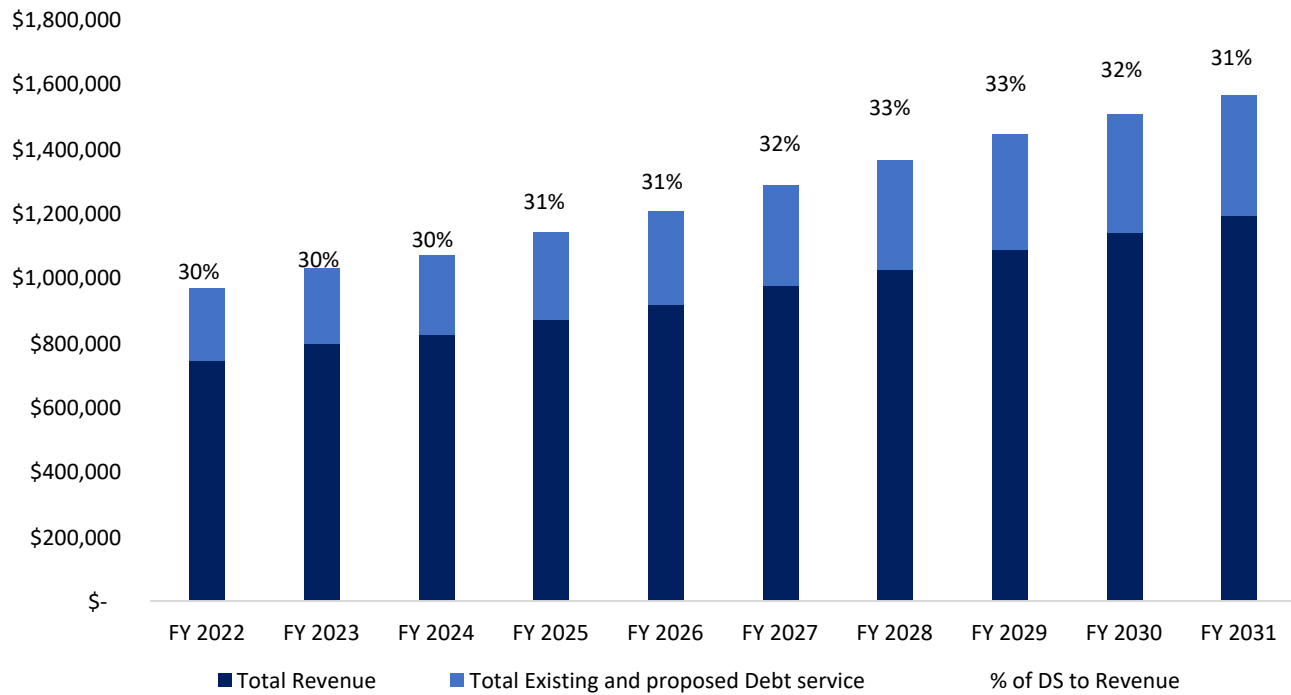
DEBT SERVICE AS PERCENT OF TOTAL OPERATING & MAINTENANCE EXPENDITURES FY 2022 – FY 2031 (\$'000's)



DEBT SERVICE AS PERCENT OF TOTAL OPERATING REVENUES

FY 2022 – FY 2031

(\$'000's)



OPERATING & DEBT SERVICE EXPENDITURES FY 2022 – FY 2031

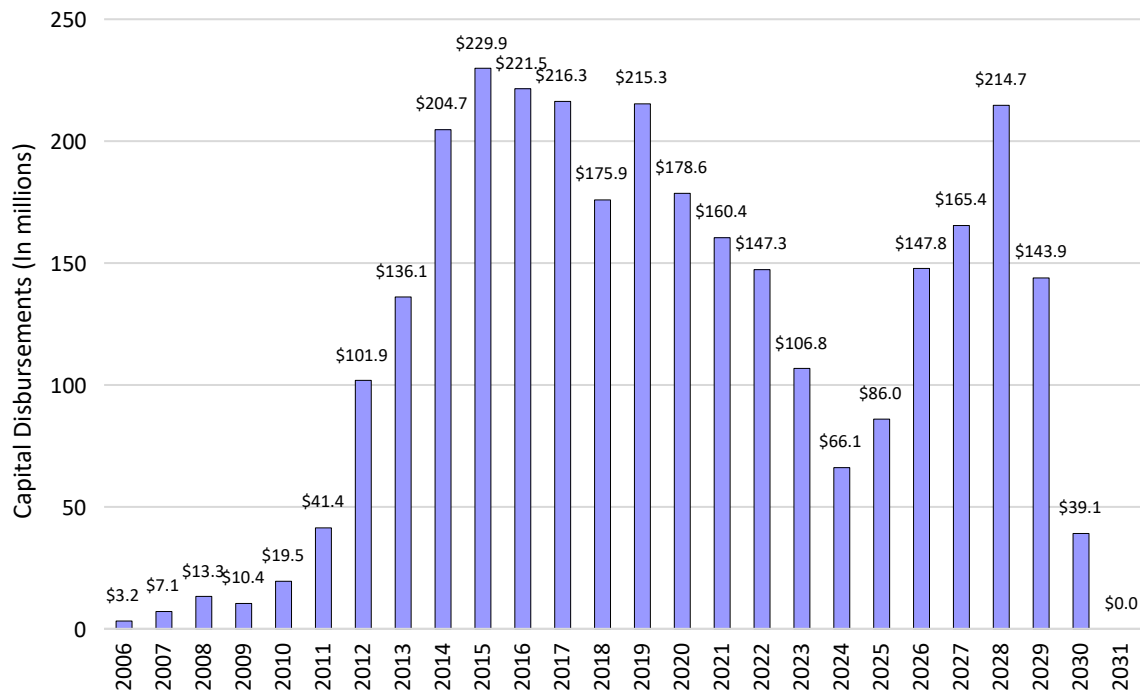
Over the ten-year period, total expenditures increase on average by 4.3 percent annually

DC Water's proposed rate increases are primarily required to fund increasing debt service costs

- Operations and maintenance expenditures (excluding the payment-in-lieu of taxes and right-of-way fee) increase on average by 3.1 percent annually
- Debt service expenditures grow at an annual average rate of 5.9 percent
- This year's ten-year plan reflects increases in operating and maintenance and increases in debt service costs associated with DC Water's Capital Improvement Program (CIP)

POTENTIAL IMPACT OF CSO LONG-TERM CONTROL PLAN ON RATES

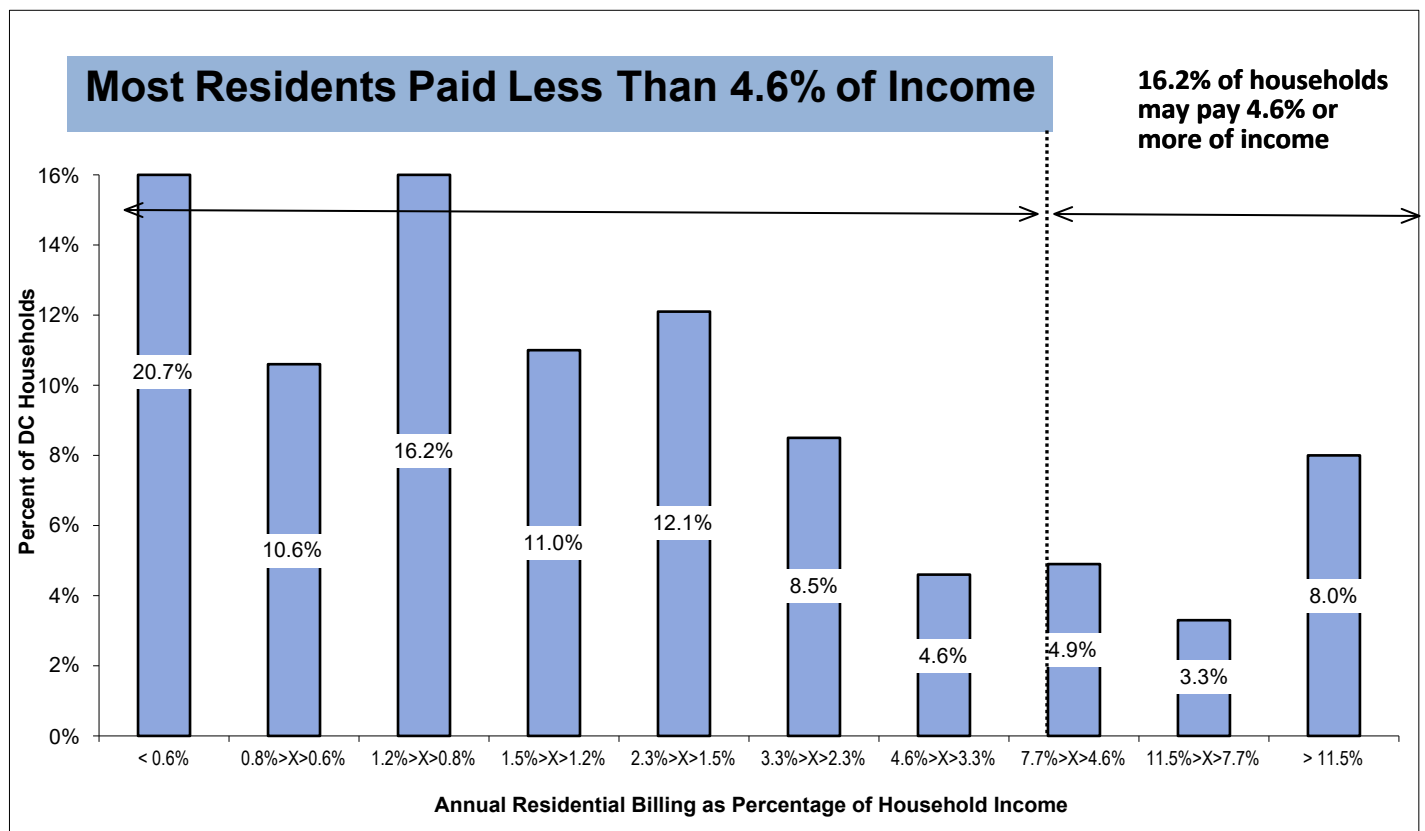
Clean Rivers CSO LTCP Disbursements by Fiscal Year

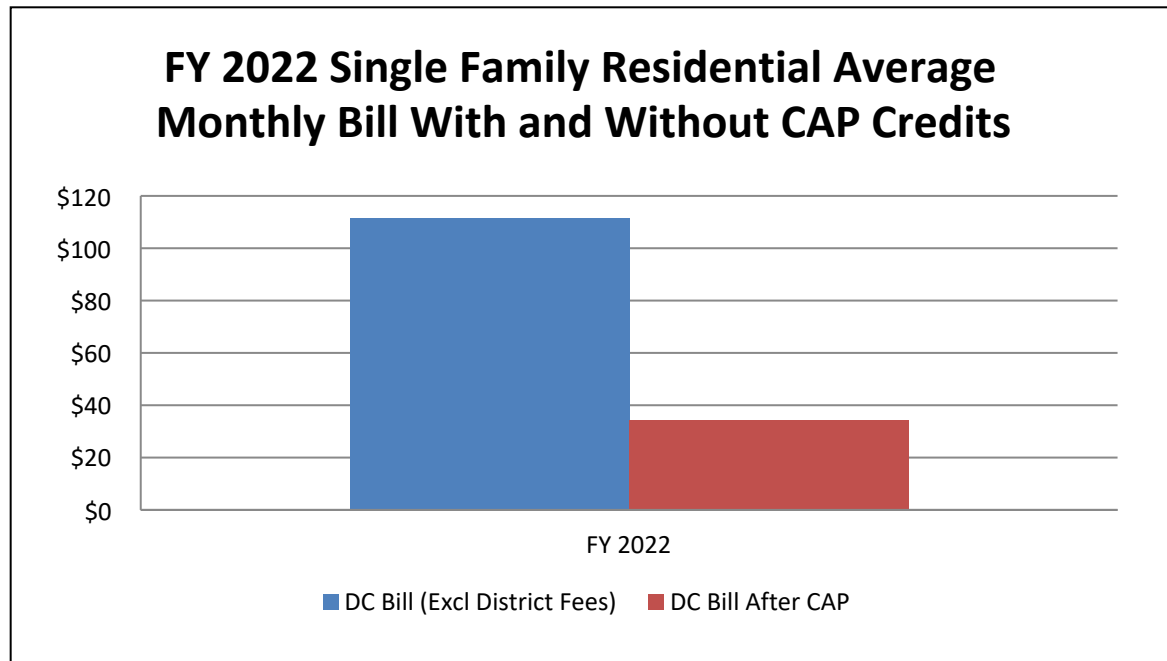


In December 2004, the Board reached an agreement with the federal government on the Clean Rivers Project (CSO-LTCP) and entered into a related consent decree. Actual and projected disbursements by fiscal year for the Clean Rivers Project are shown in the chart above and are the drivers for changes in the Clean Rivers Impervious Area Charge over the ten-year plan. Wholesale customers contribute 7.1 percent to the Clean Rivers Project. To mitigate impacts, DC Water continues to look for federal support for this program. As of September 30, 2021, \$276.8 million has been received through federal appropriations. Lifetime capital costs for the plan (exclusive of the nine – minimum controls program) total approximately \$2.99 billion, and this year’s proposed ten-year plan includes \$1.12 billion of projected Clean Rivers Project disbursements.

DC WATER CHARGES ARE STILL AFFORDABLE AND COMPETITIVE WITH OTHER MAJOR CITIES

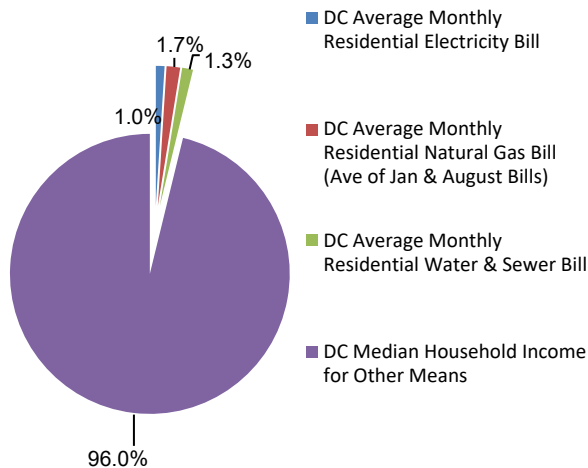
- **Median household income:** The average DC Water charges are less than 4.6% of income for 83.8% of the households in the District of Columbia. US EPA guidelines suggest that charges greater than 4% of median household income are typically viewed as a strain on household budgets (2% water + 2% sewer)
- **Customer Assistance Programs** are in place to help eligible low income customers with their water/sewer bills



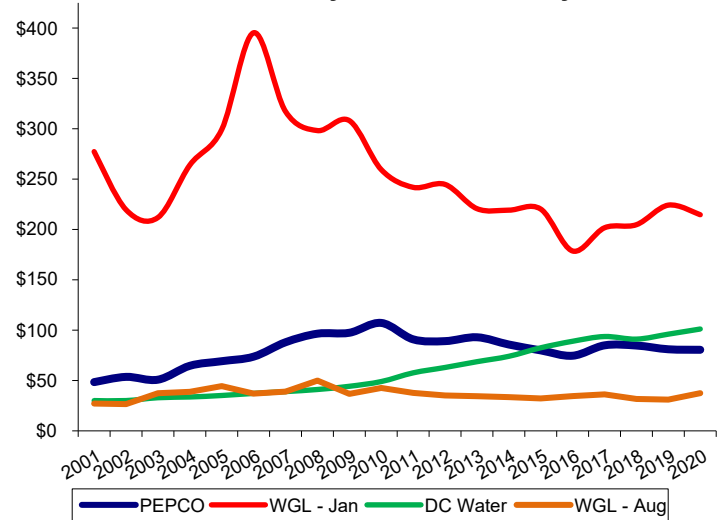


- After CAP credits, a family of 4 at the 2021 Federal Poverty level spends 1.5 percent of income on DC Water Bills

2020 Monthly DC Median Household Income



Monthly Residential Utility Bills



Observation:

- DC Water's average monthly residential water & sewer bill is about 1.3 percent of the total monthly household income for the median income family, lower than the average monthly natural gas bill and somewhat higher than the electricity bill

Observation:

- Average natural gas is higher than water & sewer bills

Assumption:

- Average DC customer is assumed to use 5.42 Ccf of water in 2019 and onwards, 200 Therms of natural gas for WGL customer in January, and 20 Therms of natural gas for WGL customers in August from 2017 and onwards. Average residential electricity usage is 700 kWh of electricity per month for PEPCO customers starting in 2017 and onward

Source

Electricity and Gas: DC Public Service Commission

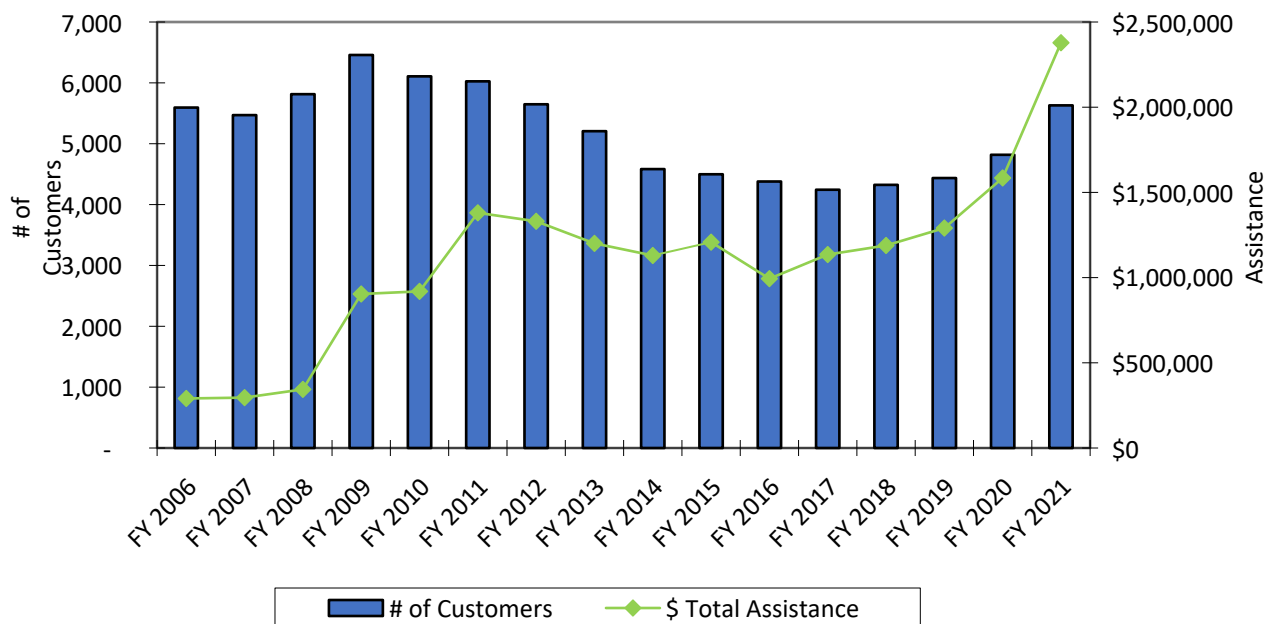
Water and Sewer: DC Water Assuming 5.42 Ccf, or 4,054 gallons consumption

Median HH Income: US Census Bureau, American Community Survey 2020 1-Year Estimates

DC Water sponsors two 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 months 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 the CAP to include 50 percent discount for CRIAC. In FY 2018, the District of Columbia's Budget Support Act authorized the Mayor to establish a financial assistance program to assist residential customers with incomes "not exceeding 100 percent of the area median income" with payment of CRIAC and to supplement the financial assistance programs implemented by DC Water. In FY 2020, the Board approved the increase in CRIAC discount for CAP customers from 50 percent to 75 percent effective from FY 2021. In FY 2021, CAP assisted over 5,630 customers and provided \$2,378,326 in discounts to low-income customers.

Customer Assistance Program



The following terms are defined:

- **Customer Assistance Program (CAP)** – Existing program that uses LIHEAP (Low Income Home Energy Assistance Program) criteria to provide DC Water-funded discounts to low-income residential customers with incomes up to 60 percent of the State Median Income (SMI from Health and Human Services (HHS)). Eligible customers receive the first 4 Ccf of water and sewer services, PILOT and ROW, 100 percent discount for the Water System Replacement Fee (WSRF) and 50 percent discount for the CRIAC. On March 5, 2020, DC Water’s Board adopted a proposal to increase the maximum CRIAC IAC credit from 50 percent to 75 percent, effective October 1, 2020 (FY 2021).
- **Customer Assistance Program II (CAP2)** – In FY 2019, DC Water expanded the CAP program for low-income residential customers who do not qualify for CAP with household income up to 80 percent Area Median Income (AMI). Eligible customers receive a discount of up to 3 Ccf per month for water and sewer services and a 50 percent discount for CRIAC. On March 5, 2020, DC Water’s Board adopted a proposal to amend regulations to make the CAP2 program permanent.
In FY 2021, CAP2 assisted 835 customers and provided \$245,637 in discounts to low-income customers.
- **Customer Assistance Program III (CAP3)** – New District-funded program to provide 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 a 75 percent discount for CRIAC.
In FY 2021, CAP3 assisted 191 customers and provided \$36,059 in discounts.
- **CRIAC (Clean Rivers Impervious Area Charge) Non-profit Relief Program** – New District-funded program to provide CRIAC credits to non-profit organizations as determined by the District Department of the Environment (DOEE). Eligible customers receive up to 90 percent discount for CRIAC.
In FY 2021, Nonprofit Relief Program assisted 189 non-profit organizations and provided \$955,707 in discounts.
- **Emergency Residential Relief Program (ERRP)** – District funded program where eligible households may receive bill assistance up to \$2,000 as a one-time emergency benefit.
In FY 2021, ERRP assisted 1,820 customers and provided \$1,071,464.

New Customer Assistance Programs to Mitigate the Impact of COVID-19:

The COVID-19 pandemic impacted DC Water with declines in commercial, federal, and municipal consumption and increases in delinquencies which impacted revenue. In response, DC Water took several strategic and cost reduction initiatives. This included delaying non-critical purchases and activities and pausing some hiring as well as modifying operations to protect staff by arranging work from home for most employees. DC Water also assessed its critical infrastructure needs and balanced it to its revenue challenges and continued to invest in critical capital programs based on priority. Additionally, DC Water also took initiatives to help our customers during the pandemic by reconnecting customers previously disconnected for non-payment, waiving late fees, pausing placing liens, arranging payment plans, and partnering with the District for emergency assistance for those impacted by COVID-19.

On September 3, 2020, DC Water's Board of Director's adopted Resolution #20-65, where the Board approved directing \$15.0 million from the Authority's projected net cash surplus for FY 2020 to the Customer Assistance Program low-income customers:

- (1) \$3.0 million to continue the Emergency Residential Relief Program (ERRP) in FY 2021 to provide one-time assistance to customers impacted by COVID; Assistance up to \$2,000 per residential customer;
- (2) \$7.0 million for a new program to provide one-time assistance to multi-family buildings where occupants have been negatively impacted by COVID and payment plans are established and adhered to; assistance amount to be determined and provided per affordable unit, and will be on matching basis;
- (3) The \$5.0 million held for FY 2022 targeted assistance for customer in need

The \$5.0 million held for FY 2022 targeted assistance was allocated to the CAP, RAP and MAP programs to assist customers in FY 2022.

DC Water Cares, Residential Assistance Program (RAP) - In FY 2020 DC Water established a \$3.0 million program to continue the ERRP in FY 2021 to provide one- time assistance of up to \$2,000 to residential customers. RAP was extended to FY 2022.

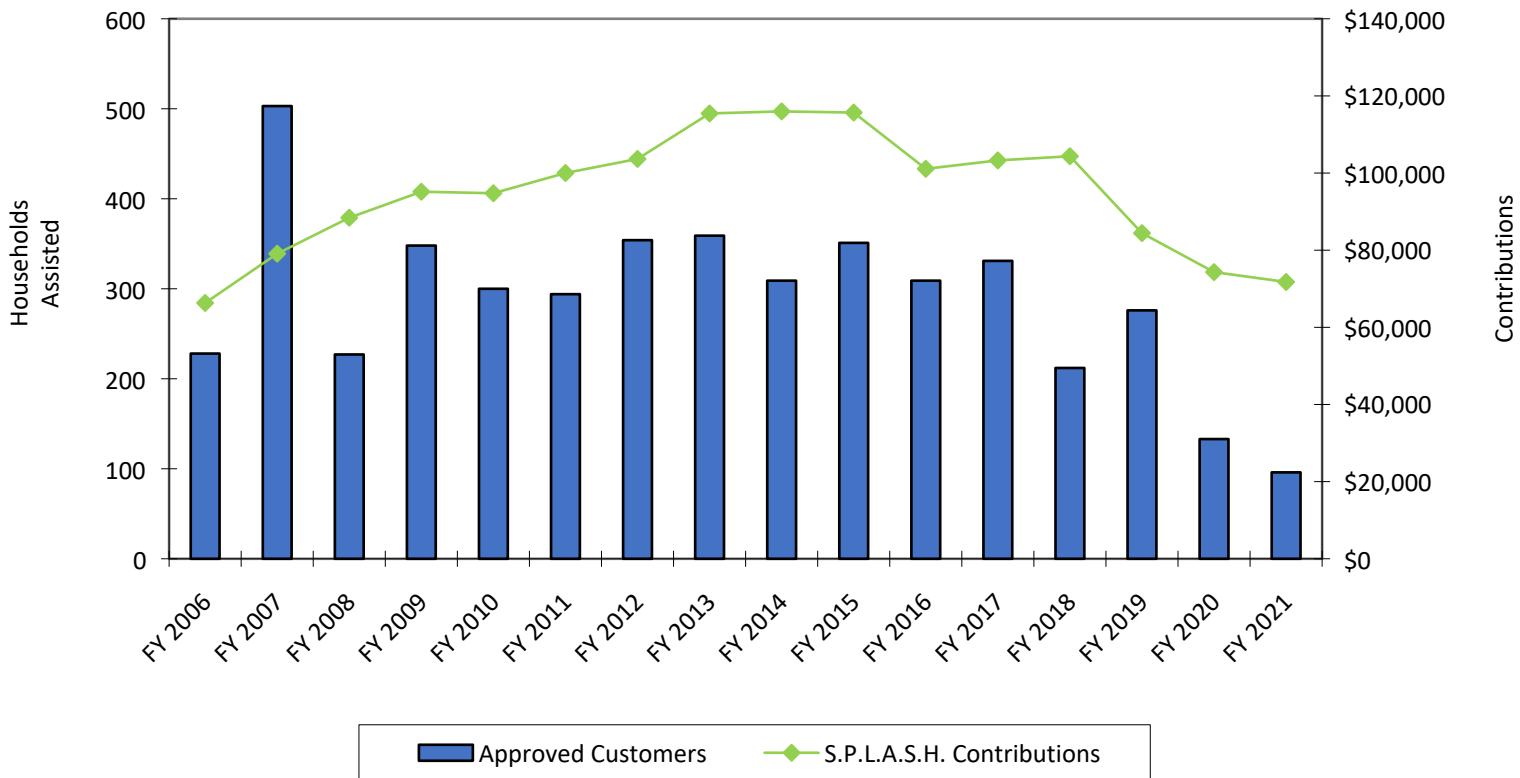
DC Water Cares, Multi-family Assistance Program (MAP) - A \$7.0 million program to provide one-time assistance to multifamily buildings where occupants have been negatively impacted by COVID-19. Payment plans are established and adhered to; assistance amounts are determined and provided per affordable unit and will be on matching basis. MAP was extended to FY 2022.

LIHWAP (Low Income Household Water Assistance Program) - Provides funds to assist low-income households with water and wastewater bills.

STAY (Stronger Together Assisting You) - Is a financial program for D.C renters and housing providers who are looking for support to cover housing and utility expenses and offset the loss of income.

- **Serving People by Lending a Supporting Hand (“S.P.L.A.S.H”):** 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 DCWater is distributed to eligible customers. In FY 2021, SPLASH assisted 96 households and provided \$71,765 in contributions to low-income customers.

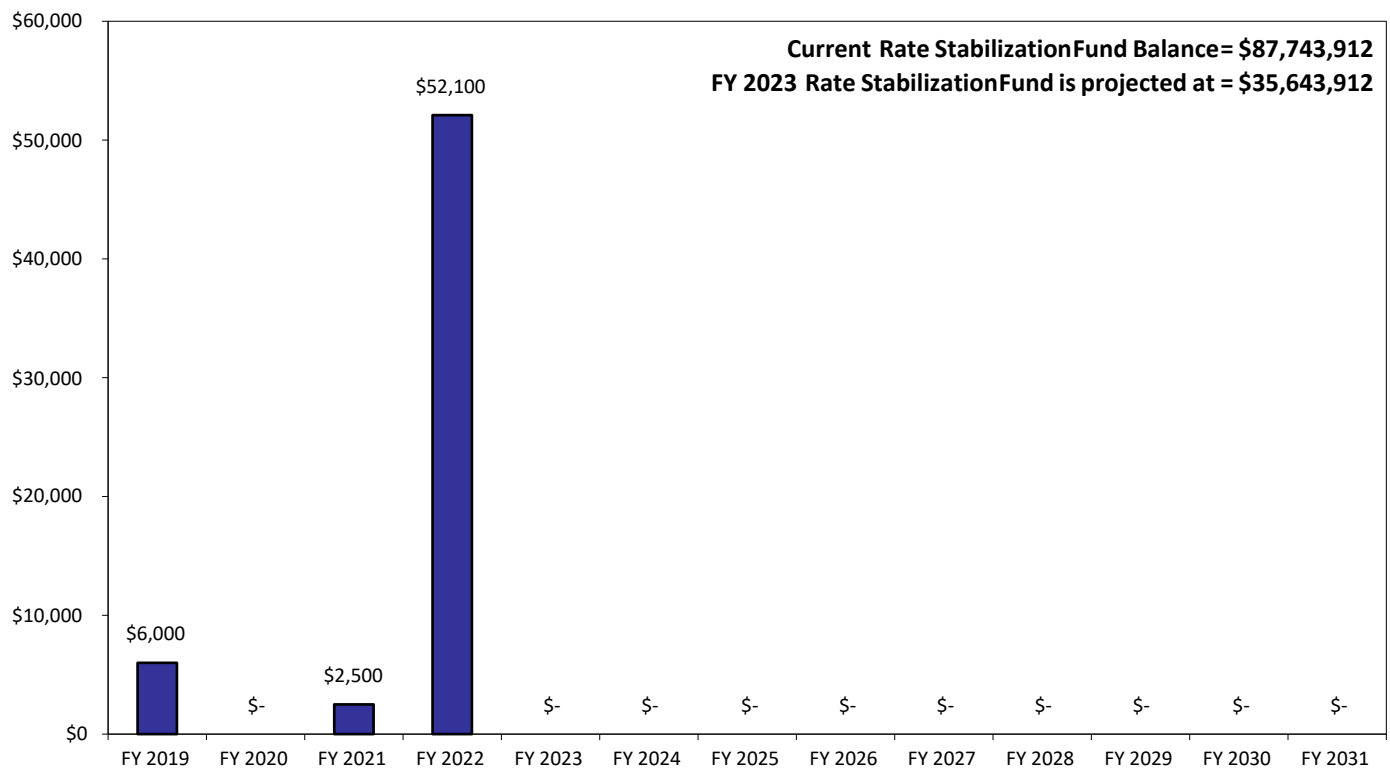
S.P.L.A.S.H Program



RATE STABILIZATION FUND USAGE

FY 2022 - FY 2031

(\$000's)



- At the end of FY 2021, DC Water's rate stabilization fund (RSF) balance was \$87.74 million. As recommended to the Board, \$10.5 million RSF will be utilized in FY 2022 to mitigate rate increases. Additional \$41.6 million of RSF will be used to transfer the money to Ending Balance in order to make Days of Cash equal to 250 days without including RSF Balance in the calculation. No RSF is proposed to be utilized from FY 2023 to FY 2031. RSF will have a balance of \$35.64 million at the end of FY 2031.

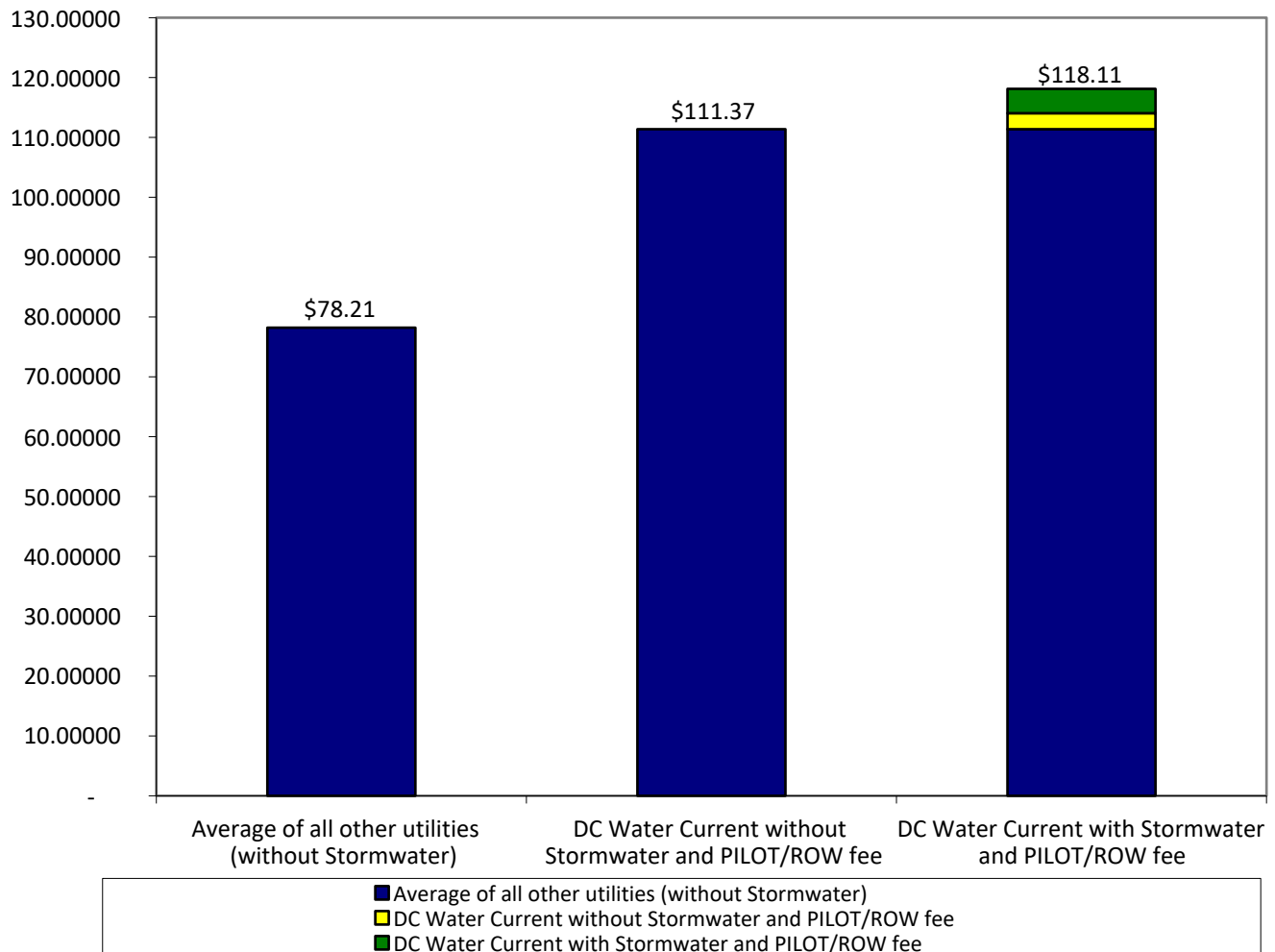
One method of assessing the affordability of residential rates is to calculate the portion of the Median Household Income that would be spent on typical water, wastewater, and stormwater bills and compare the results with the same calculation for other utilities. While no utilities are exactly alike, in the most recent rate survey conducted for DC Water in December 2021, DC Water's charges for a single family residential customer as a percentage of median income, excluding District fees, were comparable to the average of other large and regional water and wastewater utilities.

The following charts provide DC Water combined water, sewer and stormwater charges for single family residential customers compared to: large CSO communities, other similar large jurisdictions and other regional jurisdictions. There are distinct differences between DC Water and other large and regional utilities. Some differences include:

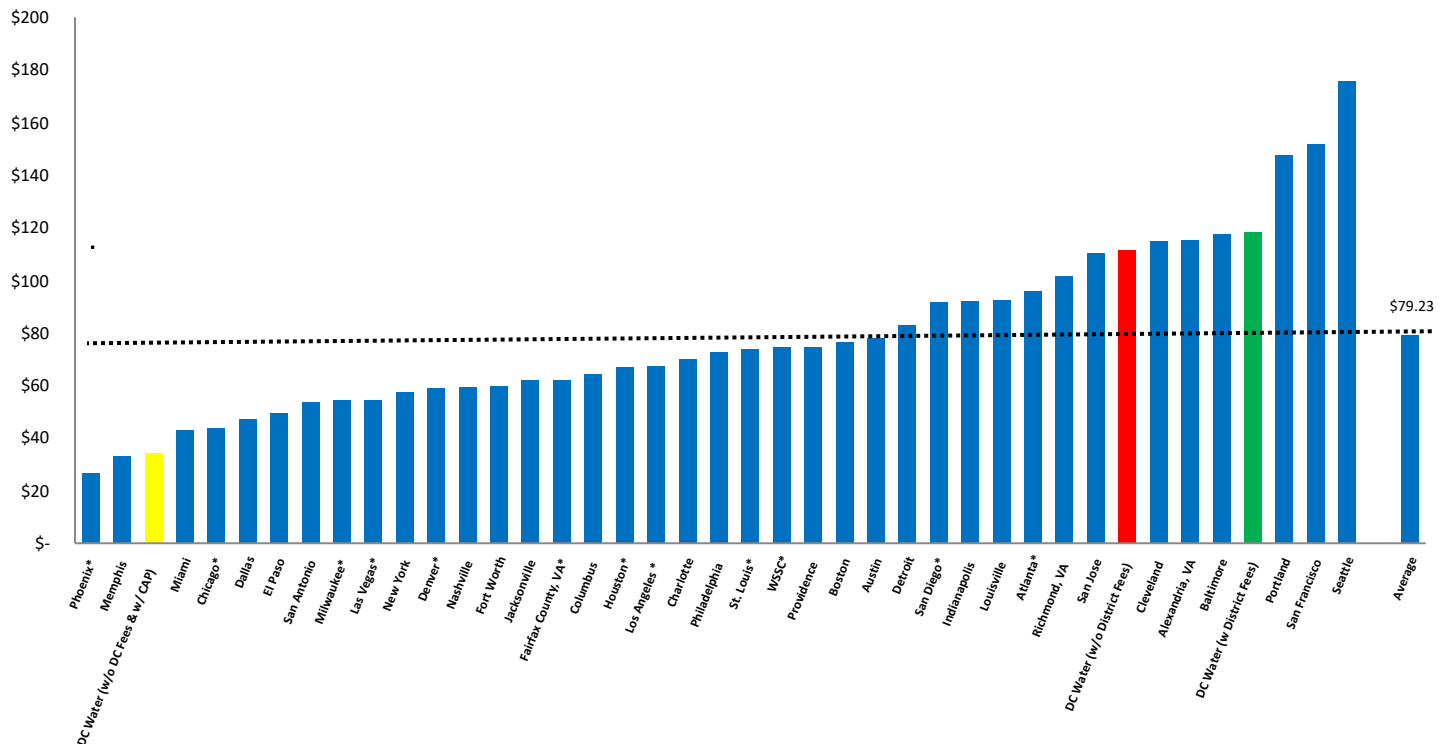
- Different patterns of water use (e.g., suburban jurisdictions can have different demands from urban centers)
- Revenues from taxes that reduce the revenues to be raised from water, sewer and stormwater rates (e.g., Arlington, Milwaukee, St. Louis, Atlanta, Chicago, etc.)
- Available undeveloped areas supporting high developer contributions for growth that can again reduce the revenues to be raised from water, sewer and stormwater rates (e.g., Fairfax County)
- Separate sewer systems in certain large jurisdictions and regional jurisdictions (e.g., Dallas)
- Differences in climate that may affect water supply or conservation needs (e.g., Seattle)
- Varying stages of completion of facilities to meet federal mandates (e.g., Atlanta and Boston have completed most of their major investments - the DC Clean Rivers Project is in progress at this time)

DC WATER'S RETAIL RATES ARE COMPARABLE TO OTHER UTILITIES

DC Water's Current FY 2022 Monthly Residential Bill vs. Average Monthly Bill of Other Utilities in Effect Fall 2021



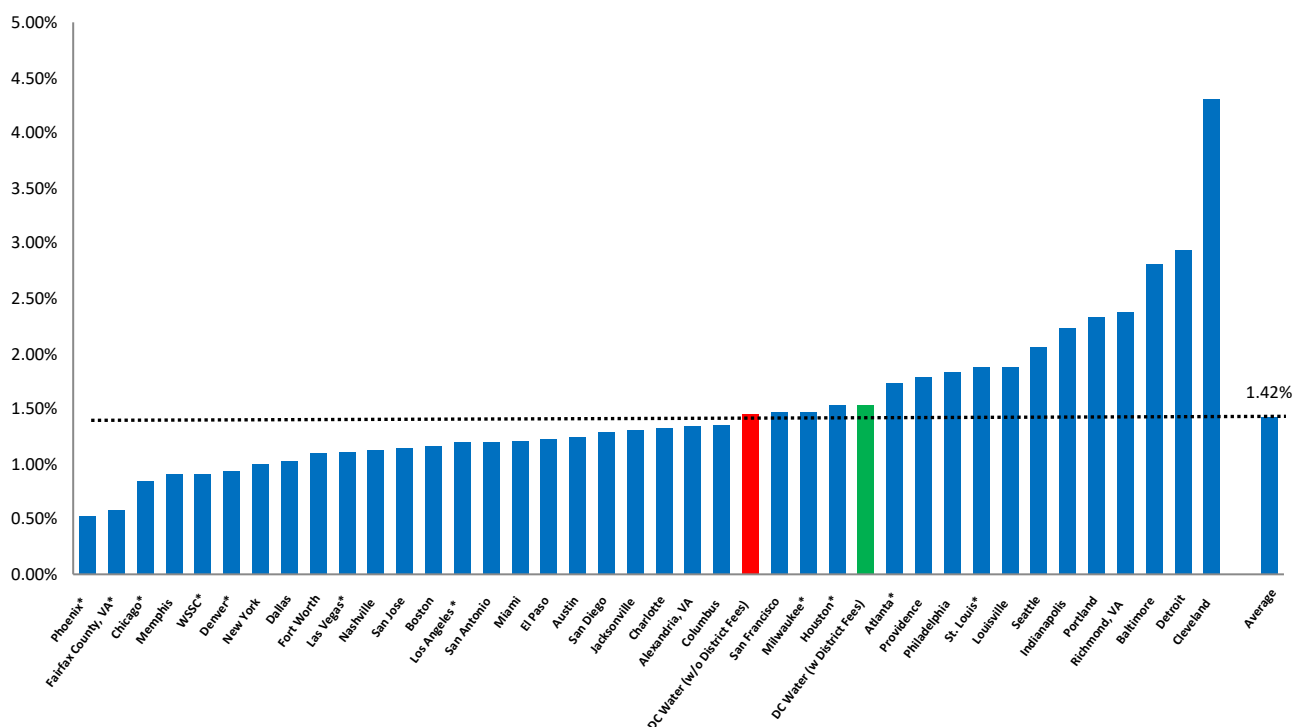
DC Water Retail Rates Compared to Other Large Utilities (Based on Rates in effect Fall 2021)



- (1) Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748 gallons
- (2) Reflects rates and fees in place as of December 1, 2021. The Authority's rate includes the PILOT/ROW fee totaling \$0.75 per Ccf (effective October 1, 2021) and the DOEE residential stormwater rate of \$2.67 per ERU per month.
- (3) 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.

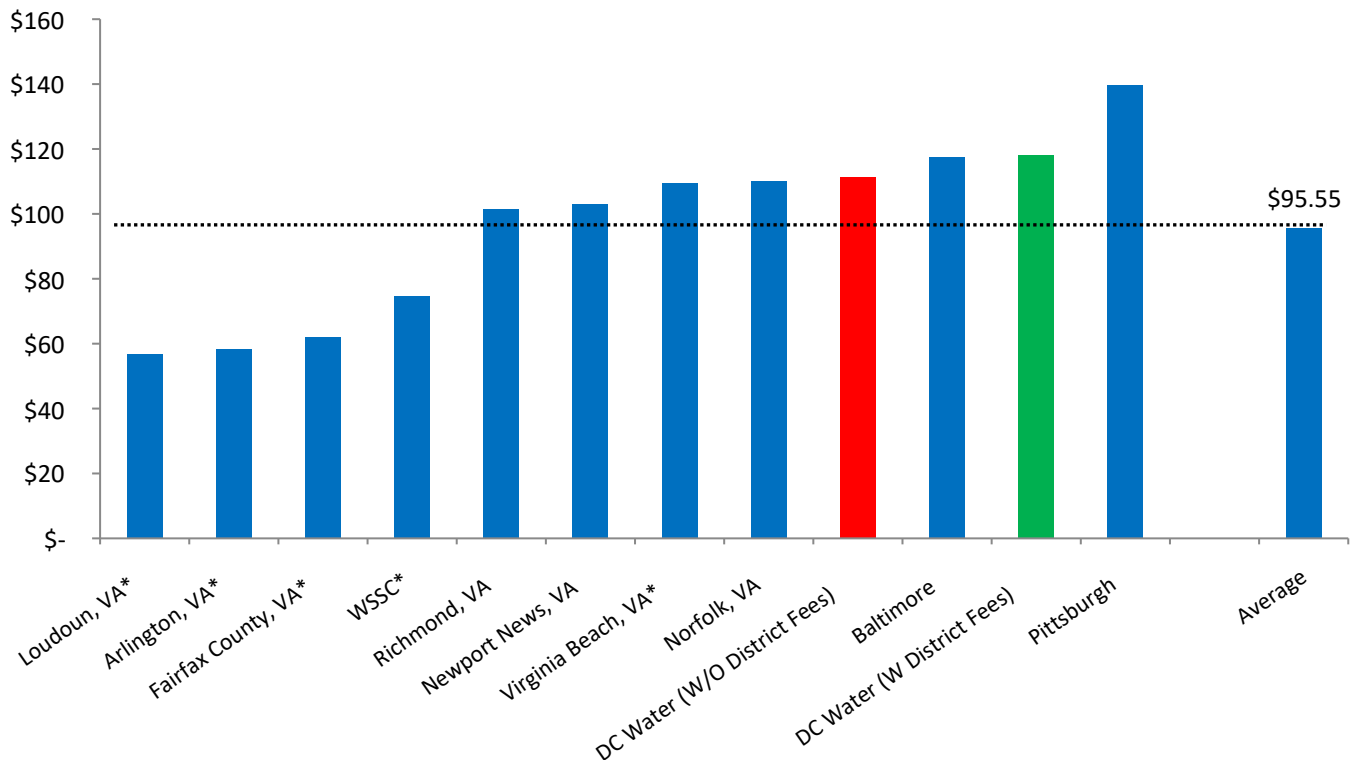
In the chart below, DC Water current charges rank at the median for bill comparison purposes for water and wastewater services compared to a select group of large, regional and CSO utilities, but well within US EPA guidance of 4 percent.

Single Family Residential (SFR) Monthly Bill as % of Median Household Income - Large National Utilities (Based on Rates in effect Fall 2021)



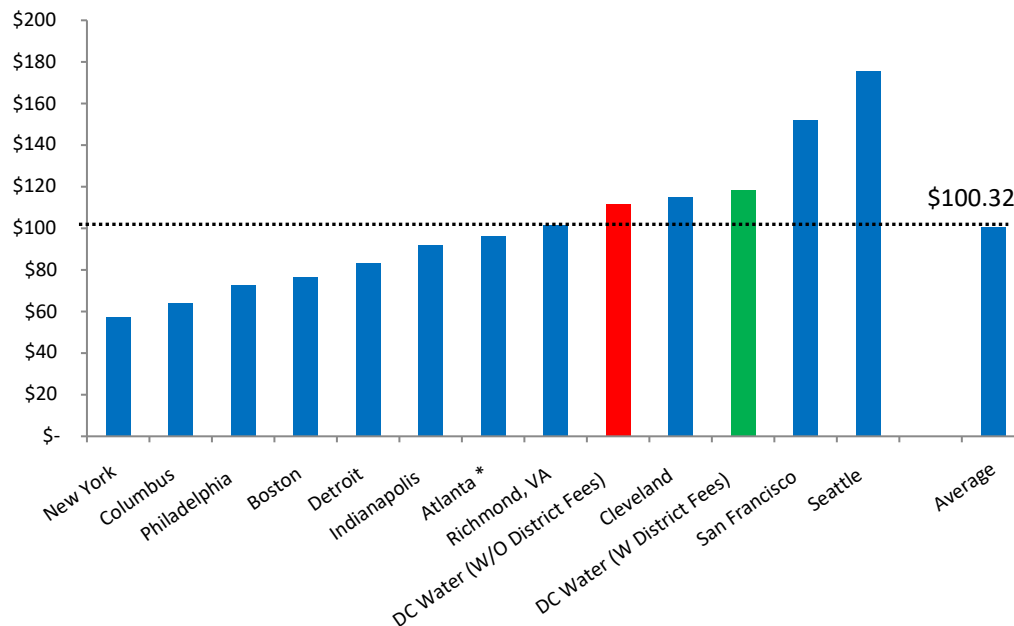
- 1) Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748 gallons
- 2) Reflects rates and fees in place as of December 1, 2021. The Authority's rate includes the PILOT/ROW fee totaling \$0.75 per Ccf (effective October 1, 2021) and the DOEE residential stormwater rate of \$2.67 per ERU per month. 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 Retail Rates Compared to Regional Utilities (Based on Rates in effect Fall 2021)



- 1) Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748 gallons
- 2) Reflects rates and fees in place as of December 1, 2021. 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.

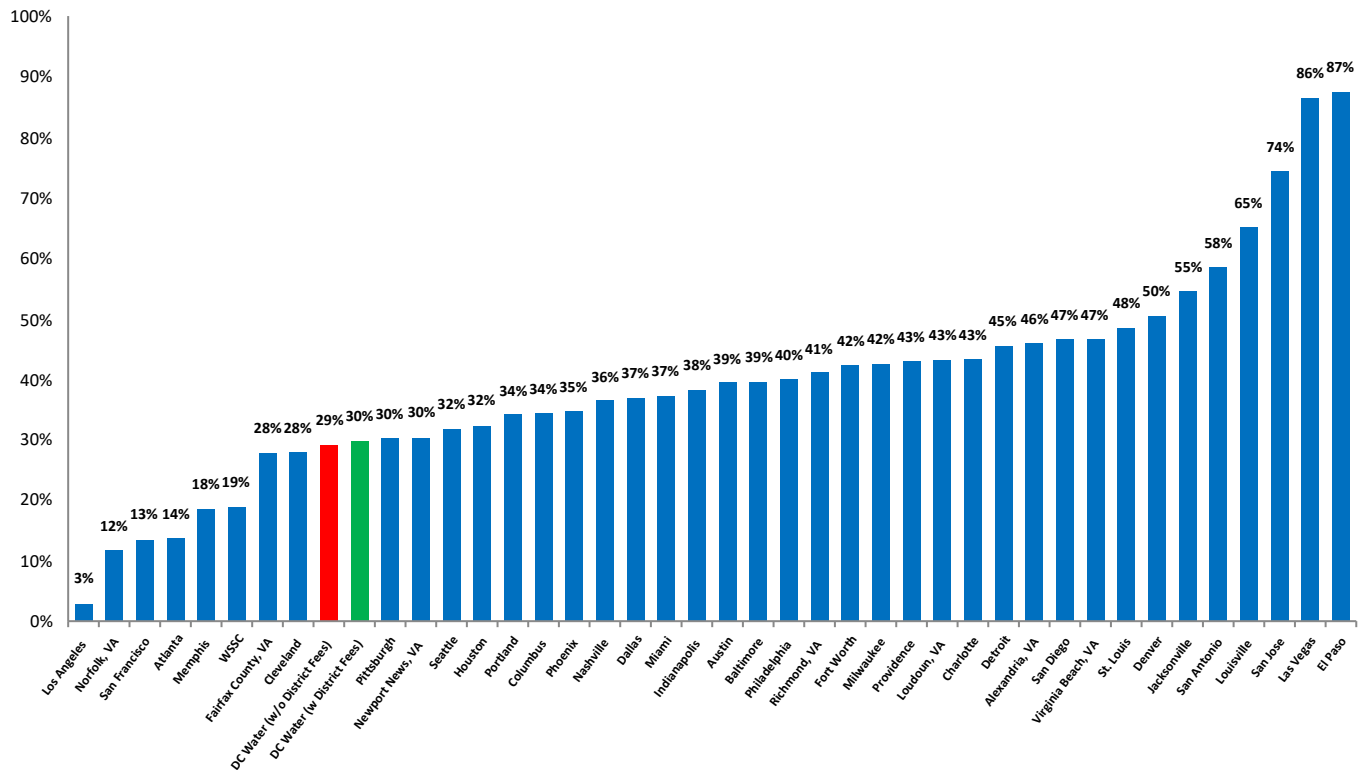
DC Water Compared to CSO Communities (Based on Rates in effect Fall 2021)



- 1) Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748gallons.
- 2) Reflects rates and fees in place as of December 1, 2021. The Authority's rate includes the PILOT/ROW fee totaling \$0.75 per Ccf (effective October 1, 2021) and the DOEE residential stormwater rate of \$2.67 per ERU per month.
- 3) Most CSO communities have implemented double digit rate increases to recover CSO-LTCP costs
- 4) Increases do not reflect other available dedicated taxes or state funding potentially available to some agencies
- 5) Chart reflects SFR monthly bill utilities with CSO programs without offsets to user charges

Fixed charges are a small component of the DC Water monthly bill and is less than median for large utilities. This provides the customer more opportunities to impact monthly bills through water conservation.

Fixed Charge as % of Total Single-Family Residential Bills in Large Cities (Based on Rates in effect Fall 2021)



- 1) User Charges are based upon information provided by the identified cities and standardized assumptions regarding water consumption, wastewater discharge, stormwater drainage area and other factors. Actual charges in each city will vary in accordance with local usage patterns. Some cities bill for sewer use on the basis of winter consumption which could affect sewer billings if a customer's use was not uniform throughout the year. Sewer charges include stormwater charges in those cities where separate stormwater fees are assessed. Some cities use property tax revenue or other revenues to pay for the part of the cost of water, wastewater, or stormwater services. In such situations, the user charges will not reflect the full cost of water, wastewater or stormwater services.
- 2) DC Water rate schedule was effective October 1, 2021. Whereas, charges for all cities reflect rate schedules in effect December 1, 2021
- 3) DC Water PILOT and ROW fees are split between variable water charges and variable sewer charges
- 4) DC Water charges include the stormwater charges of the District
- 5) CSO/Stormwater charges may cover the cost of CSO abatement facilities in those cities with combined sewers; such charges can also cover the cost of stormwater-related facilities and services

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Approved FY 2023 Budgets Section V: CAPITAL PROGRAMS



Potomac Pump Station

(\$ in thousands)

FY 2021	FY 2022 - 2031 CIP Disbursement Plan											Lifetime
Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-yr Total	Budget
\$371,518	\$567,507	\$647,004	\$668,633	\$619,913	\$735,924	\$822,910	\$783,185	\$669,154	\$496,528	\$409,140	\$6,419,899	\$13,377,458



DC Water Headquarters



Bryant Street Pump Station



Blue Plains

Overview

DC Water's Capital Improvement Program (CIP) supports the continuation of major capital asset investment in programs and projects that will upgrade the water distribution and sewer system as well as maintain compliance with federal mandates, and improve the efficiency of operations. The CIP includes all mandated projects, rehabilitation of assets required to meet permit and other regulatory requirements, and projects to meet the immediate needs necessary to maintain existing service levels.

The CIP is presented on two different basis; the ten-year disbursement plan and lifetime budget.

- **Ten-Year Disbursement Plan** – This category represents the actual cash disbursements “cash out of the door” for each project, excluding contingencies. It provides a more realistic approach and basis for forecasting the anticipated level of rate increases, as well as, timing for pursuing capital financing. In addition, the ten-year disbursement plan includes projected completion dates, program management, and in-house labor costs.
- **Lifetime Budget** – The “lifetime” budget, reflects historical spending prior to, during, and beyond the current ten-year period, including in-house labor. Lifetime budgets represent projects active during the ten-year period, and are the primary area of focus in budget development and day-to-day monitoring. In addition to “active” projects, the lifetime budget includes projects for which all activities have been completed during the previous fiscal year and are listed as “closed” in the CIP. Closed projects are dropped from the CIP in the next fiscal year, and new projects are continuously added, as needed, each fiscal year.

Detailed information on the projects can be found online at www.dewater.com

CIP Development and Approval Process

DC Water’s capital budget review process begins each year in the spring. The Department of CIP Infrastructure Management, working with the Engineering Cluster, conducts a review of major accomplishments, priorities, status of major projects, and emerging regulatory and related issues impacting the capital program. The review process is a collaborative effort and involves departments with responsibility for managing the operations of DC Water services and capital projects; staff from the department of Finance; and members of the Senior Executive Team. The CIP is integrated into DC Water’s ten-year financial plan; and is the primary driver of DC Water’s projected rate increases over the ten-year planning period.

The CIP review process spans over several months and culminates with the presentation of the CIP to DC Water’s Board of Directors’ Environmental Quality and Operations; Finance and Budget; and DC Retail Water and Sewer Rates Committees in January. The operating budgets, capital improvement program, and ten-year financial plan were adopted by the full Board on March 3, 2022.

After adoption by the Board of Directors, DC Water is required to submit its annual operating and ten-year capital budgets to the Mayor and the District of Columbia Council for review and comment. However, neither has the power to change DC Water’s annual budgets. The District of Columbia includes DC Water’s budgets in their submission to Congress.

Capital Authority Request

Capital authority represents the amount of Congressionally-authorized funding that DC Water can use to administer its capital program. Sufficient authority is required to be in place prior to contracts being executed. Actual commitments within the service areas may vary up or down for a particular year. However, they are “not to exceed the total” FY 2022 – FY 2031 capital authority request in the amount of \$5.9 billion.

It should be noted that the execution of contracts require the approval of the CEO and General Manager, as Contracting Officer, or his delegee. Major projects and contracts valued at \$1 million or more, require DC Water Board approval.

Capitalization Policy

DC Water’s capitalization policy determines how expenditures will be recognized and accounted. DC Water matches the financing of an asset to its projected useful life and the policy determines how projects will be financed.

DEFINITION:

- Capital Project – an average life of 30 years and is financed with long-term debt
- Capital Equipment – has a life of at least three years, is financed with short-term debt or cash, and an individual component cost of \$5,000 or more. The cost of capital equipment purchases that are part of a clearly identified capital program can be aggregated. In which case, all costs relating to the capital program are capitalized at the project level regardless to the individual component amount.

The following guidelines are used to categorize items as either capital equipment or an operating expense.

Expenditure Type	Financial Treatment	Definition
Rehabilitation		
Enhancement	Capitalize	Addition/replacement of a sub-component of an asset, to improve the “attributes” of the asset. This will include all such work as valve replacement or replacement of a section of a pipe.
Refurbishment	Capitalize	Expenditure on an asset that creates a material extension to the Estimated Operating Life (EOL) of the asset. This is distinct from maintenance work, which is carried out to ensure that an asset is able to perform its designated function for its normal EOL. An example of refurbishment would be pipe lining and pipe grouting.
Rebuild	Capitalize	Expenditures to reconstruct, renovate, remodel, remake or reassemble an asset or infrastructure after it has been damaged or destroyed. An example of a rebuild is a valve rehabilitation, reconstruction of the valve elements
Replacement	Capitalize	Expenditure to replace substantially all of an asset. An example is replacement and installation of a new pipe including the ensuing disinfection applications and all associated activities relating to the replacement
Repair	Expense	Expenditure on an asset that maintains or restores the design functionality or attributes of an asset, enabling the asset to perform its intended function during its EOL. Examples of these will include service line repairs such as clamp application on service pipes, bolt application/replacement/adjustment, small scale chemical applications such as use of dechlorinating tablets, meter shut off valve, curb stop, small service line repairs that does not involve replacement nor meter housing, high pressure jet vacuum or any other obstruction removal methodology
Maintenance	Expense	Scheduled and recurring costs for the continued performance of an asset



Capital Improvement Program

summary overview financial plan rates&rev

capital

financing

departmental

glossary

(\$ in thousands)

	FY 2021	FY 2022 - FY 2031 Disbursement Plan										Lifetime	
	Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-yr Total	Budget
NON PROCESS FACILITIES													
Facility Land Use	\$21,508	\$31,439	\$12,051	\$28,160	\$14,422	\$6,620	\$3,351	\$1,778	\$387	\$2,000	\$2,000	\$102,208	\$215,847
	\$21,508	\$31,439	\$12,051	\$28,160	\$14,422	\$6,620	\$3,351	\$1,778	\$387	\$2,000	\$2,000	\$102,208	\$215,847
WASTEWATER TREATMENT													
Liquid Processing	\$19,549	\$38,445	\$38,619	\$48,123	\$55,524	\$72,091	\$103,072	\$93,670	\$68,370	\$47,909	\$91,689	657,512	\$1,241,281
Plantwide	\$15,878	\$16,672	\$18,017	\$35,092	\$39,270	\$48,087	\$47,586	\$18,673	\$25,240	\$23,834	\$10,018	282,489	\$502,039
Solids Processing	\$31,863	\$22,422	\$19,722	\$32,546	\$21,534	\$12,258	\$12,445	\$15,045	\$16,099	\$31,675	\$30,414	214,160	\$893,604
Enhanced Nitrogen Removal Facilities	\$4,718	\$8,438	\$2,216	\$1,784	\$74	\$0	\$2,206	\$1,861	\$11,664	\$23,293	\$8,965	60,502	\$808,182
	\$72,007	\$85,978	\$78,574	\$117,545	\$116,402	\$132,436	\$165,310	\$129,249	\$121,373	\$126,710	\$141,086	\$1,214,664	\$3,445,105
COMBINED SEWER OVERFLOW													
DC Clean Rivers Program	\$160,358	\$147,347	\$106,774	\$66,064	\$85,968	\$147,762	\$165,363	\$214,664	\$143,867	\$39,054	\$0	1,116,863	\$2,992,358
Combined Sewer Overflow Program	\$1,158	\$4,919	\$10,929	\$11,240	\$19,218	\$14,179	\$6,396	\$5,459	\$9,306	\$12,350	\$6,306	100,303	\$223,714
	\$161,517	\$152,267	\$117,704	\$77,304	\$105,185	\$161,941	\$171,760	\$220,123	\$153,173	\$51,403	\$6,306	\$1,217,166	\$3,216,072
STORMWATER													
Storm Local Drainage Program	\$0	\$22	\$197	\$1,511	\$2,496	\$1,072	\$1,612	\$1,773	\$1,357	\$234	\$180	\$10,455	\$18,025
Storm On-Going Program	\$592	\$1,572	\$899	\$866	\$519	\$876	\$842	\$1,084	\$1,287	\$935	\$900	\$9,780	\$9,994
Storm Pumping Facilities	\$1,170	\$5,232	\$10,296	\$3,063	\$2,584	\$2,741	\$3,417	\$1,417	\$1,579	\$4,948	\$7,642	\$42,918	\$64,227
Stormwater Program Managemet	\$0	\$23	\$35	\$35	\$40	\$230	\$286	\$346	\$275	\$212	\$0	\$1,483	\$13,178
Stormwater Trunk/Force Sewers	\$69	\$182	\$99	\$78	\$174	\$67	\$0	\$0	\$0	\$0	\$0	\$600	\$15,510
	\$1,831	\$7,031	\$11,527	\$5,553	\$5,813	\$4,985	\$6,158	\$4,620	\$4,499	\$6,330	\$8,722	\$65,236	\$120,933
SANITARY SEWER													
Sanitary Collection System	\$1,972	\$1,948	\$8,147	\$27,697	\$34,534	\$46,713	\$50,712	\$47,945	\$46,871	\$31,138	\$30,057	\$325,762	\$506,422
Sanitary On-Going Projects	\$13,106	\$15,617	\$13,035	\$14,452	\$13,200	\$13,577	\$13,988	\$14,395	\$14,851	\$15,297	\$15,289	\$143,702	\$215,932
Sanitary Pumping Facilities	\$554	\$2,496	\$10,895	\$13,566	\$8,153	\$10,959	\$12,288	\$25,186	\$30,469	\$35,772	\$20,565	\$170,349	\$251,957
Sanitary Program Management	\$2,662	\$8,471	\$10,316	\$9,538	\$7,897	\$8,880	\$9,915	\$8,887	\$9,034	\$7,028	\$3,497	\$83,462	\$191,840
Interceptor/Trunk Force Sewers	\$9,910	\$39,553	\$60,990	\$85,574	\$67,184	\$80,271	\$119,043	\$87,412	\$48,030	\$40,133	\$10,662	\$638,851	\$1,000,291
	\$28,204	\$68,084	\$103,383	\$150,828	\$130,967	\$160,400	\$205,946	\$183,824	\$149,256	\$129,368	\$80,069	\$1,362,125	\$2,166,442
WATER													
Water Distribution Systems	\$25,789	\$82,276	\$102,848	\$77,198	\$65,128	\$89,029	\$92,136	\$91,572	\$100,969	\$87,062	\$91,501	\$879,719	\$1,771,888
Lead Free DC Program	\$8,253	\$56,987	\$94,377	\$101,955	\$100,624	\$82,147	\$62,407	\$62,749	\$62,550	\$5,155	\$0	\$628,951	\$812,516
Water On-Going Projects	\$14,772	\$14,917	\$15,454	\$15,870	\$15,769	\$15,390	\$17,669	\$18,819	\$20,500	\$21,500	\$20,781	\$176,668	\$231,960
Water Pumping Facilities	\$538	\$3,581	\$4,765	\$12,016	\$5,559	\$5,484	\$2,171	\$3,297	\$527	\$3,084	\$1,229	\$41,711	\$73,904
DDOT Water Projects	\$51	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Storage Facilities	\$4,413	\$2,645	\$4,813	\$8,229	\$3,651	\$4,876	\$9,526	\$9,147	\$3,136	\$3,241	\$2,211	\$51,475	\$156,199
Water Service Program Management	\$3,463	\$4,907	\$4,859	\$3,072	\$3,921	\$5,120	\$7,542	\$7,080	\$4,641	\$4,641	\$5,120	\$50,904	\$121,424
	\$57,279	\$165,313	\$227,116	\$218,339	\$194,652	\$202,046	\$191,451	\$192,665	\$192,324	\$124,683	\$120,842	\$1,829,430	\$3,167,891
CAPITAL PROJECTS	\$342,345	\$510,112	\$550,355	\$597,728	\$567,442	\$668,428	\$743,975	\$732,259	\$621,011	\$440,494	\$359,025	\$5,790,828	\$12,332,290
CAPITAL EQUIPMENT	\$19,585	\$40,519	\$37,021	\$36,156	\$35,307	\$39,671	\$41,813	\$36,203	\$36,203	\$36,203	\$36,203	\$375,302	\$375,302
WASHINGTON AQUEDUCT	\$9,588	\$16,875	\$59,628	\$34,749	\$17,164	\$27,825	\$37,122	\$14,723	\$11,940	\$19,831	\$13,911	\$253,768	\$253,768
ADDITIONAL CAPITAL PROJECTS	\$29,174	\$57,394	\$96,649	\$70,905	\$52,471	\$67,496	\$78,935	\$50,926	\$48,143	\$56,034	\$50,114	\$629,070	\$629,070
LABOR													\$416,097
TOTAL CAPITAL BUDGETS	\$371,518	\$567,507	\$647,004	\$668,633	\$619,913	\$735,924	\$822,910	\$783,185	\$669,154	\$496,528	\$409,140	\$6,419,899	\$13,377,458

(\$ in thousands)

Prioritization Schedule

The Authority evaluates and prioritizes capital projects based on a specific criteria. These criterias are fundamental in developing a CIP based on demonstrated needs and are set forth in the following table and described below.

Approximately 18 percent of the current CIP ten-year disbursements are for large regulatory mandates which includes the Clean Rivers Project. As we progress closer to the completion of the mandated projects, DC Water is able to increase investments in upgrading its aging water and sewer infrastructure.

MEASURE OF PRIORITY

	1A		2A	2B	2C	2D	3A		3B	
	Mandates		Health & Safety	Board Policy	Potential Failure	High Profile Good Neighbor	Good Engineering High Payback		Good Engineering Lower Payback	
	Agreements, Regulatory standards, Court orders, Issues and Permits requirements, Stipulated Agreements, Etc.		Required to address Public Safety	Undertaken as a result of the Board's commitment to outside agencies	Related to Facilities in danger of failing, or critical to meeting permit requirements	Address Public concerns	Need to fulfill Mission and upgrade Facilities		Lower priority Projects	
FY 2022	\$154,484	27%	\$15,029	\$150,006	\$37,778	\$1,971	\$139,063	25%	\$69,176	\$567,507
FY 2023	\$106,827	17%	\$55,821	\$187,621	\$45,608	\$964	\$161,338	25%	\$88,825	647,004
FY 2024	\$66,090	10%	\$22,047	\$155,503	\$45,047	\$699	\$216,669	32%	\$162,579	668,633
FY 2025	\$85,968	14%	\$7,998	\$144,127	\$51,131	\$1,736	\$193,652	31%	\$135,302	619,914
FY 2026	\$147,762	20%	\$11,743	\$134,922	\$37,683	\$1,189	\$237,784	32%	\$164,842	735,924
FY 2027	\$165,363	20%	\$23,506	\$120,645	\$57,975	\$1,621	\$247,881	30%	\$205,919	822,911
FY 2028	\$214,664	27%	\$12,922	\$130,675	\$48,912	\$2,712	\$191,334	24%	\$181,967	783,185
FY 2029	\$143,867	21%	\$4,455	\$140,653	\$27,111	\$0	\$188,048	28%	\$165,022	669,155
FY 2030	\$39,054	8%	\$2,680	\$68,989	\$40,732	\$0	\$176,511	36%	\$168,563	496,528
FY 2031	\$0	0%	\$2,516	\$68,037	\$19,560	\$0	\$124,905	31%	\$194,121	409,139
Total	\$1,124,077		\$158,715	\$1,301,178	\$411,536	\$10,891	\$1,877,185		\$1,536,316	\$6,419,899
% of Total	17.5%		2.5%	20.3%	6.4%	0.2%	29.2%		23.9%	

(\$ in thousands)

FY 2021	FY 2022 - 2031 CIP Disbursement Plan											Lifetime
Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-yr Total	Budget
\$21,508	\$31,439	\$12,051	\$28,160	\$14,422	\$6,620	\$3,351	\$1,778	\$387	\$2,000	\$2,000	\$102,208	\$215,847



Non Process Facilities Sewer Building



Main Pumping Station



Fleet Maintenance Facility

Overview

The Non Process Facilities Service Area accommodates projects approved under the Non Process Facilities Master Plan (NPFMP) and related improvements necessary to support DC Water activities and critical operations. The goals of this CIP are the same as those in the NPFMP, which are designed to:

- Optimize healthy sustainable and efficient use of existing DC Water land and facilities
- Introduce state-of-the-art material management technologies that will enhance inventory security, storage, distribution, and transportation
- Implement wellness strategies, green strategies, and sustainable design within DC Water infrastructure and facility planning
- Maximize flexibility throughout DC Water facilities to support management of future treatment needs, distribution system operations, and innovative opportunities

PROGRAM AREAS

Facility Land Use – The primary objective of this service area is to implement the Non-Process Facilities Master Plan (NPFMP) and to ensure that we are meeting the health & hygiene needs of our workforce while efficiently maintaining facilities to support our operations. The facility land use budget provides for improvement projects to DC Water’s regularly occupied facilities. These projects directly contribute to the sustainability of DC Water facilities assets as well as the health and well-being of our employees and visitors in DC Water’s office and shop environments. Some of the projects included in this program are:

- **Renovations to Bryant Street Campus** – The 2013 NPFMP required the development of improved spaces for our Water Operations and expanding critical functions through the development of a proper Emergency Operations Center (EOC), while maintaining the Bryant Street Pump Station’s historic character. In addition to efficiently organizing the space vacated by personnel now located at HQO, this project consists of identifying a range of potential tasks, such as structural/building envelope analysis, energy efficiency and resiliency upgrades, improved parking and workspace planning and warehousing that will modernize and improve operations at the Bryant Street campus.
- **Main & O Redevelopment Efforts** – This project relocates Sewer and Fleet Operations from the Main & O Campus in order to accommodate the redevelopment plans for the District of Columbia in and around the Navy Yard. Costs associated with the acquisition of new land and construction of new facilities will be paid by the District of Columbia, with occupancy targets of FY 2022 for both the Fleet Facility and Sewer Facility occupancy.
- **Main Pump Station Building Modifications** – This project is in place to ensure the historic Main Pump Station will continue to last and humbly represent DC Water’s lasting contributions to Washington DC’s growth and success. This funding will support restoration to the building’s exterior envelope and interior spaces to planning, design and for many years to come. The restoration requires planning, design and construction by historic building specialty companies. In addition to permitting with Department of Consumer and Regulatory Affairs (DCRA), there will be extensive need for outreach and coordination with the State Historic Preservation Office (SHPO) and the Commission of Fine Arts (CFA).
- **Main & O Seawall Restoration** – This project provides for planning, design and construction to rebuild the existing seawall to the south of the new headquarters building. Planning and procurement of design is planned for FY 2022 with design and construction projected to start in FY 2023 through FY 2025. The project will provide for continued protection by the seawall as well as to do our part to support improvements to the Anacostia River waterfront area.
- **Floatable Debris Dock Replacement** – The existing docks are more than 25 years old and need to be replaced. The replacement slips (at least five) and associated new piles will allow flexibility and maneuverability of the boats, overcome the existing draft challenges of the river bottom, and most importantly, create safe conditions for the staff and their operations. Future improvements include the installation of a new boat ramp and updated fencing and lighting to further improve the efficiencies of skimmer boat operations.

- **Renovations to Blue Plains Central Operations Facility** – The 2013 NPFMP called for utilizing the Central Operations Facility as the operations center for Blue Plains as originally intended, consolidating all Engineering staff except Clean Rivers. In addition to efficiently organizing the space vacated by administrative personnel now located at the Headquarters Office, this project consists of identifying a range of potential tasks, such as structural/building envelope analysis, energy efficiency and resiliency upgrades, and improved space planning and document storage that will modernize and improve operations at the facility. The planning and design for this project have been pushed back to FY 2023 – FY 2024 due to revenue impacts of the pandemic.
- **Non-Process Heating, Ventilation, and Air Conditioning (HVAC) and Roofing Projects** – This project is meant to holistically address some of the HVAC and roofing/building envelope challenges that exist throughout DC Water facilities. This will include undertaking proper analysis of our needs given the characterization of the space (occupied versus non-occupied for example) and then developing remediation and renovation plans as identified by the assessment. In FY 2022, the NPF program management team will be pushing forward HVAC and roofing projects with immediate needs and starting inventory and analysis. Then we will look to implement an informed, proactive plan moving forward that considers the proper lifecycle costs of these assets to ensure that our facilities meet the needs of our operations and workforce.

ACCOMPLISHMENTS

- The new Non-Process Facilities Program Management (NPFPM) contract has been executed and work has begun. This contract provides for program management, planning, design and construction management services to support land use and non-process capital projects. The Facilities Department and NPFPM continue to coordinate with the Department of Engineering and Technical Services on active land use project while the land use program management is in transition.
- The new Sewer Services facility at Ames Place is substantially finished with a final completion date to be determined. The Sewer Services team moved into the new building and has been operating effectively from this new campus.
- The new Fleet Service Facility is currently under construction with completion anticipated in FY 2022.
- DC Water is in the schematic design / program development phase for the renovations at Bryant Street. Bryant Street planning is advancing with interactions with State Historic Preservation Office (SHPO). Determination of Eligibility for the Distribution Building and the warehouse at 200 Bryant Street has been completed and planning is moving forward in coordination with the determinations.
- Planning for the Main & O Seawall Restoration, Floatable Debris Dock Upgrades, Main Pump Station Restoration, Bryant Street Parking Modifications projects is underway in preparation for the procurement of design or design-build services.

OPERATIONAL IMPACT OF MAJOR CAPITAL PROGRAMS

Headquarters Building – This new building is LEED® Platinum Class A certified and incorporated environmentally sustainable features used to capture onsite rainfall for irrigation and non-potable water needs inside the facility. Additionally, alternative energy will be supplied by an innovative sewer heat recovery system that will lower operating cost. The NPFPM team has started the process of LEED Platinum status renewal.

Non Process Facilities

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(\$ in thousands)

FACILITY LAND USE		Start	Status	FY 2021 Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-Yr Total	Lifetime Budget	Completion
DS	New Headquarters Building	2008	Ongoing	\$1,015	\$1,115	\$15	\$3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,133	\$76,264	2024
DU	Water System Laboratory Facilities	2006	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$646	2021
HE	Bryant Street Pump Station Building Mod.	2018	Ongoing	\$5	\$599	\$1,356	\$4,437	\$5,149	\$409	\$0	\$0	\$0	\$0	\$0	\$11,950	\$14,370	2026
HF	Fort Reno Pump Station	2020	Ongoing	\$0	\$320	\$515	\$1,626	\$381	\$0	\$0	\$0	\$0	\$0	\$0	\$2,841	\$2,950	2025
HH	Main & O Redevelopment Efforts	2015	Ongoing	\$20,242	\$21,568	\$713	\$14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,295	\$50,231	2024
HJ	Central Operations Facility Renovation	2019	Ongoing	\$9	\$2,866	\$1,307	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,174	\$7,214	2023
HK	CMF Renovations And Consolidation	2020	Ongoing	\$110	\$1,001	\$1,028	\$3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,032	\$4,920	2023
NZ	Floatable Debris Dock Replacement	2020	Ongoing	\$0	\$754	\$1,851	\$1,929	\$90	\$433	\$131	\$0	\$0	\$0	\$0	\$5,188	\$5,402	2027
RV	Non-Process Area - HVAC And Roofing Projects	2020	Ongoing	\$126	\$1,233	\$1,494	\$2,410	\$3,050	\$2,747	\$1,792	\$1,707	\$387	\$2,000	\$2,000	\$18,821	\$19,950	2031
SA	Anacostia Pump Station - Field Ops East	2022	New	\$0	\$72	\$33	\$0	\$142	\$398	\$1,290	\$71	\$0	\$0	\$0	\$2,005	\$2,000	2028
SB	Bryant Street Parking Modifications	2022	New	\$0	\$145	\$66	\$170	\$758	\$2,633	\$139	\$0	\$0	\$0	\$0	\$3,910	\$4,000	2027
SC	Main & O Seawall Restoration (Phase 2 HQO)	2022	New	\$0	\$934	\$1,674	\$6,268	\$3,049	\$0	\$0	\$0	\$0	\$0	\$0	\$11,924	\$12,000	2025
SD	Main PS Building Modifications - Historic Restoration	2022	New	\$0	\$517	\$1,686	\$10,999	\$1,802	\$0	\$0	\$0	\$0	\$0	\$0	\$15,005	\$15,000	2025
SE	Non-Process Facilities Program Management	2022	New	\$0	\$316	\$315	\$300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$930	\$900	2024
TOTAL FACILITY LAND USE BUDGETS				\$21,508	\$31,439	\$12,051	\$28,160	\$14,422	\$6,620	\$3,351	\$1,778	\$387	\$2,000	\$2,000	\$102,208	\$215,847	
TOTAL NON PROCESS FACILITIES BUDGETS				\$21,508	\$31,439	\$12,051	\$28,160	\$14,422	\$6,620	\$3,351	\$1,778	\$387	\$2,000	\$2,000	\$102,208	\$215,847	

(\$ in thousands)

FY 2021 Actual	FY 2022 - 2031 CIP Disbursement Plan											Lifetime Budget
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-yr Total	
\$72,007	\$85,978	\$78,574	\$117,545	\$116,402	\$132,436	\$165,310	\$129,249	\$121,373	\$126,710	\$141,086	\$1,214,664	\$3,445,105



Blue Plains Filter Influent Pump Install



Blue Plains Gravity Thickener Phase 2



Blue Plains Clarification at Wet Weather Treatment Facility

Overview

Capital projects in the Wastewater Treatment Service Area are required to rehabilitate, upgrade or provide new facilities at Blue Plains to ensure that it can reliably meet its National Pollutant Discharge Elimination System (NPDES) permit requirements and produce a consistent, high-quality dewatered biosolids product. DC Water's current NPDES permit is effective from August 26, 2018, through August 25, 2023. This permit requires wastewater treatment to a level that meets one of the most stringent NPDES discharge permits in the United States.

Blue Plains Advanced Wastewater Treatment Plant treats an annual average flow of 320 million gallons per day (MGD) and has a design capacity of 384 MGD, with a peak wet weather design capacity to treat more than one billion gallons per day. Wastewater flows in from the District of Columbia, Montgomery and Prince George's Counties in Maryland, and Fairfax and Loudoun counties in Virginia.

PROGRAM AREAS

Liquids Processing – Projects in this program area encompass upgrading and rehabilitating facilities involved in handling flows from the sanitary and combined sewer systems. These flows progress sequentially through the Plant processes and ultimately discharge the treated effluents into the Potomac River.

Plantwide – This program provides for upgrading, rehabilitating, or installing support systems and facilities that are required for both the liquid processing and solids processing programs.

Solids Processing – Biosolids processing involves reductions in volume along with treatment to meet applicable federal, state and local requirements for beneficial reuse of biosolids. Treatment is provided by a system of processing facilities that include gravity thickening of primary sludge, floatation thickening of the biological waste sludge produced by the secondary and nitrogen removal processes, pre-dewatering of blended thickened solids by centrifuge, pretreatment of solids by thermal hydrolysis, anaerobic digestion, and final dewatering of Class A biosolids by belt filter press.

Enhanced Nitrogen Removal Facilities – Provides for new facilities and upgrades to existing facilities needed at Blue Plains to meet the total nitrogen discharge limit assigned to DC Water. In addition to expansion of existing nitrification and denitrification processes, this program includes a new wet weather treatment facility that simultaneously treats combined stored sewage and reduces the peak flow through the biological treatment system. The necessary facilities to meet the current NPDES permit are in operation. However, close out activities continued into fiscal year 2022 and an expansion will be required in the future to treat future increased influent load to the Plant.

ACCOMPLISHMENTS

- Ongoing construction of Raw Wastewater Pumping Station 2 (RWWPS2) – The pump station delivers wastewater from the wastewater collection system to the east preliminary treatment processes at Blue Plains. This project updates aging electrical equipment, both replacing equipment that is beyond its useful life and relocating sensitive electronic equipment to a less corrosive environment to reduce the rate of deterioration of the equipment. All nine (9) pumps in this station have been rehabilitated and placed in service.
- Completion of the Floodwall Segment C construction at Blue Plains – This is one of five segments that once completed, will protect the wastewater treatment plant from river levels up to the 500-year flood elevation with sufficient freeboard to protect against storm surge as well.
- Ongoing construction for replacement of Filter Influent Pumps 1-10 – These pumps deliver nitrified and denitrified effluent to the filtration process at Blue Plains, which removes solids and phosphorus to meet permit limits. Three (3) of the ten (10) pumps have been upgraded.
- Ongoing construction for Gravity Thickener Upgrades – This project includes upgrading ten (10) gravity thickeners as well as the primary sludge de-gritting systems and associated electrical and instrumentation and control systems. Three (3) of the ten (10) gravity thickeners have been upgraded.
- Ongoing construction to replace thirteen (13) influent screens – This equipment screens all the wastewater influent to Blue Plains and removes rags and objects upstream of critical treatment processes protecting equipment and performance effectiveness. Ten (10) of the thirteen (13) screens have been upgraded.
- Commencement of the Miscellaneous Facilities Upgrades Phase 7 project – This project will perform emergency and non-emergency related repairs at Blue Plains and the various Storm and Sanitary Pump Stations serving the District.
- Ongoing construction for the Final Reclaimed Effluent Pump Station Upgrade – The Reclaimed Final Effluent (RFE) pump system is the source of water for the Process Service Water system (PSW) at Blue Plains. The project upgrades equipment for reliability as well as increasing capacity to meet the demand of facilities that have been added to the wastewater treatment plant in recent years.

OPERATIONAL IMPACT OF MAJOR CAPITAL PROGRAMS

Liquid Processing Program – Projects in this program enable DC Water to continue to produce excellent quality effluent into the Potomac River and meet NPDES permit requirements. Completion of RWWPS2 Upgrade improved system reliability and increased redundancy and has extended the useful life of assets in the station.

Plantwide Projects Program – Significant projects in this program upgrade the power distribution system at Blue Plains. These include investments in power monitoring and controls with a goal to establish a microgrid. This new equipment will be used to optimize the distributed energy system, which includes an on-site solar generation and a combined heat and power plant.



Wastewater Treatment

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(\$ in thousands)

LIQUID PROCESSING		Start	Status	FY 2021 Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-Yr Total	Lifetime Budget	Completion
A2	Liquid Processing Program Management	2001	Ongoing	\$0	\$4,466	\$3,120	\$2,621	\$2,985	\$4,926	\$6,674	\$7,100	\$8,278	\$6,266	\$4,332	\$50,768	64,027	2035
B6	Primary Sedimentation Tank Covers	2026	Ongoing	\$0	\$0	\$0	\$0	\$0	\$646	\$1,017	\$137	\$2,168	\$2,620	\$19,763	\$26,351	43,598	2032
B7	Primary Sedimentation Tank Odor Scrubblers	2028	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,433	\$1,456	\$2,640	\$8,859	\$14,388	45,870	2032
BC	Headworks Influent Structures	2017	Ongoing	\$982	\$751	\$1,620	\$6,253	\$5,594	\$1,935	\$0	\$0	\$0	\$0	\$0	\$16,153	19,323	2026
BQ	Grit and Screenings and Primary	2018	Ongoing	\$1,714	\$2,550	\$5,518	\$22,628	\$15,049	\$0	\$0	\$0	\$0	\$0	\$0	\$45,745	55,698	2025
BR	Nitrification/Denitrification Facility	2006	Ongoing	\$128	\$16	\$1,516	\$247	\$236	\$148	\$22	\$0	\$0	\$0	\$0	\$2,184	54,803	2027
BT	Filtration/Disinfection Facility Phase II	2008	Ongoing	\$6	\$0	\$150	\$72	\$562	\$1,479	\$329	\$0	\$0	\$0	\$0	\$2,592	24,018	2027
BV	Raw Wastewater Pump Station No. 2 Upgrades	2013	Ongoing	\$2,532	\$1,758	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,758	46,898	2022
I4	Grit Removal Facilities - 20 Year Rebuild	2031	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,300	\$2,300	52,500	2033
I5	Raw Water Pump Stations I & 2 - 20 Year Rebuild	2024	Ongoing	\$0	\$0	\$0	\$715	\$919	\$7,828	\$10,774	\$3,478	\$0	\$0	\$0	\$23,715	29,000	2028
I7	Primary Treatment - 20 Year Rebuild	2023	Ongoing	\$0	\$0	\$100	\$402	\$2,637	\$3,637	\$13,845	\$20,310	\$8,702	\$0	\$0	\$49,633	54,600	2029
IY	Effluent Filter Upgrade	2017	Ongoing	\$832	\$9,460	\$15,949	\$5,388	\$13,920	\$25,132	\$28,658	\$16,540	\$10,492	\$5,392	\$9,012	\$139,944	169,842	2031
IZ	Replace/Upgrade Influent Screens	2016	Ongoing	\$4,879	\$7,869	\$0	\$0	\$0	\$0	\$260	\$2,723	\$2,264	\$6,551	\$22,676	\$42,343	81,490	2033
J2	Replace/Upgrade Primary Treatment Mechanisms	2018	Ongoing	\$236	\$1,480	\$4,187	\$3,938	\$3,200	\$3,816	\$3,138	\$702	\$0	\$0	\$0	\$20,460	29,190	2028
J6	Deammonification Project	2013	Ongoing	\$0	\$0	\$416	\$158	\$1,917	\$1,137	\$0	\$0	\$0	\$0	\$0	\$3,628	3,848	2026
JC	Secondary East and West - 20 Year Rebuild	2027	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$559	\$6,462	\$16,422	\$20,596	\$19,612	\$63,650	96,000	2034
LC	Effluent Disinfection Upgrades	2023	Ongoing	\$0	\$0	\$1	\$769	\$80	\$481	\$4,301	\$1,537	\$0	\$0	\$0	\$7,169	8,011	2028
LF	Nitrification Reactor/Sedimentation - 20 Year Rebuild	2023	Ongoing	\$0	\$0	\$90	\$480	\$1,334	\$1,854	\$2,686	\$3,543	\$3,899	\$3,024	\$5,135	\$22,047	139,980	2035
OZ	Grit Chambers I & 2 Upgrades	2017	Ongoing	\$156	\$0	\$1	\$463	\$619	\$5,037	\$3,912	\$0	\$0	\$0	\$0	\$10,032	15,130	2027
PD	Secondary East & West Upgrades	2016	Ongoing	\$0	\$0	\$0	\$0	\$368	\$508	\$4,034	\$3,221	\$0	\$0	\$0	\$8,131	9,685	2028
PE	Nitrification Reactor/Sedimentation Upgrades	2017	Ongoing	\$89	\$1,739	\$1,401	\$3,866	\$4,314	\$556	\$0	\$0	\$0	\$0	\$0	\$11,878	14,994	2026
RN	Liquids Processing Rehabilitation	2020	Ongoing	\$0	\$0	\$1,049	\$122	\$1,792	\$10,104	\$8,170	\$551	\$0	\$0	\$0	\$21,788	23,321	2028
RW	Long-term Concrete Rehabilitation Projects	2026	New	\$0	\$0	\$0	\$0	\$0	\$2,866	\$14,693	\$25,934	\$14,688	\$819	\$0	\$59,000	62,820	2030
UC	Filtration/Disinfection Facility	2000	Ongoing	\$7,995	\$8,355	\$3,501	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,856	96,636	2023
TOTAL LIQUID PROCESSING BUDGETS				\$19,549	\$38,445	\$38,619	\$48,123	\$55,524	\$72,091	\$103,072	\$93,670	\$68,370	\$47,909	\$91,689	\$657,512	\$1,241,281	



Wastewater Treatment

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PLANTWIDE		Start	Status	FY 2021 Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-Yr Total	Lifetime Budget	Completion
AL	Plantwide Project Program Management	2001	Ongoing	\$4,695	\$3,648	\$2,047	\$1,677	\$2,088	\$1,693	\$1,285	\$4	\$858	\$1,385	\$953	\$15,637	\$51,973	2031
BY	Additional Chemical Systems Phase III	2024	Ongoing	\$0	\$0	\$0	\$154	\$78	\$1,482	\$1,629	\$91	\$0	\$0	\$0	\$3,434	\$3,822	2029
CH	Miscellaneous Facility Projects	2004	Ongoing	\$0	\$5	\$5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10	\$8,039	2023
CV	Laboratory Upgrades	2006	Ongoing	\$79	\$652	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$652	\$9,291	2022
CW	Security at Blue Plains	2005	Ongoing	\$333	\$1,458	\$254	\$21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,733	\$6,617	2024
EI	Plantwide Painting of Steel Pipes	2012	Ongoing	\$0	\$0	\$0	\$1,282	\$2,918	\$1,290	\$0	\$0	\$0	\$0	\$0	\$5,490	\$5,570	2026
GP	Instrumentation & Control & Electric Program Management	2009	Ongoing	\$883	\$1,200	\$247	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,447	\$6,373	2023
GW	Control Systems Replacement	2022	Ongoing	\$0	\$0	\$173	\$745	\$328	\$1,086	\$1,471	\$6,187	\$12,324	\$8,062	\$4,290	\$34,667	\$37,000	2031
HL	DWT - Process and Operations Jobs	2011	Ongoing	\$484	\$440	\$43	\$868	\$306	\$0	\$0	\$0	\$0	\$0	\$0	\$1,657	\$9,213	2025
IC	Electrical Monitoring Systems	2015	Ongoing	\$0	\$108	\$480	\$907	\$1,033	\$9,929	\$11,601	\$618	\$0	\$0	\$0	\$24,676	\$26,130	2028
IT	Hauled Waste Receiving Facility	2020	Ongoing	\$366	\$0	\$227	\$209	\$2,878	\$607	\$0	\$0	\$0	\$0	\$0	\$3,921	\$5,000	2026
IU	Solar Photovoltaic System	2020	Ongoing	\$512	\$20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20	\$960	2022
IV	Blue Plains IT Backbone Fibre-Optic Cables Tubes	2016	Ongoing	\$54	\$97	\$821	\$1,609	\$339	\$281	\$16	\$0	\$0	\$0	\$0	\$3,164	\$5,899	2027
JF	Construction of Flood Seawall	2019	Ongoing	\$5,302	\$466	\$3	\$5,174	\$3,936	\$341	\$0	\$0	\$0	\$0	\$0	\$9,920	\$17,218	2026
LS	Miscellaneous Facility Projects FY 2013	2013	Ongoing	\$1,024	\$223	\$319	\$681	\$754	\$754	\$748	\$451	\$450	\$115	\$0	\$4,493	\$17,582	2030
LX	Process Control System Upgrade	2021	Ongoing	\$0	\$1,588	\$1,042	\$1,150	\$147	\$0	\$0	\$0	\$0	\$0	\$0	\$3,927	\$4,000	2025
OD	Plantwide Paving	2015	Ongoing	\$37	\$3	\$1	\$285	\$747	\$410	\$100	\$3,117	\$1,783	\$0	\$0	\$6,446	\$8,240	2029
OE	Plantwide Drainage & Runoff	2016	Ongoing	\$0	\$561	\$5,074	\$3,484	\$5,277	\$2,305	\$0	\$0	\$0	\$0	\$0	\$16,701	\$19,112	2026
OG	City Water & Sewer Upgrades at Wastewater Treatment	2022	Ongoing	\$0	\$0	\$30	\$34	\$775	\$344	\$0	\$0	\$0	\$0	\$0	\$1,183	\$1,403	2026
OH	Plantwide Demolition	2026	Ongoing	\$0	\$0	\$0	\$0	\$784	\$3,658	\$2,296	\$763	\$0	\$1,773	\$1,668	\$10,941	\$11,100	2032
OM	Plantwide Hot Water System/ Loop Rehabilitation	2017	Ongoing	\$156	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,209	2021
ON	Plantwide Grounding Upgrades	2020	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,500	2021
OP	Plantwide Sump Pump Rehabilitation	2020	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000	2021
OQ	Plantwide Roofing Upgrades	2022	Ongoing	\$0	\$0	\$120	\$496	\$764	\$4,102	\$4,524	\$0	\$0	\$0	\$0	\$10,006	\$10,000	2027
OS	Plantwide Lighting Upgrades	2017	Ongoing	\$985	\$0	\$651	\$3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$655	\$3,723	2024
PF	Chemical System/Building Upgrades	2015	Ongoing	\$78	\$686	\$226	\$2,442	\$3,240	\$2,945	\$5,644	\$1,339	\$0	\$0	\$0	\$16,522	\$26,660	2028
TZ	Electric Power System - Power Gear	2001	Ongoing	\$285	\$5,034	\$3,318	\$7,866	\$6,432	\$10,201	\$13,133	\$5,060	\$0	\$0	\$0	\$51,044	\$71,666	2028
U2	Wastewater Thermal Energy	2020	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$126	\$126	\$18,430	2031
V1	MFU8 - Rehabilitation and Emergency Response VIII	2023	New	\$0	\$0	\$2,251	\$2,472	\$2,465	\$2,426	\$772	\$0	\$0	\$0	\$0	\$10,386	\$10,280	2027
V2	MFU9 - Rehabilitation and Emergency Response IX	2023	New	\$0	\$0	\$294	\$2,118	\$2,447	\$2,446	\$2,417	\$571	\$0	\$0	\$0	\$10,294	\$10,280	2028
V3	MFU10 - Rehabilitation and Emergency Response - Plantwide	2023	New	\$0	\$0	\$309	\$1,186	\$1,224	\$1,217	\$1,198	\$0	\$0	\$0	\$0	\$5,135	\$5,120	2027
YD	Miscellaneous Projects	1999	Ongoing	\$606	\$483	\$84	\$228	\$311	\$569	\$752	\$473	\$304	\$0	\$0	\$3,204	\$51,630	2029
XP	Efficiency Improvements	2029	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,521	\$12,500	\$2,979	\$25,000	\$25,000	2031
TOTAL PLANTWIDE BUDGETS				\$15,878	\$16,672	\$18,017	\$35,092	\$39,270	\$48,087	\$47,586	\$18,673	\$25,240	\$23,834	\$10,018	\$282,489	\$502,039	



Wastewater Treatment

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(\$ in thousands)

SOLIDS PROCESSING		Start	Status	FY 2021 Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-Yr Total	Lifetime Budget	Completion
AM	Solids Processing Program Management	2001	Ongoing	\$3,247	\$2,248	\$1,100	\$598	\$1,236	\$1,608	\$1,540	\$1,198	\$1,356	\$1,918	\$1,320	\$14,124	\$22,630	2031
BX	Gravity Thickener Upgrades Phase II	2010	Ongoing	\$26,562	\$18,862	\$13,117	\$4,062	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36,041	\$83,993	2024
EV	Area Substation No. 6	2008	Ongoing	\$30	\$42	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$42	\$22,106	2022
I3	Biosolids Blending Development Center	2015	Ongoing	\$0	\$177	\$785	\$9,679	\$124	\$0	\$0	\$0	\$0	\$0	\$0	\$10,765	\$12,093	2025
LD	Pre-Dewatering Additional Centrifuges	2020	Ongoing	\$176	\$649	\$938	\$5,505	\$2,108	\$0	\$0	\$0	\$0	\$0	\$0	\$9,200	\$10,051	2025
LE	High Strength Waste Receiving Facility (Includes Fats, Oils & Grease)	2024	Ongoing	\$0	\$0	\$0	\$125	\$352	\$3,052	\$1,751	\$0	\$0	\$0	\$0	\$5,280	\$6,008	2027
RM	Biosolids Rehabilitation	2021	Ongoing	\$0	\$145	\$2,823	\$6,603	\$9,170	\$1,218	\$5,856	\$4,310	\$2,399	\$17,413	\$16,750	\$66,685	\$79,996	2033
XA	New Digestion Facilities	1999	Ongoing	\$1,454	\$136	\$475	\$80	\$3	\$0	\$0	\$0	\$0	\$0	\$0	\$693	\$552,905	2025
XZ	Solids Processing Building / Dewatered Sludge Loading Facility	1999	Ongoing	\$395	\$163	\$174	\$4,708	\$7,317	\$5,162	\$2,100	\$1,739	\$1,956	\$1,956	\$1,956	\$27,231	\$44,703	2032
XY	Process Control & Computer Sys	2028	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,799	\$10,389	\$10,389	\$10,389	\$38,964	\$54,000	2033
V4	MFU10 - Rehabilitation and Emergency Response - Biosolids X	2023	New	\$0	\$0	\$309	\$1,186	\$1,224	\$1,217	\$1,198	\$0	\$0	\$0	\$0	\$5,135	\$5,120	2027
TOTAL SOLIDS PROCESSING BUDGETS				\$31,863	\$22,422	\$19,722	\$32,546	\$21,534	\$12,258	\$12,445	\$15,045	\$16,099	\$31,675	\$30,414	\$214,160	\$893,604	

ENHANCED NITROGEN REMOVAL		Start	Status	FY 2021 Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-Yr Total	Lifetime Budget	Completion
BI	Enhanced Nitrogen Removal (ENR) North	2008	Ongoing	\$11	\$60	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$60	\$77,086	2022
E8	Enhanced Clarification Facilities	2009	Ongoing	\$2,230	\$5,339	\$2,216	\$1,784	\$74	\$0	\$0	\$0	\$0	\$0	\$0	\$9,414	\$180,487	2025
E9	Nitrogen Removal Facilities	2008	Ongoing	\$20	\$39	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$39	\$272,998	2022
EE	Filtrate Treatment Facilities	2009	Ongoing	\$286	\$428	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$428	\$108,294	2022
FG	Secondary Treatment Upgrades for Total Nitrogen	2013	Ongoing	\$0	\$443	\$0	\$0	\$0	\$0	\$2,206	\$1,861	\$11,664	\$23,293	\$8,965	\$48,433	\$57,168	2032
FR	Blue Plains Tunnel Dewatering Pumping Station	2010	Ongoing	\$53	\$1,212	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,212	\$35,657	2022
FS	Bolling Overflow & Diversion	2010	Ongoing	\$685	\$917	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$917	\$56,391	2022
LM	Enhanced Nitrogen Removal Program Management	2013	Ongoing	\$1,433	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,100	2021
TOTAL ENHANCED NITROGEN REMOVAL BUDGETS				\$4,718	\$8,438	\$2,216	\$1,784	\$74	\$0	\$2,206	\$1,861	\$11,664	\$23,293	\$8,965	\$60,502	\$808,182	

TOTAL WASTEWATER TREATMENT BUDGETS				\$72,007	\$85,978	\$78,574	\$117,545	\$116,402	\$132,436	\$165,310	\$129,249	\$121,373	\$126,710	\$141,086	\$1,214,664	\$3,445,105	
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(\$ in thousands)

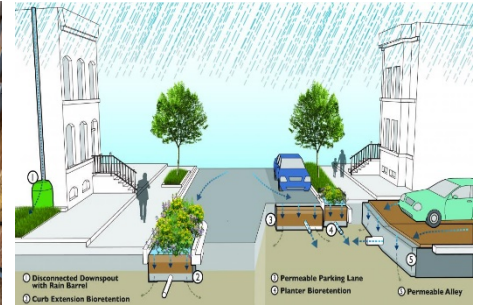
FY 2021 Actual	FY 2022 - 2031 CIP Disbursement Plan											Lifetime Budget
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-yr Total	
\$161,517	\$152,267	\$117,704	\$77,304	\$105,185	\$161,941	\$171,760	\$220,123	\$153,173	\$51,403	\$6,306	\$1,217,166	\$3,216,072



DCCR NEBT B Street



DDCR Mt Olivet Road Approach Channel



Rock Creek Project B Green Infrastructure

Overview

Similar to more than 700 older communities primarily in the Mid-Atlantic, Northeast, and Midwest portions of the country, a portion of the District of Columbia is served by a combined sewer system. Combined sewers convey both stormwater runoff and sanitary sewage from homes and businesses in a single pipe. In dry weather, the system delivers wastewater to the Blue Plains Advanced Wastewater Treatment Plant. In wet weather, stormwater runoff also enters the system and, if the conveyance capacity of the system is exceeded, the excess flow spills into the waterways of the District of Columbia to prevent surface flooding and basement backups. This discharge is called Combined Sewer Overflow (CSO). Approximately one-third of the system is combined, mostly in the downtown and older parts of the city. There are 47 potentially active CSO outfalls in the District.

DC Water has made substantial progress in the implementation of its CSO Long Term Control Plan (LTCP), called the DC Clean Rivers Project, to reduce CSOs that discharge to the Anacostia and Potomac Rivers, as well as Rock Creek. The first phase of the Anacostia River tunnel system was completed and all structures south of Robert F. Kennedy (RFK) stadium placed into operation as of March 2018. DC Water continues to implement the remaining project for the Anacostia River (currently under construction), as well as future projects for the Potomac River and Rock Creek currently under design. When fully implemented, CSOs will be reduced by a projected 96 percent city-wide during an average year (98 percent on the Anacostia River), resulting in improved water quality and significantly reducing debris in our nation's capital waterways.

PROGRAM AREAS

DC Clean Rivers – The plan includes a variety of improvements throughout portions of the District served by combined sewers, including a series of massive tunnels and diversion facilities to control CSOs and relieve surface flooding, and a tunnel dewatering pumping station and wet weather treatment facility at Blue Plains. The controls for the Anacostia River are scheduled to be complete by 2023, ahead of the 2025 Consent Decree deadline. The Potomac River and Rock Creek controls are scheduled to be complete in 2030. The Potomac River controls include the Potomac Tunnel, which is currently in design and CSO 025/026 sewer separation, which is under construction. The Rock Creek controls include a hybrid mix of green infrastructure (GI) and gray storage optimizing the benefits provided by each technology. The hybrid approach comprises constructing GI to manage 92 impervious acres and a 4.2-million-gallon storage facility to control CSO 049 in Piney Branch.

Program Management – The CSO Program Manager is responsible for evaluation of combined sewer systems, as well as management for sewer pumping station replacement and other sewer infrastructure projects.

Combined Sewer – Projects within the Combined Sewer Program Area include rehabilitation and/or relocation of combined sewers, control of wet weather-related pollution, and upgrades to pumping stations. Most projects in this Program Area include planned upgrades to facilities based on our long-term facilities plan.

ACCOMPLISHMENTS

- In April 2021, DC Water's tunnel boring machine completed mining the five-mile-long Northeast Boundary Tunnel (NEBT). Construction continues at near-surface structures.
- Completed 90% design of Request for Proposal (RFP) documents for the Potomac River Tunnel Contract B—Tunnel System Construction Project. This Project is scheduled to begin construction in 2023 and be placed into operation by February 8, 2030.
- The Advance Utility Construction contract to provide electrical services and relocate utilities in advance of the Potomac River Tunnel construction was awarded on August 25, 2021, and construction is underway.
- Construction is underway for separation of CSO 025/026 which is scheduled for completion in 2022.
- For Rock Creek Green Infrastructure, the construction contract for the second Rock Creek project (RC-B) was awarded on December 1, 2021, and construction is underway.
- Continued the deployment of Clean Rivers' assets into DC Water's enterprise asset management system.
- Continued the coordination of preventive maintenance of Clean Rivers assets.

ACCOMPLISHMENTS CONTINUED

- Continued the maintenance of Green Infrastructure facilities.
- Began National Environmental Policy Act (NEPA) Studies for Rock Creek CSO control facilities.
- Complied with regulatory requirements to implement project per specified schedule.

OPERATIONAL IMPACT OF MAJOR CAPITAL PROGRAMS

DC Clean Rivers – This project aims to control CSOs to the Anacostia and Potomac Rivers and Rock Creek to meet the District’s water quality standards, while improving the health of the Chesapeake Bay and addressing flooding in Northeast Boundary. This ongoing project includes green infrastructure initiatives that will divert stormwater runoff prior to entering the sewer system. The first portion of the Anacostia River Tunnel System, between Blue Plains and Overflow and Diversion Facilities (CSO-019) is complete. All structures south of RFK Stadium have been in operation since March 20, 2018. As of January 2022, the first portion of the Anacostia River Tunnel system had captured approximately 12.7 billion gallons of combined sewer overflows and 7,982 tons of trash, debris, and other solids. The system is achieving nearly 91% CSO capture rate, exceeding the projected 80% capture rate at this stage of implementation. The tunnel system will improve operational flexibility by providing alternate means of transferring flow to Blue Plains, thereby allowing temporary diversion of flows to the tunnel to facilitate operation, maintenance and rehabilitation throughout the combined sewer system.



Combined Sewer Overflow

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(\$ in thousands)

DC CLEAN RIVERS			Start	Status	FY 2021 Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-Yr Total	Lifetime Budget	Completion
CY	Anacostia Long Term Control Plan Projects	2005	Ongoing		\$137,120	\$109,335	\$74,536	\$611	\$543	\$689	\$618	\$566	\$475	\$664	\$0	\$188,037	\$1,931,960	2030
CZ	Potomac Long Term Control Plan Projects	2010	Ongoing		\$18,303	\$26,890	\$21,475	\$60,634	\$76,951	\$130,008	\$152,778	\$173,928	\$79,373	\$20,146	\$0	\$742,182	\$854,877	2030
DZ	Rock Creek CSS LTCP Project	2010	Ongoing		\$4,935	\$11,122	\$10,764	\$4,819	\$8,473	\$17,065	\$11,967	\$40,170	\$64,019	\$18,244	\$0	\$186,644	\$205,520	2030
TOTAL DC CLEAN RIVERS BUDGETS					\$160,358	\$147,347	\$106,774	\$66,064	\$85,968	\$147,762	\$165,363	\$214,664	\$143,867	\$39,054	\$0	\$1,116,863	\$2,992,358	
COMBINED SEWER			Start	Status	FY 2021 Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-Yr Total	Lifetime Budget	Completion
BA	DC Water Low Impact Development Projects	2002	Ongoing		\$0	\$288	\$122	\$26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$436	\$2,870	2024
EJ	Potomac Pumping Station - Phase III Rehabilitation	2010	Ongoing		\$124	\$895	\$2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$897	\$36,098	2023
EK	Long Term Rehabilitation - Main & O Pump Station	2021	Ongoing		\$0	\$0	\$372	\$1,672	\$3,839	\$8,851	\$6,338	\$5,415	\$9,261	\$12,306	\$6,263	\$54,317	\$78,725	2031
EQ	Potomac Pumping Station-Phase IV Rehabilitation	2020	Ongoing		\$0	\$20	\$117	\$303	\$533	\$326	\$15	\$0	\$0	\$0	\$0	\$1,313	\$2,616	2027
FQ	Main & O Street PS Intermediate Upgrade	2010	Ongoing		\$1,030	\$3,478	\$7,232	\$1,388	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,097	\$37,419	2024
FX	Rehabilitation Northeast Boundary Sewer - Phase I	2015	Ongoing		\$0	\$11	\$8	\$12	\$26	\$44	\$44	\$44	\$46	\$44	\$43	\$321	\$4,628	2032
FZ	Tiber Creek Sewer Lining - Phase I	2016	Ongoing		\$0	\$0	\$602	\$376	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$978	\$1,000	2024
G7	Combined Sewers Under Buildings	2009	Ongoing		\$4	\$16	\$791	\$1,682	\$7,783	\$911	\$0	\$0	\$0	\$0	\$0	\$11,183	\$21,885	2026
IH	Combined Sewer Rehabilitation 2	2013	Ongoing		\$0	\$27	\$1,087	\$1,096	\$5,916	\$4,047	\$0	\$0	\$0	\$0	\$0	\$12,173	\$31,798	2026
OB	FY 2024 - Inflatable Dams Replacement	2022	Ongoing		\$0	\$185	\$596	\$4,686	\$1,121	\$0	\$0	\$0	\$0	\$0	\$0	\$6,588	\$6,675	2025
TOTAL COMBINED SEWER BUDGETS					\$1,158	\$4,919	\$10,929	\$11,240	\$19,218	\$14,179	\$6,396	\$5,459	\$9,306	\$12,350	\$6,306	\$100,303	\$223,714	
TOTAL COMBINED SEWER OVERFLOW BUDGETS					\$161,517	\$152,267	\$117,704	\$77,304	\$105,185	\$161,941	\$171,760	\$220,123	\$153,173	\$51,403	\$6,306	\$1,217,166	\$3,216,072	

(\$ in thousands)

FY 2021	FY 2022 - 2031 CIP Disbursement Plan											Lifetime
Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-yr Total	Budget
\$1,831	\$7,031	\$11,527	\$5,553	\$5,813	\$4,985	\$6,158	\$4,620	\$4,499	\$6,330	\$8,722	\$65,236	\$120,933



City Street Catch Basin



Stormwater Overflow Control Room



Stormwater Catch Basin

Overview

Stormwater runoff occurs when rain or snowmelt flows over impervious surfaces or surfaces that do not allow water to soak into the ground such as roads, driveways, sidewalks, parking lots, and buildings. The District is required to meet certain regulatory requirements in managing its separate stormwater system under the District's Municipal Separate Storm Sewer System (MS4) permit issued by the federal government.

The stormwater system has approximately 580 miles of storm sewer pipes, catch basins, inlets, special structures, and related facilities. Some components of the existing storm sewer system are over 100 years old. DC Water is responsible for the maintenance and replacement of the publicly owned collection and conveyance facilities that transport stormwater runoff to the Anacostia and Potomac Rivers, Rock Creek, and other receiving streams within the District of Columbia.

PROGRAM AREAS

Local Drainage – This category includes several projects for investigation, design and rehabilitation of local sewers to relieve local flooding and to address short term needs for improvements to storm sewers located in the separate and combined sewer areas.

On-Going – These include storm sewer rehabilitation projects carried out by DC Water's Department of Pumping and Sewer Operations. These annual projects also provide funding to assist in immediate storm sewer construction to alleviate flooding.

Pumping Facilities – DC Water’s 16 stormwater pump stations serve critical areas of the District and are integral to the road network to maintain safe passage of vehicles through areas that do not drain without the assistance of mechanical means. DC Water has projects to upgrade all 16 of these stormwater pump stations to replace aging equipment and improve reliability, safety, and code compliance.

Program Management – Provides engineering program management services for the stormwater service area capital projects and required technical assessments and hydraulic studies required to assess problems in the stormwater system. It also provides engineering services for condition assessment of the storm sewer system.

Interceptor Trunk/Force Sewers – Provides for the design and construction services for stormwater interceptors, trunk sewers and force mains that require upgrades. Sewers rehabilitated by this project are defined by the major planning and condition assessment program underway for the stormwater sewer system. As the assessment of the storm sewer system progresses and specific rehabilitation needs are identified, jobs will be created under this program area to remediate system problems.

ACCOMPLISHMENTS

- Construction continued for the rehabilitation and improvement of the Watts Branch Storm Sewer Phase 3.
- Construction contract awarded for several stormwater pump stations, including 1st and D Stormwater Pump Station, 12th and Maine Street SW Stormwater Pump Station, and Portland Street Stormwater Pump Station.
- SCADA control system upgrades are planned for all 16 stormwater pump stations. Upgrades have been completed for 10 stormwater pump stations. This work is partially funded by a grant from FEMA.
- Rehabilitation to multiple stormwater outfalls area included in a number of sewer rehabilitation projects.

OPERATIONAL IMPACT OF MAJOR CAPITAL PROGRAMS

Stormwater Pump Stations Rehabilitation – This project implements the highest priority rehabilitation or upgrades, addresses issues related to health and safety and station reliability, and will reduce maintenance needs.



Stormwater

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(\$ in thousands)

LOCAL DRAINAGE		Start	Status	FY 2021 Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-Yr Total	Lifetime Budget	Completion
GY	Storm Sewer Rehabilitation at Various Location	2013	Ongoing	\$0	\$0	\$0	\$282	\$749	\$0	\$0	\$0	\$0	\$0	\$0	\$1,032	\$5,908	2025
IE	Storm Sewer Rehabilitation 3	2020	Ongoing	\$0	\$22	\$197	\$1,228	\$1,674	\$717	\$0	\$0	\$0	\$0	\$0	\$3,838	\$4,817	2026
RR	Local Storm Sewer Rehabilitation	2025	Ongoing	\$0	\$0	\$0	\$0	\$72	\$355	\$1,612	\$1,773	\$1,357	\$234	\$180	\$5,585	\$7,300	2031
TOTAL LOCAL DRAINAGE BUDGETS				\$0	\$22	\$197	\$1,511	\$2,496	\$1,072	\$1,612	\$1,773	\$1,357	\$234	\$180	\$10,455	\$18,025	
ON-GOING		Start	Status	FY 2021 Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-Yr Total	Lifetime Budget	Completion
FN	FY2017 - DSS Stormwater Projects	2017	Closed	\$23	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	2021
H5	FY2018 - DSS Stormwater Projects	2018	Closed	\$66	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	2021
JH	FY2020 - DSS Stormwater Projects	2020	Ongoing	\$443	\$145	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$145	\$820	2022
LO	FY2021 - DSS Stormwater Projects	2021	Ongoing	\$60	\$803	\$20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$824	\$845	2023
M8	FY2022 - DSS Stormwater Projects	2022	Ongoing	\$0	\$623	\$239	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$862	\$820	2023
MG	FY2023 - DSS Stormwater Projects	2023	Ongoing	\$0	\$0	\$640	\$234	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$875	\$845	2024
NV	FY2024 - DSS Stormwater Projects	2024	Ongoing	\$0	\$0	\$0	\$632	\$238	\$0	\$0	\$0	\$0	\$0	\$0	\$870	\$870	2025
PI	FY2025 - DSS Stormwater Projects	2025	Ongoing	\$0	\$0	\$0	\$0	\$281	\$615	\$0	\$0	\$0	\$0	\$0	\$896	\$896	2026
QA	FY2026 - DSS Stormwater Projects	2026	Ongoing	\$0	\$0	\$0	\$0	\$0	\$260	\$570	\$0	\$0	\$0	\$0	\$831	\$923	2027
T7	FY2028 - DSS Stormwater Projects	2028	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$501	\$380	\$0	\$0	\$881	\$979	2029
T9	FY2027 - DSS Stormwater Projects	2027	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$272	\$583	\$0	\$0	\$0	\$855	\$950	2028
U6	FY2029 - DSS Stormwater Projects	2029	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$907	\$0	\$0	\$907	\$1,008	2029
U8	FY2030 - DSS Stormwater Projects	2030	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$935	\$900	\$1,835	\$1,039	2031
TOTAL ON-GOING BUDGETS				\$592	\$1,572	\$899	\$866	\$519	\$876	\$842	\$1,084	\$1,287	\$935	\$900	\$9,780	\$9,994	
PUMPING FACILITIES		Start	Status	FY 2021 Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-Yr Total	Lifetime Budget	Completion
NG	Stormwater Pumping Station Rehabilitation	2017	Ongoing	\$1,170	\$5,232	\$10,296	\$3,063	\$2,584	\$2,741	\$3,417	\$1,417	\$1,579	\$4,948	\$7,642	\$42,918	\$64,227	2031
TOTAL PUMPING FACILITIES BUDGETS				\$1,170	\$5,232	\$10,296	\$3,063	\$2,584	\$2,741	\$3,417	\$1,417	\$1,579	\$4,948	\$7,642	\$42,918	\$64,227	
RESEARCH & PROGRAM MANAGEMENT		Start	Status	FY 2021 Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-Yr Total	Lifetime Budget	Completion
AT	Stormwater Program Management	2001	Ongoing	\$63	\$23	\$35	\$35	\$22	\$18	\$0	\$0	\$0	\$0	\$0	\$133	\$11,678	2026
RQ	Storm Water Program Management	2025	Ongoing	\$0	\$0	\$0	\$0	\$17	\$212	\$286	\$346	\$275	\$212	\$0	\$1,350	\$1,500	2030
TOTAL RESEARCH & PROGRAM MANAGEMENT BUDGETS				\$63	\$23	\$35	\$35	\$40	\$230	\$286	\$346	\$275	\$212	\$0	\$1,483	\$13,178	
TRUNK/FORCE SEWERS		Start	Status	FY 2021 Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-Yr Total	Lifetime Budget	Completion
BO	Future Stormwater Projects	2005	Ongoing	\$6	\$182	\$99	\$78	\$174	\$67	\$0	\$0	\$0	\$0	\$0	\$600	\$15,510	2026
TOTAL TRUNK/FORCE SEWERS BUDGETS				\$6	\$182	\$99	\$78	\$174	\$67	\$0	\$0	\$0	\$0	\$0	\$600	\$15,510	
TOTAL STORMWATER BUDGETS				\$1,831	\$7,031	\$11,527	\$5,553	\$5,813	\$4,985	\$6,158	\$4,620	\$4,499	\$6,330	\$8,722	\$65,236	\$120,933	

(\$ in thousands)

FY 2021 Actual	FY 2022 - 2031 CIP Disbursement Plan											Lifetime Budget
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-yr Total	
\$28,204	\$68,084	\$103,383	\$150,828	\$130,967	\$160,400	\$205,946	\$183,824	\$149,256	\$129,368	\$80,069	\$1,362,125	\$2,166,442



Sewer Rehab (Watts Branch)



Rock Creek Stem Sewers (Condition Assessment)



Sewer Rehab (Pinehurst exposed sewer)

Overview

DC Water is responsible for wastewater collection in the District of Columbia, including operation and maintenance of the sanitary sewer system. The sewer system includes approximately 1,320 miles of large interceptor sewers and smaller gravity collection sewers, for a total of approximately 1,900 miles of combined, separate and stormwater sewers, 50,000 manholes and 25,000 catch basins, 16 stormwater pump stations, and 9 wastewater pump stations. In addition, DC Water is responsible for the 50-mile-long Potomac Interceptor System, which provides conveyance of wastewater from Dulles International Airport, and areas in Virginia and Maryland, to the Blue Plains AWWTP.

PROGRAM AREAS

Sanitary Collection System – Projects to rehabilitate sanitary sewer pipes based on the findings of inspection and assessment conducted on these assets.

On-Going – Urgent projects managed by the Department of Sewer Services including the replacement of sewer laterals, sewer mains, inspection and cleaning of sewer laterals and mains.

Pumping Facilities – Projects required for the upgrade of existing wastewater pump stations, as well as projects for the engineering and construction of new wastewater pumping facilities to enhance the reliability and integrity of DC Water’s sanitary sewer system.

Program Management – Engineering program management services for the sewer system capital improvement program, including assessing system needs, developing facilities plans, developing design scopes of work, preparing cost estimates, preparing task orders or agreements, and reviewing design documents.

Interceptor/Trunk Force Sewers – The rehabilitation of large diameter sewers that have reached the end of their useful life or are in need of major rebuild or refurbishment.

ACCOMPLISHMENTS

- Progressive design-build contractor for the rehabilitation of Potomac Interceptor between Manhole 31 and Manhole 30 finalized 60 percent design. Phase 2 contract was submitted for Board approval, and construction is scheduled to start in FY 2022.
- The rehabilitation of the Potomac Interceptor crossing Route 7, done in coordination with Virginia Department of Transportation, as part of their Route 7 improvements project.
- An emergency contract to rehabilitate an aerial sewer crossing in the National Arboretum for a 51-inch sewer that was in danger of being damaged by continuing erosion of the stream underneath was completed.
- Notice to Proceed for the Soapstone Sewer rehabilitation project was issued.
- Major Potomac Interceptor projects currently in design:
 - Phase 2 Rehabilitation at Potomac River Crossing
 - Phase 4 Rehabilitation at Fairfax and Loudoun Counties
 - Phase 6 Rehabilitation at Clara Barton Parkway
 - Cabin John Rehabilitation
 - Manhole Rehabilitation
- Nicholson Sewer System Evaluation Study (SSES)
 - Completed 100% of field work (smoke testing, flow metering, and CCTV inspection)
 - Hydraulic modeling is ongoing
- Northeast sewer system evaluation survey including smoke testing, flow meter, CCTV inspection and others is on-going.
- September 10, 2020 Flooding Response
 - Reviewed 494 applications for backwater valve rebates
 - Processed and reimbursed over 139 rebates
- Other major sewer projects currently in design include
 - Fenwick Branch Sewer Rehabilitation
 - Norman Stone Sewer Rehabilitation
- Local sewer projects currently in design:
 - Service Life Restoration Program Phase 2, 4 and 5
 - Local Sewer Rehab 5-2
- Completed the following condition assessment projects:
 - Potomac Force Mains - inspection completed (3.25 miles)
 - Rock Creek Siphons - inspection completed (500 linear feet)
 - Anacostia Siphons - inspection completed (total length 0.91 miles)
 - Potomac Interceptor - inspection completed (23 miles and 118 manholes)
 - Anacostia Force Main/Gravity Sewer - inspection in progress
 - Lower Eastside Interceptor - inspection completed (2.05 miles)

ACCOMPLISHMENTS CONTINUED

- Extensive coordination continues with DDOT’s South Capitol Street Bridge project to protect critical sewer assets:
 - o Completed construction on Main Pump Station Hardening Improvements to protect this critical infrastructure from 100-year storm plus approximately 3 feet.
 - o Installed influent new screens at Main and O Street Pump Stations. These screens protect critical equipment in the pump station from accelerated wear and disruption of service.
 - o Completed installation of a new seal water pump protection system at Potomac Pump Station.
- Extensive coordination with DDOT Benning Road Reconstruction and Streetcar project:
 - o Review of DDOT design drawing to identify possible conflicts with existing sewer assets
 - o Conduct hydraulic modeling analysis and evaluate proposed relocation of sewer mains

OPERATIONAL IMPACT OF MAJOR CAPITAL PROGRAMS

Pump Stations – Continued improvements and other upgrades will ensure proper operations of the pump stations to improve reliability and maintain compliance with regulatory requirements and customer expectations.

Ongoing and Local Sewer Rehabilitation – Renewal of small diameter sewer infrastructure will reduce emergency rehabilitations and maintenance demands for these neighborhood sewers.

Major Sewer Rehabilitation – Renewal of major sewers will reduce emergency rehabilitation and maintenance demands for these sewer



Sanitary Sewer

summary overview financial plan rates&rev

capital

financing

departmental

glossary

(\$ in thousands)

SANITARY COLLECTION SYSTEM			Start	Status	FY 2021 Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-Yr Total	Lifetime Budget	Completion
G1	Small Local Sewer Rehabilitation 1		2010	Ongoing	\$3	\$123	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$123	\$29,172	2022
GA	Small Local Sewer Rehabilitation 4		2014	Ongoing	\$1	\$20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20	\$9,074	2022
J3	Sewer Upgrade - City Wide		2000	Ongoing	\$1,949	\$646	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$646	\$18,391	2022
JX	Sanitary Sewer Rehabilitation 10		2016	Ongoing	\$0	\$311	\$913	\$6,703	\$3,660	\$0	\$0	\$0	\$0	\$0	\$0	\$11,587	\$13,607	2025
QS	Local Sewer Rehabilitation 5		2020	Ongoing	\$0	\$456	\$3,248	\$15,518	\$15,853	\$4,875	\$0	\$0	\$0	\$0	\$0	\$39,949	\$45,004	2026
QT	Local Sewer Rehabilitation 6		2024	Ongoing	\$0	\$0	\$0	\$841	\$3,941	\$17,149	\$19,872	\$7,558	\$0	\$0	\$0	\$49,362	\$63,846	2028
QU	Local Sewer Rehabilitation 7		2026	Ongoing	\$0	\$0	\$0	\$0	\$0	\$725	\$3,927	\$21,460	\$26,354	\$8,483	\$0	\$60,948	\$71,964	2030
QW	Local Sewer Rehabilitation 8		2028	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$936	\$5,071	\$17,787	\$26,646	\$0	\$50,440	\$119,100	2036
QX	Local Sewer Assessment 1		2020	Ongoing	\$18	\$391	\$2,623	\$2,507	\$2,238	\$0	\$0	\$0	\$0	\$0	\$0	\$7,759	\$8,264	2025
QY	Local Sewer Rehabilitation 2		2023	Ongoing	\$0	\$0	\$1,363	\$1,302	\$1,169	\$0	\$0	\$0	\$0	\$0	\$0	\$3,834	\$4,000	2025
QZ	Local Sewer Assessment 3		2026	Ongoing	\$0	\$0	\$0	\$0	\$0	\$3,040	\$3,040	\$3,429	\$3,420	\$3,420	\$3,411	\$19,760	\$24,000	2031
RG	Local Sewer Rehabilitation 9		2024	Ongoing	\$0	\$0	\$0	\$827	\$3,173	\$11,724	\$13,073	\$14,561	\$12,026	\$1,448	\$0	\$56,833	\$70,000	2030
T4	District Energy Buzzard Point		2025	New	\$0	\$0	\$0	\$0	\$4,500	\$9,200	\$10,800	\$0	\$0	\$0	\$0	\$24,500	\$30,000	2027
TOTAL SANITARY COLLECTION SYSTEM BUDGETS					\$1,972	\$1,948	\$8,147	\$27,697	\$34,534	\$46,713	\$50,712	\$47,945	\$46,871	\$31,138	\$30,057	\$325,762	\$506,422	
ON-GOING			Start	Status	FY 2021 Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-Yr Total	Lifetime Budget	Completion
H6	FY2018 - DSS Sanitary Sewer Projects		2018	Ongoing	\$93	\$140	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$140	\$12,335	2022
HN	FY2019 - DSS Sanitary Sewer Projects		2019	Ongoing	\$2,091	\$73	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$73	\$12,200	2022
JI	FY2020 - DSS Sanitary Sewer Projects		2020	Ongoing	\$4,745	\$3,266	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,266	\$12,568	2022
LN	FY2021 - DSS Sanitary Sewer Projects		2021	Ongoing	\$5,916	\$1,127	\$236	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,363	\$12,945	2023
M9	FY2022 - DSS Sanitary Sewer Projects		2021	Ongoing	\$261	\$11,010	\$1,487	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,497	\$13,335	2023
MF	FY2023 - DSS Sanitary Sewer Projects		2023	Ongoing	\$0	\$0	\$11,313	\$1,659	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,972	\$13,735	2024
NW	FY2024 - DSS Sanitary Sewer Projects		2024	Ongoing	\$0	\$0	\$0	\$12,793	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,793	\$14,225	2024
OX	FY2025 - DSS Sanitary Sewer Projects		2025	Ongoing	\$0	\$0	\$0	\$0	\$13,185	\$0	\$0	\$0	\$0	\$0	\$0	\$13,185	\$14,650	2025
PZ	FY2026 - DSS Sanitary Sewer Projects		2025	Ongoing	\$0	\$0	\$0	\$0	\$15	\$13,562	\$0	\$0	\$0	\$0	\$0	\$13,577	\$15,090	2026
Q3	FY2003 - DSS Sanitary Sewer Projects		2003	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,784	2021
T6	FY2028 - DSS Sanitary Sewer Projects		2027	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$8	\$14,387	\$0	\$0	\$0	\$14,395	\$16,020	2028
T8	FY2027 - DSS Sanitary Sewer Projects		2026	Ongoing	\$0	\$0	\$0	\$0	\$0	\$15	\$13,980	\$0	\$0	\$0	\$0	\$13,995	\$15,550	2027
U7	FY2029 - DSS Sewer Sanitary Projects		2028	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8	\$14,843	\$0	\$0	\$14,851	\$16,501	2029
U9	FY2030 - DSS Stormwater Projects		2029	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8	\$15,289	\$0	\$15,297	\$16,997	2030
UH	FY2031 - DSS Sewer Sanitary Projects		2029	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8	\$15,289	\$15,297	\$16,997	2032
TOTAL ON-GOING BUDGETS					\$13,106	\$15,617	\$13,035	\$14,452	\$13,200	\$13,577	\$13,988	\$14,395	\$14,851	\$15,297	\$15,289	\$143,702	\$215,932	



Sanitary Sewer

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PUMPING FACILITIES		Start	Status	FY 2021 Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-Yr Total	Lifetime Budget	Completion
CX	Sewer Facilities Security Upgrades	2010	Ongoing	\$110	\$36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36	\$1,429	2022
GZ	Sewer Instrumentation & Control	2012	Ongoing	\$0	\$560	\$725	\$866	\$309	\$0	\$0	\$0	\$0	\$0	\$0	\$2,460	\$9,143	2025
LY	Sewer Facilities Security Upgrades	2020	Ongoing	\$58	\$164	\$154	\$87	\$11	\$0	\$0	\$0	\$0	\$0	\$0	\$416	\$2,000	2025
MB	3rd Street & Constitution Ave NW - Pumping Station	2014	Ongoing	\$0	\$0	\$2,004	\$2,813	\$197	\$0	\$0	\$0	\$0	\$0	\$0	\$5,014	\$7,501	2025
MC	Additional Sewer SCADA System Sites	2015	Ongoing	\$222	\$453	\$1,820	\$1,754	\$530	\$0	\$0	\$0	\$0	\$0	\$0	\$4,557	\$8,120	2025
PM	East Side Pumping Station	2019	Ongoing	\$108	\$438	\$306	\$1,973	\$832	\$0	\$0	\$0	\$0	\$0	\$0	\$3,549	\$4,256	2025
PT	Existing Sewer Facilities Building Optimization	2020	Ongoing	\$0	\$0	\$16	\$65	\$165	\$335	\$0	\$0	\$0	\$0	\$0	\$581	\$705	2026
RH	Sewer Pump Stations Upgrades	2020	Ongoing	\$56	\$844	\$3,844	\$2,093	\$2	\$0	\$0	\$0	\$0	\$0	\$0	\$6,782	\$8,100	2025
RS	Sewer Pump Station Upgrades 2	2026	Ongoing	\$0	\$0	\$0	\$0	\$0	\$3,425	\$4,862	\$17,537	\$25,374	\$32,219	\$19,304	\$102,719	\$150,720	2032
RT	Sewer Pump Station Upgrades 3	2027	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$1,355	\$4,496	\$5,095	\$3,553	\$1,261	\$15,760	\$24,034	2035
RU	Sewer Pump Station Upgrades - Pumps & VFDs	2022	Ongoing	\$0	\$3	\$2,026	\$3,916	\$6,107	\$7,199	\$6,071	\$3,153	\$0	\$0	\$0	\$28,476	\$35,950	2028
TOTAL PUMPING FACILITIES BUDGETS				\$554	\$2,496	\$10,895	\$13,566	\$8,153	\$10,959	\$12,288	\$25,186	\$30,469	\$35,772	\$20,565	\$170,349	\$251,957	
PROGRAM MANAGEMENT		Start	Status	FY 2021 Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-Yr Total	Lifetime Budget	Completion
AU	Sanitary Sewer Program Management	2001	Ongoing	\$753	\$4,157	\$5,091	\$4,865	\$2,833	\$1,789	\$0	\$0	\$0	\$0	\$0	\$18,735	\$65,441	2026
AV	Combined Sewer Overflow Program Management	2001	Ongoing	\$913	\$1,089	\$3,249	\$4,077	\$4,529	\$3,657	\$2,787	\$0	\$0	\$0	\$0	\$19,388	\$57,756	2027
DN	Sewer Inspection Program	2010	Ongoing	\$995	\$3,224	\$1,975	\$596	\$535	\$535	\$535	\$376	\$350	\$350	\$151	\$8,627	\$27,843	2031
QH	Sanitary Sewer Program Management FY26-30	2026	Ongoing	\$0	\$0	\$0	\$0	\$0	\$2,900	\$3,717	\$4,725	\$4,010	\$2,900	\$469	\$18,720	\$20,800	2031
RP	CSO Program Management	2026	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$2,877	\$3,786	\$4,675	\$3,778	\$2,877	\$17,992	\$20,000	2031
TOTAL PROGRAM MANAGEMENT BUDGETS				\$2,662	\$8,471	\$10,316	\$9,538	\$7,897	\$8,880	\$9,915	\$8,887	\$9,034	\$7,028	\$3,497	\$83,462	\$191,840	



Sanitary Sewer

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(\$ in thousands)

INTERCEPTOR/TRUNK FORCE	Start	Status	FY 2021 Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-Yr Total	Lifetime Budget	Completion
A4 Future Sewer System Upgrades	2004	Ongoing	\$468	\$2,858	\$4,374	\$1,154	\$1,098	\$429	\$0	\$0	\$0	\$0	\$0	\$9,913	\$46,035	2025
DR Low Area Trunk Sewer Rehabilitation	2007	Ongoing	\$2,244	\$206	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$206	\$23,112	2022
FW Rehab Piney Branch Trunk Sewer	2011	Ongoing	\$47	\$855	\$1,005	\$12,932	\$9,968	\$0	\$0	\$0	\$0	\$0	\$0	\$24,761	\$30,668	2025
G2 Sewer Structure Rehabilitation 1	2010	Ongoing	\$0	\$109	\$831	\$1,637	\$100	\$0	\$0	\$0	\$0	\$0	\$0	\$2,677	\$9,325	2024
G5 Sewer Rehab Near Creek Beds	2010	Ongoing	\$670	\$5,125	\$8,207	\$2,941	\$881	\$4,336	\$12,719	\$10,338	\$4,201	\$1,518	\$0	\$50,264	\$74,265	2030
G6 Sanitary Sewers Under Buildings 1	2010	Ongoing	\$5	\$0	\$0	\$894	\$2,151	\$0	\$0	\$0	\$0	\$0	\$0	\$3,044	\$6,805	2025
GH Large Sewer Rehabilitation 3	2012	Ongoing	\$11	\$543	\$1,631	\$10,575	\$7,042	\$605	\$0	\$0	\$0	\$0	\$0	\$20,396	\$24,332	2026
H5 Rehabilitation of Influent Sewers	2022	Ongoing	\$0	\$0	\$0	\$2,510	\$182	\$0	\$414	\$1,600	\$4,679	\$15,011	\$4,464	\$28,860	\$37,430	2030
HT Rehabilitation of Anacostia Force Main	2012	Ongoing	\$23	\$1,312	\$292	\$0	\$0	\$0	\$0	\$54	\$266	\$300	\$268	\$2,492	\$11,376	2032
IF Sanitary Sewer Rehabilitation 2	2015	Ongoing	\$0	\$119	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$119	\$1,594	2022
IK Potomac Force Main Rehabilitation	2012	Ongoing	\$448	\$347	\$0	\$59	\$177	\$110	\$181	\$338	\$1,460	\$762	\$0	\$3,436	\$6,127	2030
IL Creekbed Sewer Rehabilitation 2	2013	Ongoing	\$203	\$2,602	\$2,493	\$3,073	\$3,983	\$4,809	\$3,773	\$1,794	\$0	\$0	\$0	\$22,526	\$60,724	2032
IM Creekbed Sewer Rehabilitation 3	2013	Ongoing	\$0	\$134	\$517	\$412	\$711	\$2,258	\$6,796	\$790	\$254	\$1,162	\$2,231	\$15,265	\$23,993	2031
IN Upper East Side Trunk Sewer Rehabilitation	2012	Ongoing	\$0	\$229	\$1,018	\$614	\$868	\$1,809	\$8,493	\$1,500	\$0	\$0	\$0	\$14,531	\$19,044	2027
J0 B Street New Jersey Avenue Trunk Sewer Rehab	2004	Ongoing	\$950	\$1,086	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,086	\$18,074	2022
LZ Potomac Interceptor Projects - Rehab. Phase 2	2015	Ongoing	\$4,648	\$18,518	\$30,295	\$33,474	\$25,111	\$31,737	\$25,479	\$10,505	\$4,999	\$177	\$0	\$180,294	\$226,964	2030
N7 Potomac Sewer System Rehabilitation	2000	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$48,684	2020
PJ Re-Activation of Anacostia Force Main/Gravity Main as Relief to Anacostia Force Main	2018	Ongoing	\$3	\$596	\$288	\$1,056	\$2,038	\$8,950	\$3,338	\$0	\$0	\$0	\$0	\$16,266	\$20,001	2027
RA Major Sewer Assessment and Heavy Cleaning 1	2021	Ongoing	\$104	\$2,738	\$6,371	\$3,307	\$2,713	\$112	\$0	\$0	\$0	\$0	\$0	\$15,240	\$15,800	2026
RB Major Sewer Assessment and Heavy Cleaning 2	2026	Ongoing	\$0	\$0	\$0	\$0	\$0	\$3,423	\$3,360	\$3,360	\$138	\$0	\$0	\$10,281	\$14,100	2029
RC Major Sewer Rehabilitation 1	2020	Ongoing	\$86	\$1,633	\$2,582	\$9,277	\$5,800	\$6,437	\$10,112	\$14,591	\$4,868	\$3,175	\$0	\$58,475	\$73,298	2034
RD Major Sewer Rehabilitation 2	2021	Ongoing	\$0	\$544	\$1,086	\$1,022	\$1,493	\$9,246	\$28,027	\$14,944	\$2,068	\$0	\$0	\$58,431	\$75,783	2029
RE Major Sewer Rehabilitation 3	2024	Ongoing	\$0	\$0	\$0	\$637	\$2,869	\$6,009	\$16,352	\$19,172	\$11,743	\$8,357	\$1,148	\$66,287	\$88,255	2031
RJ Creekbed Sewer Rehabilitation 4	2028	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,266	\$8,207	\$4,527	\$0	\$16,000	\$22,000	2030
RL Potomac Interceptor Projects - Rehab Phase 3	2029	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,159	\$5,145	\$5,145	\$2,551	\$18,000	\$22,500	2032
TOTAL INTERCEPTOR/TRUNK FORCE SEWER BUDGETS			\$9,910	\$39,553	\$60,990	\$85,574	\$67,184	\$80,271	\$119,043	\$87,412	\$48,030	\$40,133	\$10,662	\$638,851	\$1,000,291	
TOTAL SANITARY SEWER BUDGETS			\$28,204	\$68,084	\$103,383	\$150,828	\$130,967	\$160,400	\$205,946	\$183,824	\$149,256	\$129,368	\$80,069	\$1,362,125	\$2,166,442	

(\$ in thousands)

FY 2021 Actual	FY 2022 - 2031 CIP Disbursement Plan											Lifetime Budget
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-yr Total	
\$57,279	\$165,313	\$227,116	\$218,339	\$194,652	\$202,046	\$191,451	\$192,665	\$192,324	\$124,683	\$120,842	\$1,829,430	\$3,167,891



Soldier's Home Reservoir Upgrades



Small Diameter Water Main Repair



Small Diameter Water Main Florida Avenue & Sherman Avenue NW

Overview

Delivery of safe, clean, high-quality drinking water is one of DC Water's highest priorities. Drinking water in the District of Columbia comes from the Potomac River. The U.S. Army Corps of Engineers, Washington Aqueduct (Aqueduct), is a federally owned agency responsible for treating the drinking water. DC Water purchases water from the Aqueduct and is responsible for maintaining the distribution system that delivers drinking water to customers. DC Water distributes drinking water through roughly 1,300 miles of interconnected pipes to more than 700,000 residents and businesses in the District of Columbia.

The DC Water distribution system begins at the water treatment plant and ends at private service lines. Customer service lines connect to the mains in the streets and deliver water to residents and commercial buildings, eventually reaching taps. Water is continuously moving through our distribution system, typically at a flow rate that keeps the water fresh. However, once the water leaves the main and enters a customer's service line, the flow of water is dependent on individual water usage.

DC Water is committed to providing customers with the highest quality drinking water and continuously works to deliver water that goes beyond federal standards. We accomplish this goal by aiming to meet target levels that are stricter than water quality standards required by the EPA. We have a dedicated Drinking Water division that collects and analyzes water samples throughout the District of Columbia. These monitoring programs include sampling and analyses that are required by EPA and additional sampling programs conducted voluntarily by DC Water.

DC Water conducts compliance monitoring on a daily basis to ensure that water quality meets EPA standards. Water quality technicians collect and analyze samples for lead and copper, total coliform (bacteria) and disinfection byproduct levels. Compliance monitoring ensures that drinking water treatment effectively prevents pipe corrosion, removes bacteria and other contaminants, and minimizes potentially harmful treatment byproducts.

DC Water operates voluntary sampling programs to support our commitment to providing high-quality drinking water to our customers. Water quality technicians collect and analyze hundreds of water samples throughout the District of Columbia. The Drinking Water division responds quickly to customer complaints and conducts water quality monitoring among the District's most vulnerable populations. DC Water operates two mobile laboratories that allow technicians to conduct on-site water quality tests and respond to emergencies. The Drinking Water division also distributes hundreds of lead test kits each year to residents and assists residents with identifying lead sources.

PROGRAM AREAS

Distribution Systems – Provides for the rehabilitation, replacement or extension of the water distribution system through several projects. The distribution system program area is the largest program for the water service area and includes three primary elements: small diameter water main renewal, large diameter water main rehabilitation, and DDOT project relocation needs.

Lead Free DC Program – This program is for the removal of all lead service lines in public and private right of way with copper piping by 2030. The replacement continues throughout the water distribution system as part of water main renewal projects, emergency rehabilitation of water service lines, and for customers that request full replacement as part of the Voluntary Lead Service Replacement (LSR) Program.

On-Going – Includes small projects for urgent rehabilitation of water main breaks, valves and fire hydrants, water service connections, and other minor water main rehabilitation work.

Pumping Facilities – Rehabilitate or upgrade water-pumping stations in the system. All four water pump stations have completed major upgrades within the last fifteen years, and only minor projects are anticipated for the near future.

Storage Facilities – Rehabilitation or upgrade of elevated tanks and reservoirs. Studies to the system have identified the need for upgrades and/or new storage facilities to support changing development patterns, for regulatory compliance, to provide additional water pressure to certain areas of the District, and to provide redundant service during unplanned outages.

DDOT – Projects for the relocation, rehabilitation, replacement and extension of water mains, for which the work is completed under the District of Columbia's District Department of Transportation (DDOT) construction contracts for street paving or reconstruction. This program is being closed and combined with distribution projects.

Program Management – Provides engineering program management services for the drinking water system capital improvements program, including asset management, developing facilities plans, advancement of the smart infrastructure program, conceptual designs, design scopes of work, cost estimates, and design document review.

ACCOMPLISHMENTS

- Continued installation of small diameter water mains to meet the DC Water Board goal of renewing one percent of the system annually. This renewal includes a combination of replacement with new water mains to reduce water quality degradation from tuberculation, reduce the likelihood of water main breaks and increase the service life the of the water distribution system.
- Replaced approximately seven miles of small diameter water mains.
- Completed design and started construction for the rehabilitation of the N Street 66/72-inch Prestressed Concrete Cylinder Pipe (PCCP).
- The following major projects are in design:
 - Dead Ends Large Diameter Water Main Elimination
 - Rehabilitation of Water Mains on Bridges Contract 2
- Extensive coordination continues with DDOT's South Capitol Street Bridge project to relocate water mains and protect critical transmission mains.
- Completed construction of upgrade and rehabilitation of the Soldiers Home Reservoir. This project corrected several deficiencies identified during an EPA annual sanitary survey ahead of EPA's deadline and made several other improvements to the reservoir which was originally construction in 1939.
- Released the Lead Free DC Plan in June 2021 which outlines a phased in approach to eliminate all lead service lines by 2030.
- Completed Phase I (FY 2020-FY 2021) of the plan and partnered with the District to replace 1,400 lead lines over that period saving customers \$2 million in private-side replacement costs.
- Completed 847 lead service line replacements, exceeding the target of 800.
- Selected and began design and permitting for 150 blocks across the city for FY 2022 Block-by-Block lead replacement projects using an equity-based model that prioritizes replacements for vulnerable populations and under-resourced areas.
- Procurement developed change order contracts and selected Indefinite Delivery Indefinite Quantity (IDIQ) contractors to provide over \$30 million in replacement services for the Capital Improvement Project and Emergency Repair Replacement (CIPERR) By-Block Program

OPERATIONAL IMPACT OF MAJOR CAPITAL PROGRAMS

Water Mains – The capital improvement program for linear assets will help to:

- Reduce customer's impacts due to pipe breaks.
- Decrease reactive maintenance due to breaks and other unscheduled rehabilitations thereby lowering maintenance costs over time.
- Improve water quality in the distribution system.
- Reduce lead service pipes inventory there by reducing of lead exposure.

Water Pumping and Storage – The upgrades completed in FY 2021 to the Soldiers Home Reservoir ensures regulatory compliance and a number of operational improvements. The Bryant Street Spill Header Improvement project is under design and will provide major operational improvements for the pump station. We are continuing with minor pump station and storage facilities upgrades and improvements which will reduce maintenance cost and avoid the need for major upgrades later.

(\$ in thousands)

DISTRIBUTION SYSTEMS			Start	Status	FY 2021 Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-Yr Total	Lifetime Budget	Completion
C9	Large Diameter Water Mains I	2014	Ongoing		\$818	\$2,007	\$2,835	\$1,128	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,970	\$20,532	2024
DE	Small Diameter Water Main Rehabilitation I2	2014	Ongoing		\$2,434	\$2,442	\$8,053	\$1,029	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,523	\$49,423	2024
F1	Small Diameter Water Main Rehabilitation I3	2014	Ongoing		\$14,333	\$9,218	\$2,620	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,838	\$41,565	2023
F2	Small Diameter Water Main Rehabilitation I4	2017	Ongoing		\$2,159	\$25,667	\$15,162	\$3,199	\$685	\$259	\$89	\$0	\$0	\$0	\$0	\$45,060	\$59,466	2027
F6	Steel Water Main Rehabilitation - Rehabilitation I	2009	Ongoing		\$0	\$108	\$248	\$3,579	\$1,876	\$0	\$0	\$0	\$0	\$0	\$0	\$5,812	\$12,139	2025
FT	Water Mains Rehabilitation Phase II	2014	Ongoing		\$708	\$9,903	\$5,757	\$8,099	\$1,719	\$893	\$640	\$59	\$0	\$0	\$0	\$27,069	\$35,772	2028
GQ	Fire Hydrant Replacement Program - Phase II	2010	Ongoing		\$2,454	\$2,669	\$1,941	\$1,804	\$1,529	\$1,529	\$0	\$0	\$0	\$0	\$0	\$9,473	\$29,120	2026
GR	Small Diameter Water Main Rehabilitation I5	2018	Ongoing		\$74	\$18,959	\$26,916	\$2,089	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$47,964	\$52,000	2024
HX	Small Diameter Water Main Rehabilitation I6	2018	Ongoing		\$132	\$3,705	\$30,624	\$16,635	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,964	\$62,305	2024
I8	Large Valve Replacement (Contract I1-I3)	2012	Ongoing		\$176	\$436	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$436	\$19,701	2022
JZ	Large Diameter Water Main Replacement 3 - 4 & 5	2021	Ongoing		\$30	\$856	\$4,640	\$5,937	\$11,364	\$23,913	\$13,158	\$1,802	\$149	\$22	\$0	\$61,840	\$81,320	2030
K7	Large Diameter Water Main Replacement 6 - 7 & 8	2024	Ongoing		\$0	\$0	\$0	\$581	\$1,974	\$8,897	\$18,472	\$18,922	\$12,396	\$2,609	\$0	\$63,850	\$89,140	2030
K8	Large Diameter Water Main Replacement 9 - I0 & I1	2027	Ongoing		\$0	\$0	\$0	\$0	\$0	\$0	\$422	\$1,602	\$7,181	\$14,936	\$16,188	\$40,329	\$76,400	2033
KE	Small Diameter Water Main Rehabilitation I8	2020	Ongoing		\$533	\$772	\$1,173	\$23,322	\$8,726	\$344	\$181	\$0	\$0	\$0	\$0	\$34,517	\$48,147	2027
KF	Small Diameter Water Main Rehabilitation I9	2022	Ongoing		\$16	\$904	\$357	\$2,075	\$26,912	\$15,319	\$3,353	\$0	\$0	\$0	\$0	\$48,920	\$59,950	2027
KG	Small Diameter Water Main Rehabilitation 20	2022	Ongoing		\$0	\$106	\$511	\$1,026	\$1,205	\$1,610	\$1,832	\$16,775	\$21,165	\$4,765	\$0	\$48,996	\$63,440	2030
KH	Small Diameter Water Main Rehabilitation 21	2022	Ongoing		\$0	\$27	\$362	\$890	\$2,250	\$29,084	\$19,143	\$0	\$0	\$0	\$0	\$51,755	\$64,547	2027
KI	Small Diameter Water Main Rehabilitation 22	2023	Ongoing		\$0	\$0	\$34	\$376	\$786	\$3,110	\$29,472	\$18,307	\$0	\$0	\$0	\$52,086	\$66,553	2028
KJ	Small Diameter Water Main Rehabilitation 23	2024	Ongoing		\$0	\$0	\$0	\$33	\$321	\$793	\$3,155	\$28,369	\$18,546	\$0	\$0	\$51,218	\$67,760	2029
KK	Small Diameter Water Main Rehabilitation 24	2025	Ongoing		\$0	\$0	\$0	\$0	\$28	\$324	\$799	\$2,237	\$29,581	\$19,139	\$0	\$52,108	\$69,178	2030
KL	Small Diameter Water Main Rehab 25	2027	Ongoing		\$0	\$0	\$0	\$0	\$0	\$0	\$77	\$698	\$4,676	\$32,768	\$21,297	\$59,517	\$79,378	2032
MV	Small Diameter Water Main Rehabilitation 3	2006	Ongoing		\$2	\$40	\$99	\$442	\$1,060	\$403	\$0	\$0	\$0	\$0	\$0	\$2,045	\$15,677	2026
O1	Small Diameter Water Main Rehabilitation 9	2012	Ongoing		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$26,423	2021
O2	Small Diameter Water Main Rehabilitation I0	2013	Ongoing		\$1,344	\$2,615	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,615	\$38,877	2022
O3	Small Diameter Water Main Rehabilitation I1	2014	Ongoing		\$107	\$637	\$6	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$643	\$42,399	2023
QF	District Metering	2023	Ongoing		\$0	\$0	\$582	\$1,064	\$1,109	\$1,006	\$1,138	\$915	\$659	\$420	\$580	\$7,472	\$9,930	2031
S3	Large Valve Replacement (Contract 3-7)	1999	Ongoing		\$469	\$64	\$116	\$193	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$372	\$23,207	2024
U5	WSSC Interconnection Project	2022	New		\$0	\$211	\$700	\$3,699	\$3,583	\$1,545	\$0	\$0	\$0	\$0	\$0	\$9,738	\$11,949	2026
KM	Small Diameter Water Main Rehab 26	2027	New		\$0	\$0	\$0	\$0	\$0	\$0	\$137	\$1,477	\$3,339	\$5,216	\$41,139	\$51,308	\$103,034	2033
KN	Small Diameter Water Main Rehab 27	2028	New		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$60	\$690	\$1,644	\$4,505	\$6,900	\$112,905	2031
K9	Large Diameter Water Main Replacement I2 - I3 & I4	2031	New		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$435	\$1,747	\$2,181	\$83,480	2031
KP	Small Diameter Water Main Rehab 28	2029	New		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$106	\$302	\$1,096	\$1,503	\$104,200	2031
KC	Large Valve Replacement Contracts 26 - 27 & 28	2027	New		\$0	\$0	\$0	\$0	\$0	\$0	\$67	\$348	\$2,482	\$4,738	\$4,569	\$12,204	\$20,980	2031
KD	Large Valve Replacement Contracts 29 - 30 & 31	2030	New		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$70	\$380	\$450	\$22,970	2031
TOTAL DISTRIBUTION SYSTEMS BUDGETS					\$25,789	\$81,345	\$102,737	\$77,198	\$65,128	\$89,029	\$92,136	\$91,572	\$100,969	\$87,062	\$91,501	\$878,678	\$1,763,865	



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LEAD PROGRAM			Start	Status	FY 2021 Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-Yr Total	Lifetime Budget	Completion
BW	Lead Free DC Program		2003	Ongoing	\$8,253	\$11,847	\$16,219	\$15,194	\$12,468	\$12,746	\$11,932	\$12,164	\$12,118	\$5,134	\$0	\$109,821	\$298,958	2030
ST	Lead Free DC Project		2022	New	\$0	\$45,140	\$78,158	\$86,761	\$88,156	\$69,401	\$50,475	\$50,585	\$50,432	\$21	\$0	\$519,130	\$513,558	2030
TOTAL LEAD PROGRAM BUDGETS					\$8,253	\$56,987	\$94,377	\$101,955	\$100,624	\$82,147	\$62,407	\$62,749	\$62,550	\$5,155	\$0	\$628,951	\$812,516	
ON-GOING			Start	Status	FY 2021 Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-Yr Total	Lifetime Budget	Completion
D5	FY 2014 - DWS Water Projects		2014	Ongoing	\$0	\$105	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$105	\$10,248	2022
HY	FY 2019 - DWS Water Projects		2019	Ongoing	\$0	\$288	\$37	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$325	\$9,631	2023
JA	FY 2020 - DWS Water Projects		2020	Ongoing	\$6,338	\$148	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$148	\$15,070	2022
KW	FY 2021 - DWS Water Projects		2021	Ongoing	\$8,434	\$2,277	\$21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,298	\$11,830	2023
KX	FY 2022 - DWS Water Projects		2022	Ongoing	\$0	\$12,098	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,098	\$11,664	2022
KY	FY 2023 - DWS Water Projects		2023	Ongoing	\$0	\$0	\$13,711	\$35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,746	\$13,150	2024
KZ	FY 2024 - DWS Water Projects		2024	Ongoing	\$0	\$0	\$0	\$14,224	\$36	\$0	\$0	\$0	\$0	\$0	\$0	\$14,260	\$14,452	2025
L1	FY 2025 - DWS Water Projects		2025	Ongoing	\$0	\$0	\$0	\$0	\$14,280	\$30	\$0	\$0	\$0	\$0	\$0	\$14,310	\$14,780	2026
L2	FY 2026 - DWS Water Projects		2026	Ongoing	\$0	\$0	\$0	\$0	\$0	\$14,360	\$0	\$0	\$0	\$0	\$0	\$14,360	\$15,890	2026
L6	FY 2027 - DWS Water Projects		2027	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$16,670	\$0	\$0	\$0	\$0	\$16,670	\$18,250	2027
L7	FY2028 - DWS Water Projects		2028	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,818	\$0	\$0	\$0	\$17,818	\$19,575	2028
QJ	DDCS Water Pumping and Storage Projects FY19-21		2020	Ongoing	\$0	\$0	\$1,685	\$1,611	\$1,453	\$999	\$999	\$1,002	\$1,000	\$1,000	\$1,000	\$10,749	\$10,921	2031
QK	DDCS Water Pumping and Storage Projects FY22-28		2022	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	2028
L8	FY2029 - DWS Water Projects		2029	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,500	\$0	\$0	\$19,500	\$21,000	2029
L9	FY2030 - DWS Water Projects		2030	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,500	\$0	\$20,500	\$22,000	2030
LA	FY2031 - DWS Water Projects		2031	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,781	\$19,781	\$23,500	2031
TOTAL ON-GOING BUDGETS					\$14,772	\$14,917	\$15,454	\$15,870	\$15,769	\$15,390	\$17,669	\$18,819	\$20,500	\$21,500	\$20,781	\$176,668	\$231,960	
PUMPING FACILITIES			Start	Status	FY 2021 Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-Yr Total	Lifetime Budget	Completion
AY	Upgrades to Fort Reno Pumping Station		2002	Ongoing	\$236	\$578	\$56	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$633	\$14,473	2023
FD	Water Facility Security System Upgrades		2010	Ongoing	\$44	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,137	2021
HI	Bryant Street Pump Station Phase III		2027	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$72	\$228	\$527	\$3,084	\$1,229	\$5,139	\$6,620	2031
HR	Anacostia Pump Station Improvements Phase II		2025	Ongoing	\$0	\$0	\$0	\$0	\$144	\$200	\$907	\$2,421	\$0	\$0	\$0	\$3,672	\$4,700	2028
HV	Bryant Street Pump Station - Spill Header Flow Control		2013	Ongoing	\$15	\$189	\$513	\$2,936	\$2,097	\$12	\$0	\$0	\$0	\$0	\$0	\$5,746	\$8,253	2026
JB	Bryant Street PS Improvements - Phase II		2012	Ongoing	\$0	\$336	\$1,201	\$4,772	\$166	\$0	\$0	\$0	\$0	\$0	\$0	\$6,475	\$12,185	2025
LT	Water System SCADA		2014	Ongoing	\$243	\$1,590	\$1,512	\$2,065	\$722	\$0	\$0	\$0	\$0	\$0	\$0	\$5,889	\$8,406	2025
LU	Water Facilities Security System Upgrades 2		2016	Ongoing	\$0	\$131	\$410	\$606	\$352	\$240	\$0	\$0	\$0	\$0	\$0	\$1,740	\$2,000	2026
OR	Fort Reno Pump Station Improvements Phase II		2023	Ongoing	\$0	\$0	\$220	\$290	\$1,078	\$3,486	\$16	\$0	\$0	\$0	\$0	\$5,091	\$6,430	2027
OW	Water System Sensor Program (WaSSP)		2022	Ongoing	\$0	\$757	\$754	\$721	\$648	\$648	\$648	\$648	\$0	\$0	\$0	\$4,825	\$5,600	2028
PS	Existing Water Facilities Building Optimization		2023	Ongoing	\$0	\$0	\$95	\$509	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$604	\$695	2024
S6	West Venturi Meter - Bryant Street Pumping Station		2023	New	\$0	\$0	\$3	\$116	\$352	\$898	\$527	\$0	\$0	\$0	\$0	\$1,897	\$2,404	2027
TOTAL PUMPING FACILITIES BUDGETS					\$538	\$3,581	\$4,765	\$12,016	\$5,559	\$5,484	\$2,171	\$3,297	\$527	\$3,084	\$1,229	\$41,711	\$73,904	



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DDOT	Start	Status	FY 2021 Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-Yr Total	Lifetime Budget	Completion
B0 B0 FY 2010 - DDOT Water Projects	2010	Ongoing	\$4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	2021
BN FY 2011 - DDOT Water Projects	2011	Ongoing	\$5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	2021
CJ FY 2012 - DDOT Water Projects	2008	Ongoing	\$42	\$473	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$473	\$6,474	2022
CM FY 2013 - DDOT Water Projects	2012	Ongoing	\$0	\$458	\$110	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$568	\$1,549	2023
TOTAL DDOT BUDGETS			\$51	\$931	\$110	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,041	\$8,023	
STORAGE FACILITIES	Start	Status	FY 2021 Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-Yr Total	Lifetime Budget	Completion
FA Water Storage Facility Upgrades	2009	Ongoing	\$4,178	\$532	\$2,718	\$716	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,965	\$37,933	2024
HW Rehabilitation of Elevated Water Tanks	2023	Ongoing	\$0	\$0	\$179	\$729	\$847	\$1,954	\$1,240	\$504	\$0	\$0	\$0	\$5,453	\$7,000	2028
MA Saint Elizabeth Water Tank	2002	Ongoing	\$77	\$1,539	\$541	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,080	\$47,511	2023
MQ 2MG 4th High Storage Tank	2004	Ongoing	\$158	\$156	\$133	\$889	\$778	\$0	\$0	\$0	\$0	\$0	\$0	\$1,956	\$9,741	2025
MR 2nd High Water Storage	2009	Ongoing	\$0	\$14	\$109	\$77	\$895	\$2,295	\$6,650	\$1,596	\$0	\$0	\$0	\$11,636	\$17,043	2028
QG Anacostia First and Second High Storage	2019	Ongoing	\$0	\$404	\$1,133	\$5,818	\$1,131	\$464	\$1,259	\$5,170	\$788	\$0	\$0	\$16,167	\$19,171	2029
RX Water Storage Facility Upgrades Phase II	2026	New	\$0	\$0	\$0	\$0	\$163	\$377	\$1,877	\$2,348	\$3,241	\$2,211	\$2,211	\$10,217	\$17,800	2036
TOTAL STORAGE FACILITIES BUDGETS			\$4,413	\$2,645	\$4,813	\$8,229	\$3,651	\$4,876	\$9,526	\$9,147	\$3,136	\$3,241	\$2,211	\$51,475	\$156,199	
PROGRAM MANAGEMENT	Start	Status	FY 2021 Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-Yr Total	Lifetime Budget	Completion
KV Water Program Management Services 2F	2020	Ongoing	\$3,455	\$4,591	\$4,544	\$2,770	\$831	\$0	\$0	\$0	\$0	\$0	\$0	\$12,737	\$30,610	2025
LB Water Program Management Services 2G	2025	Ongoing	\$0	\$0	\$0	\$0	\$3,090	\$5,120	\$7,542	\$7,080	\$4,641	\$1,551	\$0	\$29,025	\$35,480	2030
ME Water System Program Management Services	1999	Ongoing	\$7	\$316	\$315	\$301	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$932	\$19,854	2024
NU Water Program Management Services 2H	2030	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,090	\$5,120	\$8,210	\$35,480	2035
TOTAL PROGRAM MANAGEMENT BUDGETS			\$3,463	\$4,907	\$4,859	\$3,072	\$3,921	\$5,120	\$7,542	\$7,080	\$4,641	\$4,641	\$5,120	\$50,904	\$121,424	
TOTAL WATER BUDGETS			\$57,279	\$165,313	\$227,116	\$218,339	\$194,652	\$202,046	\$191,451	\$192,665	\$192,324	\$124,683	\$120,842	\$1,829,430	\$3,167,891	

(\$ in thousands)

	FY 2021	FY 2022 - 2031 CIP Disbursement Plan											Lifetime
	Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-yr Total	Budget
CAPITAL EQUIPMENT	19,585	40,519	37,021	36,156	35,307	39,671	41,813	36,203	36,203	36,203	36,203	375,302	375,302
WASHINGTON AQUEDUCT	9,588	16,875	59,628	34,749	17,164	27,825	37,122	14,723	11,940	19,831	13,911	253,768	253,768
ADDITIONAL CAPITAL PROJECTS	29,174	57,394	96,649	70,905	52,471	67,496	78,935	50,926	48,143	56,034	50,114	629,070	629,070



Fleet Truck



Fleet Skimmer Boat



WAD McMillan North Clearwell

Overview

Additional Capital Programs is a subset of DC Water's Capital Improvement Program (CIP) and is comprised of Capital Equipment and the Washington Aqueduct.

Capital Equipment – This category accounts for approximately 60% of the Additional Capital Programs budget and includes capital equipment purchases, refurbishment, replacement and enhancement of operational facilities, vehicle equipment, office renovations, mechanical equipment, and Information Technology (IT) software/hardware needs. The current capital equipment disbursement budget includes the following cluster groups:

- **Wastewater Operations** – This cluster is comprised of Wastewater Operations, Wastewater Process Engineering, and Maintenance Services. The capital equipment activities/purchases support work attributable to rehabilitation, replacement, and continuous improvements or enhancements for pumps, screens, large motors, centrifuges, process control systems, and actuators.
- **Water Operations** – The capital equipment activities/purchases for this department include water service replacements, backflow preventers, hydrant locks, and valve replacements.
- **Pumping and Sewer Operations** – these purchases support Supervisory Control and Data Acquisition (SCADA) hardware, flow meters, major build rebuilds, and sewer equipment.
- **Engineering** – purchases for this department support engineering and technical services miscellaneous equipment needs.
- **Finance and Procurement** – This cluster includes the departments of Finance, and Procurement & Compliance. The activities/purchases are primarily for reserve funds to support additional capital equipment needs for new facilities, unplanned emergencies, and capital equipment requiring long-lead times. This also funds the purchases of payroll time clocks, and miscellaneous finance related equipment.
- **Customer Care** – these activities/purchases support the enhancements, replacements, and upgrades of residential and commercial water meters.

- **Information Technology** – This department is comprised of the following clusters: IT Infrastructure and IT Project Management. The IT activities are for equipment purchases for infrastructure and projects, which include laptops, cabling, radios, servers, telephones, and software applications.
- **Shared Services** – Capital equipment within this cluster is primarily for the departments of Office of Emergency Management, Facilities Management, Fleet Management, Security, and Safety. The activities/purchases include, plumbing, elevators, photocopiers, appliances, furniture, vehicles, loaders, dump trucks, vacuum trucks, boats, backhoes, cranes, trailers, forklifts, fire suppression system equipment, renovations, cameras, utility carts, and sensors.

Washington Aqueduct – The Washington Aqueduct, managed by the U.S. Army Corps of Engineers (USACE), provides wholesale water treatment services to DC Water and wholesale customers in Northern Virginia, (Arlington County and Fairfax County Water Authority). DC Water purchases approximately 74 percent of the water produced by the Aqueduct’s two treatment facilities, the Dalecarlia and McMillan Treatment Plants, and thus is responsible for approximately 74 percent of the Aqueduct’s operating and capital costs. Under federal legislation and a memorandum of understanding enacted in 1997 and updated in 2013, when Fairfax Water replaced the City of Falls Church, DC Water and the Aqueduct’s wholesale customers in Northern Virginia inherited a much greater role in oversight of the Aqueduct’s operations and its Capital Improvement Program, than prior to 1997.

The USACE, in accordance with Federal procurement regulations, requires DC Water to remit cash in an amount equal to the total project cost in advance of advertising contracts, and these funds are transferred immediately to a USACE/U.S. Treasury account to be drawn down during the execution of the project, through completion, with no interest going to DC Water. Over the years, extensive discussions with the U.S. Office of Management and Budget (OMB) and the USACE resulted in a proposal in the President’s FY 2006 and FY 2007 budgets that would allow Aqueduct customers to deposit funds for any projects required by their National Pollutant Discharge Elimination System (NPDES) permit (including the residuals project) to a separate escrow account, allowing the Aqueduct customers to retain interest on these funds. The proposal was submitted in May 2006 to the Senate and House. During FY 2006, the USACE briefed the Senate Environment and Public Works Committee staff and in conjunction with DC Water, briefed the Senate Homeland Security and Government Affairs committee staff. Additionally, DC Water and Washington Aqueduct staff provided DC Delegate Norton’s office with the Administration’s proposal. Neither committee acted on the proposal.

The Washington Aqueduct continues to pursue other options that would be more favorable to DC Water, including transferring dollars on a phased basis, utilizing taxable bonds, or taxable commercial paper. In the past, some of these options have not been viewed favorably by the U.S. Treasury, but we will continue our outreach efforts to Congressional staff, federal agencies, and the USACE on this critical issue.

DC Water’s share of Washington Aqueduct’s infrastructure improvements to achieve established service levels for FY 2022 – FY 2031 is \$253.8 million. The increased investments funds Washington Aqueduct’s risk-based asset management CIP, except the following projects: Federally Owned Water Mains, Travilah Quarry Acquisition Outfitting, and Advanced Treatment.



Additional Capital Programs

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(\$ in thousands)

	FY 2021 Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-Yr Total
WASTEWATER OPERATIONS												
810006 Wastewater Operations	\$0	\$50	\$50	\$50	\$50	-	-	-	-	-	-	\$200
812003 Wastewater Process Engineering	\$0	\$400	\$400	\$500	\$400	-	-	-	-	-	-	\$1,700
811003 Maintenance Services	\$1,194	\$4,000	\$4,000	\$4,000	\$4,000	-	-	-	-	-	-	\$16,000
Subtotal	\$2,035	\$6,215	\$6,215	\$6,315	\$6,215	-	-	-	-	-	-	\$24,960
WATER OPERATIONS												
813003 Water Operations	\$45	\$800	\$1,050	\$775	\$775	-	-	-	-	-	-	\$3,400
813012 Water Quality and Technology	\$0	-	-	-	-	-	-	-	-	-	-	\$0
Subtotal	\$45	\$800	\$1,050	\$775	\$775	-	-	-	-	-	-	\$3,400
PUMPING AND SEWER OPERATIONS												
815000 Pumping Services	\$840	\$1,765	\$1,765	\$1,765	\$1,765	-	-	-	-	-	-	\$7,060
814000 Sewer Operations	\$27	\$235	\$210	\$210	\$210	-	-	-	-	-	-	\$865
Subtotal	\$27	\$235	\$210	\$210	\$210	-	-	-	-	-	-	\$865
ENGINEERING												
801000 Engineering & Technical Services	\$36	\$25	\$25	\$25	\$25	-	-	-	-	-	-	\$100
Subtotal	\$36	\$25	\$25	\$25	\$25	-	-	-	-	-	-	\$100
FINANCE & PROCUREMENT												
300003 Finance, Accounting & Budget	\$18	\$10	\$10	\$10	\$10	-	-	-	-	-	-	\$40
300003 Reserve Fund	\$0	\$5,202	\$10,776	\$11,459	\$10,757	\$36,638	\$38,780	\$33,170	\$33,170	\$33,170	\$33,170	\$246,292
Subtotal	\$18	\$5,212	\$10,786	\$11,469	\$10,767	\$36,638	\$38,780	\$33,170	\$33,170	\$33,170	\$33,170	\$246,332
CUSTOMER CARE												
600018 AMR Replacement	\$126	-	-	-	-	-	-	-	-	-	-	\$0
600018 On-Going Replacement	\$616	\$2,900	\$2,900	\$2,900	\$2,900	\$3,033	\$3,033	\$3,033	\$3,033	\$3,033	\$3,033	\$29,801
600018 SDWM Meter Program	\$0	179	200	200	200	-	-	-	-	-	-	\$779
Subtotal	\$743	\$3,079	\$3,100	\$3,100	\$3,100	\$3,033	\$3,033	\$3,033	\$3,033	\$3,033	\$3,033	\$30,580
INFORMATION TECHNOLOGY												
601003 IT Infrastructure	\$2,910	\$2,910	\$3,349	\$2,672	\$2,672	-	-	-	-	-	-	\$11,603
601012 IT Project Management	\$8,872	\$7,770	\$3,520	\$3,145	\$3,145	-	-	-	-	-	-	\$17,580
Subtotal	\$11,782	\$10,680	\$6,869	\$5,817	\$5,817	-	-	-	-	-	-	\$29,183
SHARED SERVICES												
204000 Facilities Management	\$1,600	\$2,168	\$1,966	\$1,845	\$1,798	-	-	-	-	-	-	\$7,778
205003 Security	\$1,377	\$1,407	\$800	\$600	\$600	-	-	-	-	-	-	\$3,407
202006 Fleet Management	\$1,924	\$10,648	\$6,000	\$6,000	\$6,000	-	-	-	-	-	-	\$28,648
201006 Office of Emergency Management	\$0	\$50	\$0	\$0	\$0	-	-	-	-	-	-	\$50
Subtotal	\$4,901	\$14,273	\$8,766	\$8,445	\$8,398	-	-	-	-	-	-	\$39,883
TOTAL CAPITAL EQUIPMENT												
	\$19,585	\$40,519	\$37,021	\$36,156	\$35,307	\$39,671	\$41,813	\$36,203	\$36,203	\$36,203	\$36,203	\$375,302
WASHINGTON AQUEDUCT												
	\$9,588	\$16,875	\$59,628	\$34,749	\$17,164	\$27,825	\$37,122	\$14,723	\$11,940	\$19,831	\$13,911	\$253,768
TOTAL ADDITIONAL CAPITAL PROGRAMS												
	\$29,174	\$57,394	\$96,649	\$70,905	\$52,471	\$67,496	\$78,935	\$50,926	\$48,143	\$56,034	\$50,114	\$629,070



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Approved FY 2023 Budgets

Section VI: CAPITAL FINANCING, CASH AND DEBT



Blue Plains / anaerobic digesters

\$ in thousands

DC Water relies on several funding sources to finance its capital projects and cash flow needs. The process of identifying, obtaining, and managing these funds, is a combined effort throughout the Authority. This includes future revenues, collections, grant applications, planning, and debt service management.

Approximately 63% of DC Water's capital program is funded by debt and pay-go, 17% of the funds is contributed by the wholesale capital payments, and the remaining estimated 20% funds come from other available funds.

Below is the list of various funding sources and the percentage contribution, to DC Water's overall CIP needs.

Ten-year Sources of Funds	Amount	Percentage
Debt Financing (1)	\$ 2,570,230	38.6%
Wholesale Capital Payment	1,157,445	17.4%
Pay-Go Financing (2)	1,608,335	24.2%
Clean Rivers Impervious Area Charge (CRIAC)	723,083	10.9%
EPA Grants & CSO Appropriation	209,942	3.2%
System Availability Fee (SAF)	77,000	1.2%
Federal Grants - Infrastructure Funding	261,689	3.9%
Interest Income on Bond Proceeds	20,554	0.3%
Curing Pad and Solar	31,044	0.5%
Total	\$ 6,659,322	100%

- (1) Debt financing refers to the borrowing of funds through long-term revenue bonds, commercial paper and other short-term notes
- (2) Pay-go financing is any funds available after meeting the reserves and rate stabilization fund deposits

\$ in thousands

Sources and Uses of Funds

	FY 2021 Actual	FY 2022 Approved	FY 2022 Revised	FY 2023 Approved
Sources				
Beginning Balance	\$ 266,205	\$ 209,136	\$ 151,031	\$ 281,405
New Debt Proceeds / Commercial Paper / EMCP ⁽¹⁾	\$ -	\$ 200,000	\$ 405,000	\$ 194,519
Curing Pad and Solar	-	-	-	1,165
System Availability Fee (SAF)	5,403	7,700	7,700	7,700
Clean Rivers Impervious Area Charge (CRIAC)	49,158	52,095	52,095	52,514
Pay-Go Financing	90,014	89,226	104,659	114,315
Federal Grants - Infrastructure Funding	-	-	8,855	37,594
EPA Grants	30,568	31,311	42,161	27,101
CSO Appropriation	8,002	-	-	-
Wholesale Customer Capital Contributions	70,648	83,640	86,872	90,690
Interest Income	1,151	2,623	2,623	3,304
Total Sources	\$ 254,946	\$ 466,596	\$ 709,966	\$ 528,902
Uses				
Water Projects	\$ 55,880	\$ 100,209	\$ 165,313	\$ 227,116
Wastewater Treatment	72,007	63,922	85,979	78,574
Sanitary Sewer Treatment	28,204	75,437	68,086	103,383
Combined Sewer & LTCP Projects	161,517	165,276	152,266	117,703
Stormwater Projects	1,831	9,228	7,029	11,526
Non-Process Facilities	21,508	12,725	31,439	12,052
Washington Aqueduct	9,588	13,324	16,875	59,628
Capital Equipment	19,571	32,940	37,440	33,921
Meter Replacement / AMR/ CIS	14	3,079	3,079	3,100
Total Uses	\$ 370,120	\$ 476,140	\$ 567,506	\$ 647,003
Capital Contingency Reserve for LTCP	\$ -	\$ 47,614	\$ 12,086	\$ 32,350
Ending Balance	\$ 151,031	\$ 151,978	\$ 281,406	\$ 130,955

(1) Commercial Paper and Extendable Municipal Commercial Paper are used for interim financing and capital equipment

Cash Reserve Summary

	FY 2021 Actual	FY 2022 Approved	FY 2022 Revised	FY 2023 Approved
Beg. O&M Reserve Balance (Net of Rate Stabilization Fund)	\$ 186,827	\$ 185,000	\$ 196,286	\$ 235,600
Operating Surplus	\$ 118,938	\$ 122,961	\$ 174,315	\$ 143,799
Wholesale Customer Prior Year Billing Reconciliation	2,313	(3,342)	(5,400)	(5,000)
Federal Customer Prior Year Billing Reconciliation	2,233	488	(3,060)	(4,188)
Interest Earned from Bond Proceeds	194	85	85	225
Pay-Go Capital Financing	(114,221)	(111,192)	(126,625)	(127,837)
Ending O&M Reserve Balance (Net of Rate Stabilization Fund)	\$ 196,286	\$ 194,000	\$ 235,600	\$ 242,600
Rate Stabilization Fund	\$ 87,744	\$ 77,244	\$ 35,644	\$ 35,644

\$ in thousands

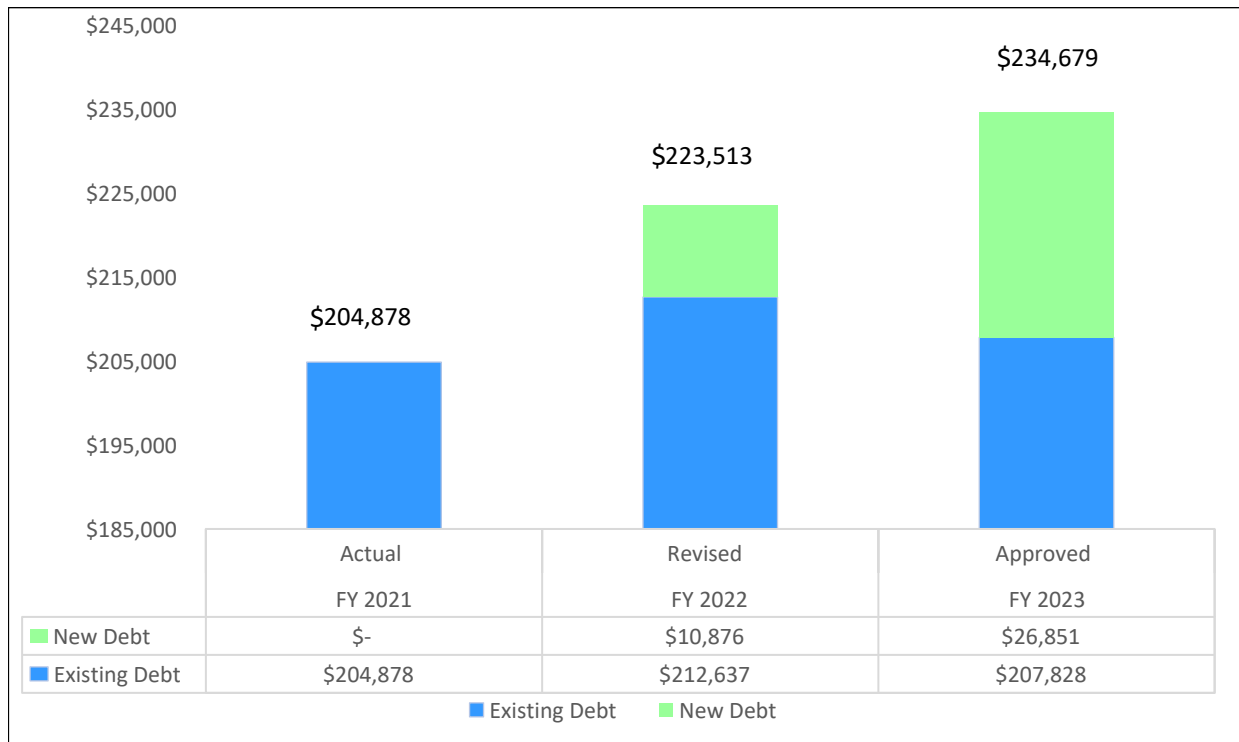
Interest Rate Assumptions

- Budget Appropriation and Financial Plan
 1. Variable rate
 - 2.5% for FY 2022 and FY 2023
 2. Fixed rate
 - 4.0% and 5.0% for FY 2022 and FY 2023 respectively
 - Plus, cost of issuance and insurance

Capital Financial Plan

- DC Water will issue debt for two purposes:
 1. Finance the costs associated with the CIP
 2. Refund existing debt to obtain Debt Service savings and / or restructure certain term of existing debt. The key goals of DC Water's comprehensive capital financing plans are:
 - a) Minimizing the cost of capital
 - b) Increase operational flexibility; and
 - c) Optimize assets / liability matching through Interim Financing, Pay-Go Financing, and Federal Grants.

Debt Management FY 2021 – FY 2023



\$ in thousands

The chart below shows debt service payment of principal and interest for a three-year outlook.

Bond Series	FY 2021 Actual	FY 2022 Revised	FY 2023 Approved
Senior Lien			
Series 1998	\$ 21,390	\$ 23,365	\$ 23,369
Series 2014A	16,829	16,849	16,849
Series 2017A&B	17,819	17,846	17,848
Series 2018A&B	18,312	18,326	18,329
WIFIA Loan	736	-	-
Total Senior Lien	\$ 75,085	\$ 76,386	\$ 76,395
Subordinate Lien			
Series 2010A	\$ 14,608	\$ 15,351	\$ 15,460
Series 2012A,B-1,B-2&C	20,046	20,087	-
Series 2014B	59	2,000	2,500
Series 2014C	30,341	30,123	30,006
Series 2015A&B	24,714	24,729	24,732
Series 2016	16,979	17,039	17,039
Series 2016B	428	-	-
Series 2019A&B	7,620	7,625	7,625
Series 2019C	1,741	1,741	1,741
Series 2019D	12,302	12,305	12,305
Series 2022A	-	1,446	16,218
Extendable Municipal Commercial Paper	87	1,500	1,500
Commercial Paper	62	1,500	1,500
Jennings Randolph Bond	805	805	805
Total Subordinate Lien	\$ 129,793	\$ 136,251	\$ 131,433
Proposed Debt Service	-	10,876	26,851
Total Debt Service	\$ 204,878	\$ 223,513	\$ 234,679

In February 2022, DC Water affirmed its senior bond ratings of AAA/Aa1/AA+ from S&P/Moody's/Fitch's Ratings. This allows DC Water to have a lower borrowing cost which in turn reduces ratepayer cost in the long run.

Senior Bond Ratings		
Standard & Poor's Corporation	AAA	Stable Outlook
Moody's Investor Service	Aa1	Stable Outlook
Fitch's Rating	AA+	Stable Outlook

\$ in thousands

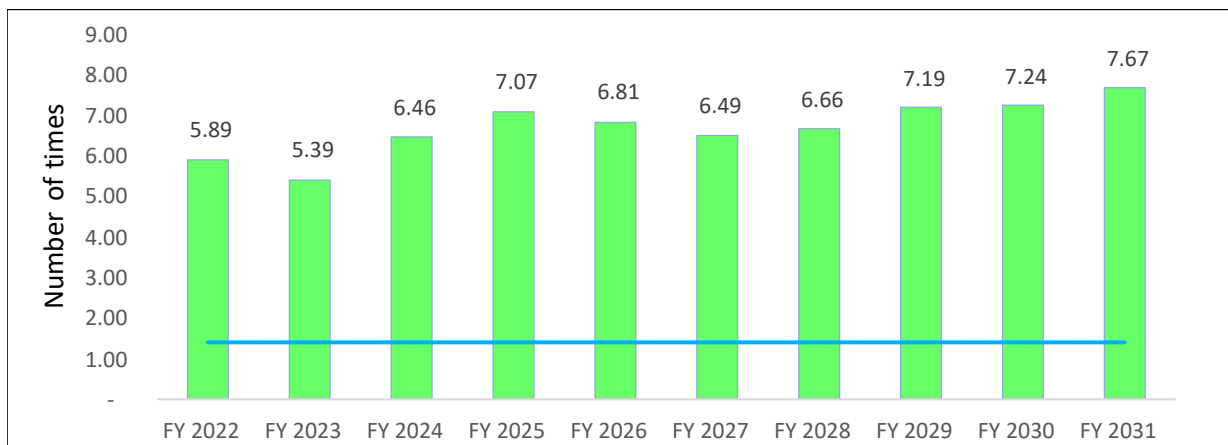
Debt Service Coverage (FY 2022 – FY 2031)

DC Water is authorized to issue additional debt only to the extent that it can satisfy the Debt Service Coverage (annual net revenues as a percent of annual debt service) requirements established in the Indenture and certain Board policies.

Debt Level	Master Indenture	Board Resolution	Management Practice
Senior	120x	140x	140x
Subordinate	100x	100x	100x
Combined	NA	160x	160x

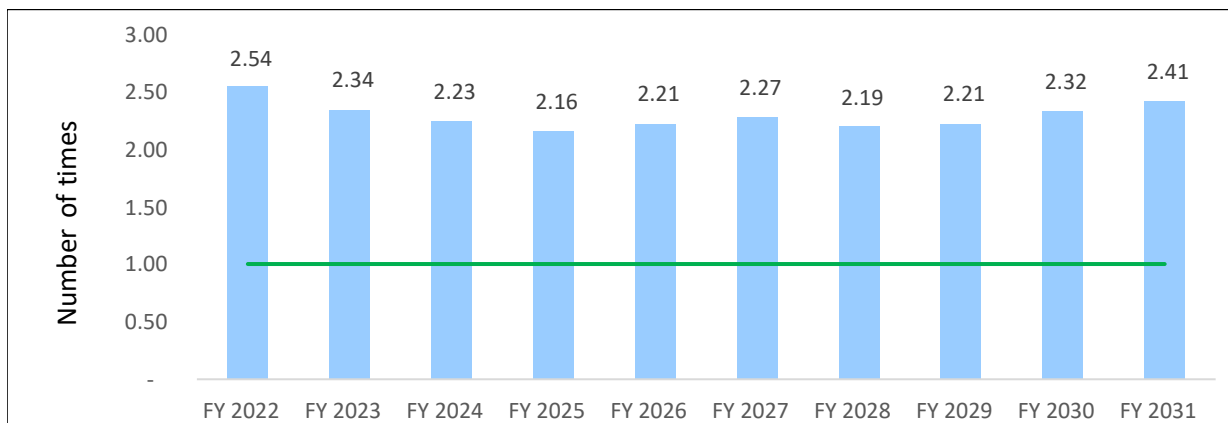
Senior Debt Service Coverage

Senior Debt Service Coverage (Management target = 140x)



Subordinate Debt Service Coverage

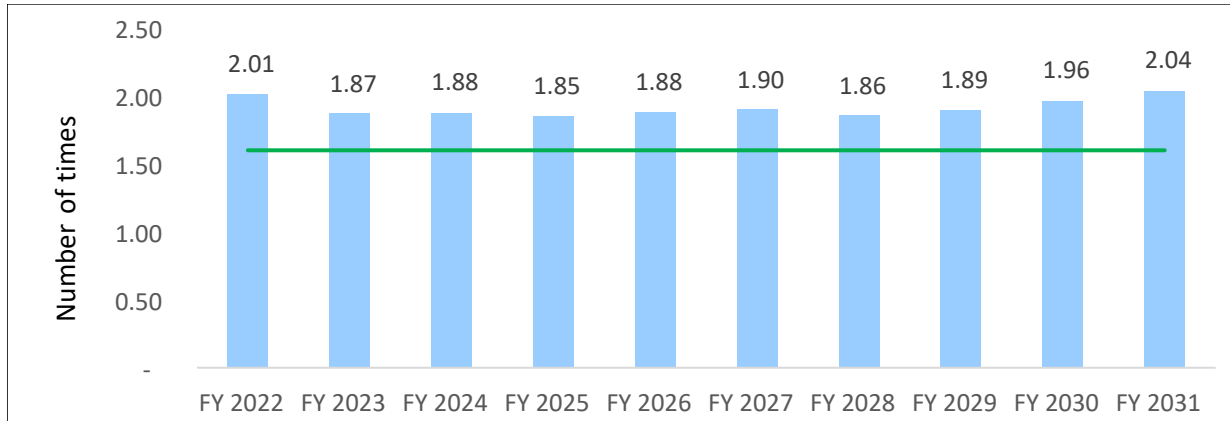
Subordinate Debt Service (Board/Management target = 100x)



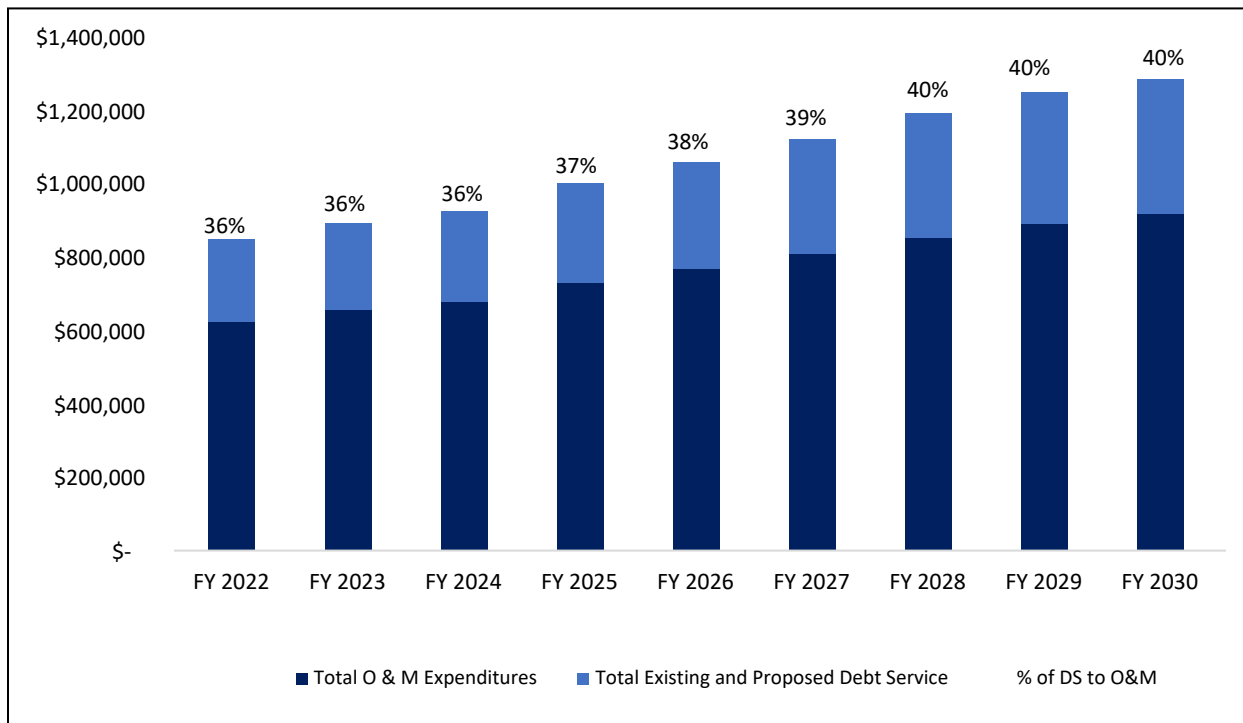
\$ in thousands

Combined Debt Service Coverage

Combined Debt Service (Board/Management target = 160x)

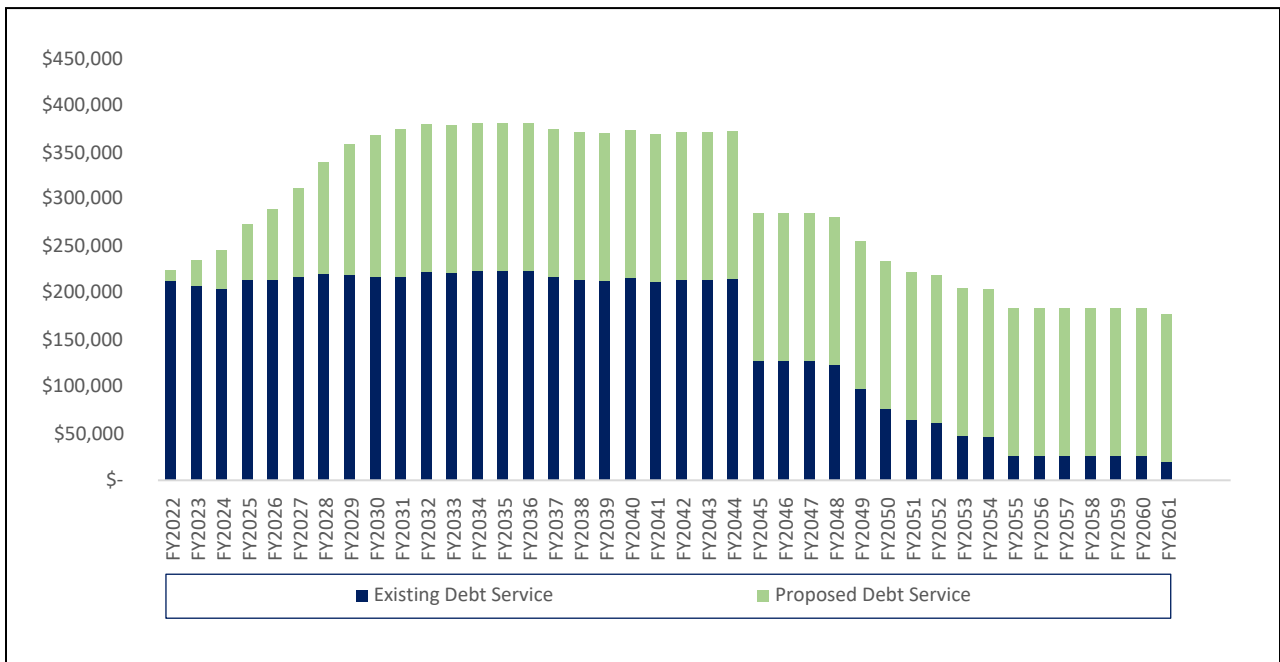


Debt Service as Percentage of O&M Expenditures

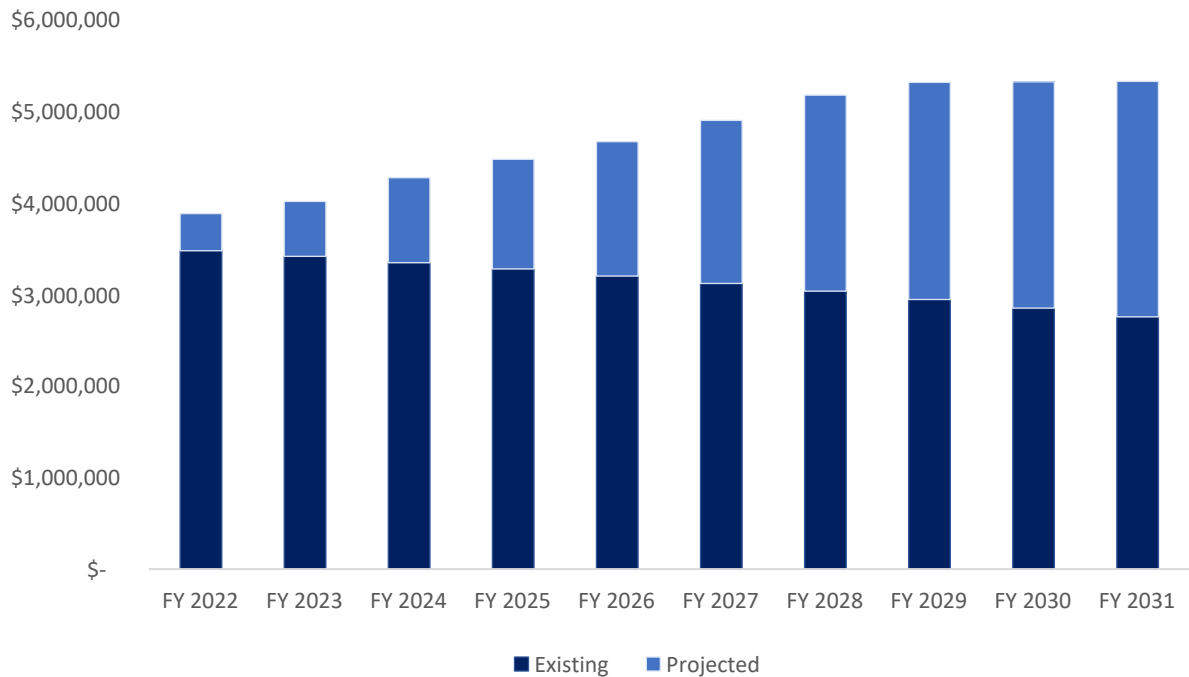


\$ in thousands

Total Outstanding & Proposed Debt Service

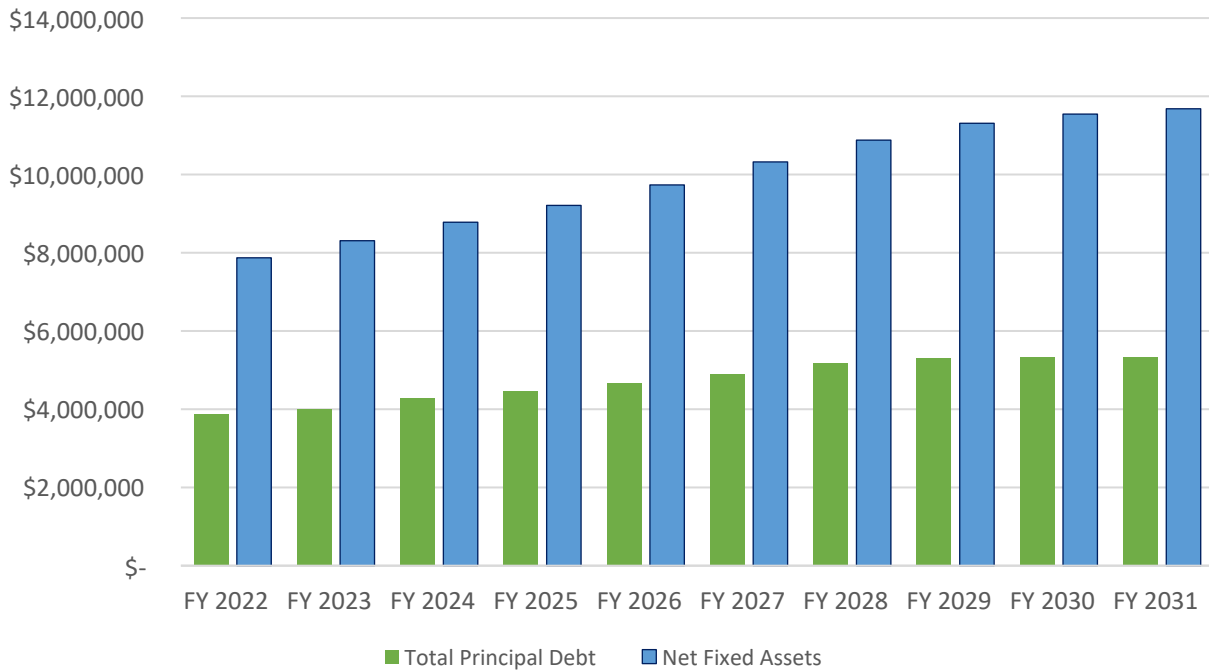


Principal Outstanding Debt

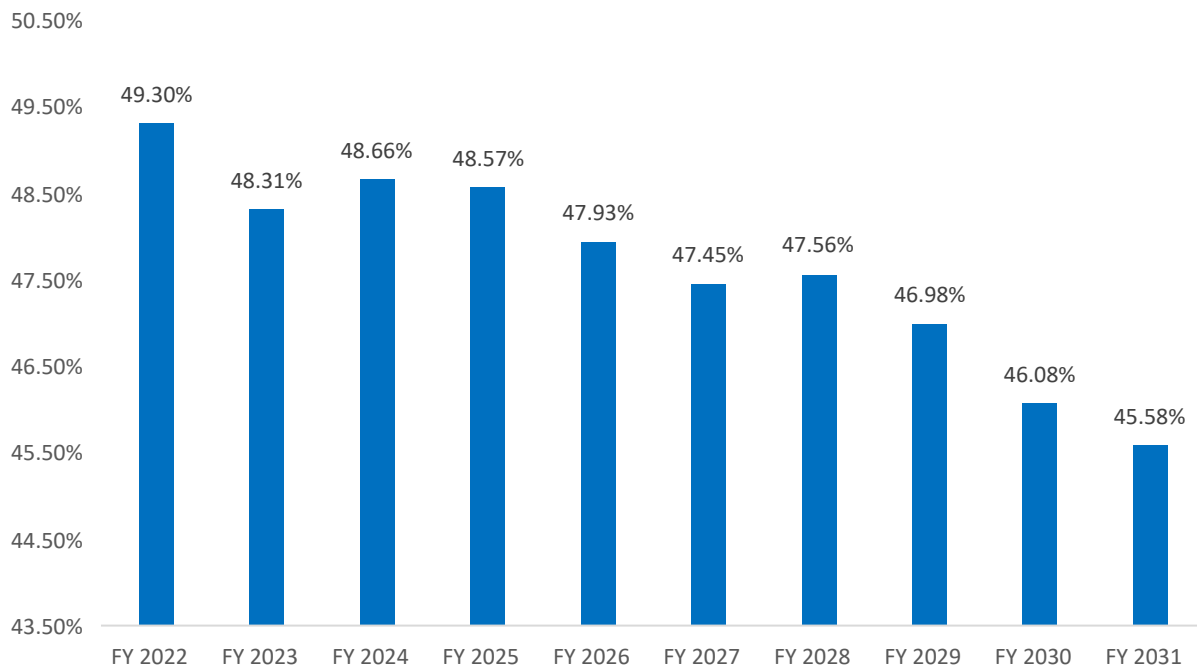


\$ in thousands

Principal vs Net Fixed Assets



Debt to Net Fixed Assets Ratio



DEBT LIMIT: DC Water is not subject to any legal debt limitations. However, prior to any new debt issuance, DC Water must meet an additional bonds test and certify revenue sufficiency

PUBLIC UTILITY SENIOR LIEN REVENUE BONDS: 1) Series 1998 (March 1998); 2) Series 2014A (July 2014); 3) Series 2017A (January 2017); 4) Series 2017B (January 2017); 5) Series 2018A (April 2018); and 6) Series 2018B (April 2018)

PUBLIC UTILITY SUBORDINATE LIEN REVENUE BONDS: 1) Series 2012A (March 2012); 2) Series 2013A (July 2013); 3) Series 2014B (July 2014); 4) Series 2013A (July 2013); 5) Series 2014B (July 2014); 6) Series 2015A (October 2015); 7) Series 2015B (October 2015); 8) Series 2016B Environmental Impact Bond (September 2016); 9) Series 2019A (October 2019); 10) Series 2019B (October 2019); 11) Series 2019C (October 2019); 12) Series 2022B (February 2022); 13) Series 2022C (February 2022); 14) Series 2022D (February 2022); and 15) Series 2022E (March 2022).

PUBLIC UTILITY SUBORDINATE LIEN REVENUE BONDS (FEDERALLY TAXABLE ISSUER SUBSIDY BUILD AMERICA BONDS): 1) Series 2010A (October 2010)

PUBLIC UTILITY SUBORDINATE LIEN REVENUE REFUNDING BONDS: 1) Series 2008A: (refunded Series 2004, Assured Guaranty insured, April 2008; 2) Series C taxable commercial paper: (refunded Series 2007B, April 2008); and 3) Series 2012C: (advance refunded Series 2003, March 2012); 4) Series 2014C: (advanced refunded all or a portion of Series 2007A, 2008A, 2009A, and 2012B, October 2014); 5) Series 2016A: (advanced refunded all or a portion of Series 2007A, 2008A, and 2009A, January 2016); 6) Series 2019D: (advanced refunded all of Series 2013A); 7) Series 2022C: (refunded portion of Series 2014C, 2015A and 2015B, February 2022); 8) Series 2022D: (refunded portion of Series 2014C, February 2022); and 9) Series 2022A: (forward direct purchase agreement to refund all Series 2012A and 2012C, July 2022).

NOTES FOR JENNINGS RANDOLPH RESERVOIR: The note payable to the Federal government for improvements to the Jennings Randolph Reservoir is considered subordinate debt under the Master Indenture of Trust. The notes were issued to provide a backup water supply facility for the Authority. DC Water's share of operating and capital cost is 30 percent

NOTES FOR LITTLE SENECA RESERVOIR: The note payable to Washington Suburban Sanitary Commission (WSSC) is considered subordinate debt under the Master Indenture of Trust. The notes were issued by WSSC for construction of the Little Seneca Dam and Lake for backup and peak-day water supply for the Authority. DC Water's share of operating and capital costs is 40 percent. DC Water prepaid the note in full in August 2013

COMMERCIAL PAPER (CP): These notes issued are considered subordinate debt under the Master Indenture of Trust. DC Water's commercial paper program is issued in increments with maturities less than 270 days. As described in Section III, the Board approved the commercial paper program in early FY 2002; proceeds from the sale of the notes are used for interim bond financing, short-term financing for capital

equipment and certain taxable costs for the Washington Aqueduct. Each new bond issuance is evaluated to determine the most cost-effective way of reducing the amount of taxable commercial paper. Normal market conditions for commercial paper carries significantly lower interest rates than long-term debt. In May 2020, DC Water authorized the Letter of Credit facility to TD Bank, NA. Additionally, DC Water successfully extended JP Morgan Chase Bank as the authorized dealer and US Bank as the Issuing Paying Agent. The \$150 million commercial paper program includes: (1) Series B (tax-exempt) aggregate principal amount not to exceed \$100 million; and (2) Series C (taxable) aggregate principal amount not to exceed \$50 million

EXTENDABLE MUNICIPAL COMMERCIAL PAPER (EMCP): This program will provide interim financing for a portion of the Authority's Capital Improvement Program. Under this program the notes are issued backed by the liquidity and credit rating of the Authority. Each Series A EMCP Note will mature on its respective "Original Maturity Date", which may range from one to 90 days from the date of issuance, unless its maturity is extended on the "Original Maturity Date" to the "Extended Maturity Date", which will be the date that is 270 days after the date of issuance of the Series A EMCP Note. The notes are payable from and secured by a subordinate lien on the Authority's net revenues, as further described in the Authority's master trust indenture as supplemented. In November 2015, DC Water authorized the dealer for the EMCP program as Goldman, Sachs & Co. The \$100 million extendable municipal commercial paper program includes: (1) Series A (tax-exempt) aggregate principal amount not to exceed \$100 million

DEBT POLICY: DC Water's comprehensive debt policy can be found on our website at www.dewater.com

INVESTOR RELATIONS: DC Water's investor relations can be found via BondLink at www.dewaterbonds.com



Approved FY 2023 Budgets

Section VII: DEPARTMENTAL SUMMARIES



Lead service line replacement,
door-to-door canvassing / Lawrence Street

Introduction to DC Water's Operational and Administrative (Support) Departments

DC Water's organizational structure is a key tool for ensuring that the organizational mission is achieved. The structure consists of twenty-nine departments that are defined primarily along functional roles and further grouped along service lines (Operational or Administrative) or reporting clusters of authority.

Service Lines: Operational departments include: Water Operations, Pumping and Sewer Operations, and Wastewater Treatment services (including maintenance of these facilities). These departments are responsible for the day-to-day operations of the DC Water's extensive infrastructure and facilities that provide direct services to our customers. Similarly, the Customer Care Department is classified as an operational department due to the integrated nature of their work to operations (i.e., customer care, metering and billing). Provision of first-line customer care to our customers includes 24-hour emergency service. The departments of Engineering and Technical Services, Wastewater Engineering, Clean Rivers, Permit Operations, and Capital Improvement Program (CIP) Infrastructure Management are responsible for ongoing reinvestment in the system infrastructure, compliance with various mandates and provide services to the development community throughout the District of Columbia.

All other departments provide critical administrative and technical support to ensure the safe and reliable continuity of our vital services through short and long-term planning, asset management, leadership and all financial and human capital support requirements.

Reporting Lines: Departments are grouped within clusters to ensure accountability and to enhance efficiency and delivery of various services. A member of the Senior Executive Team (SET) heads each cluster group and is accountable for service delivery and performance metrics of the departments within their cluster.

DC Water continues to make organizational changes and improvements to enhance efficiencies, improve processes and efficiently utilize all assets with the goal of better serving the public and protecting the environment. To this end during FY 2021, DC Water's Senior Executive Team implemented series of structural changes aimed at leveraging organizational strengths to produce maximum results, promote high performing team culture across all business units, and provide best employee experience. These structural changes include the separation of Information Technology from the Customer Care cluster as a separate cluster, creation of a Watershed Management cluster and reallocation of Clean Rivers Department from Operations and Engineering to Watershed Management.

DC Water's new organizational chart can be found on page 216 and reflects structural changes for the following departments and cluster groups:

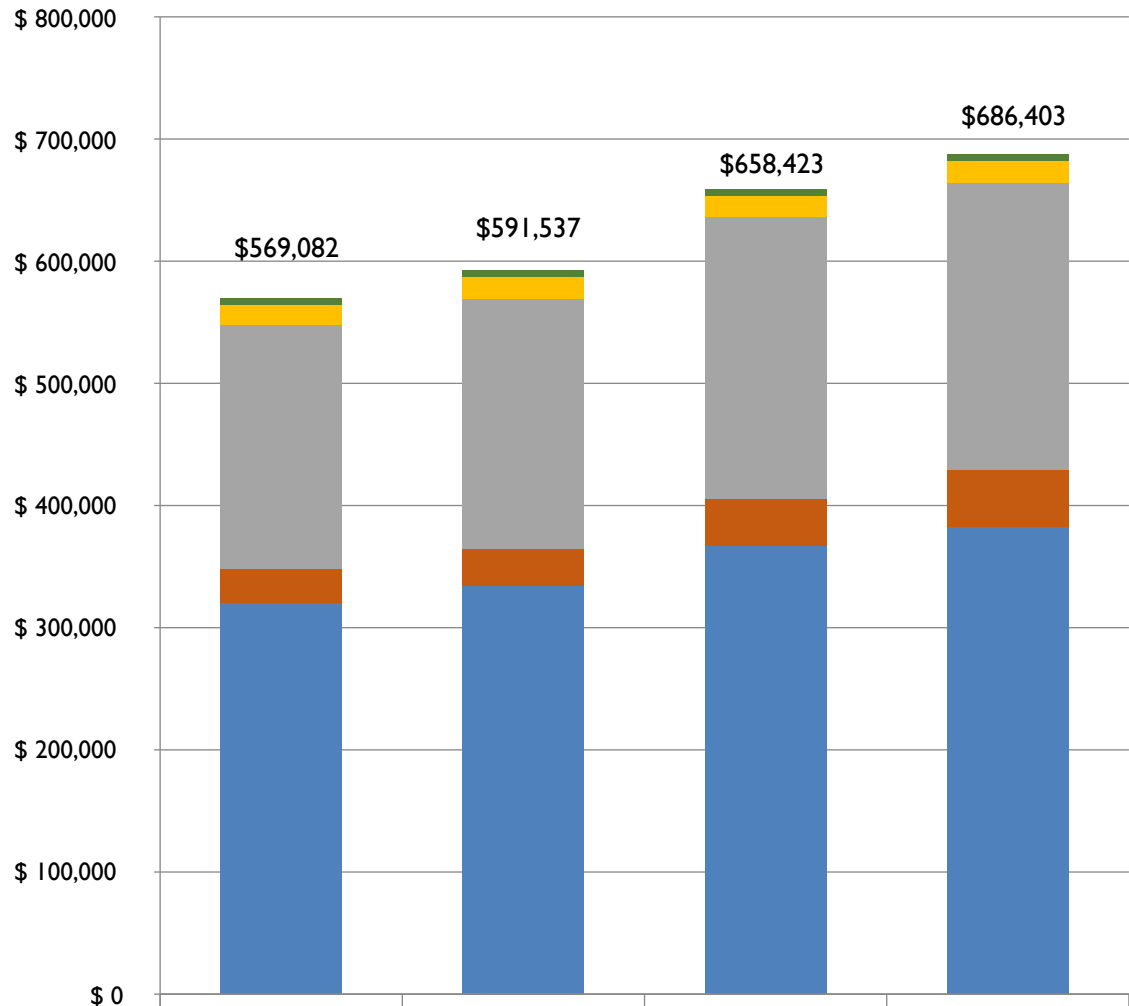
- Chief Executive Officer – This cluster is comprised of the Office of the Chief Executive Officer, Office of Chief Operating Officer, Board Secretary, and Internal Audit.
- Office of the Chief Operating Officer – Oversees the operations, engineering, shared services, customer care and Information Technology clusters.
- Operations and Engineering – All operational and engineering functions are consolidated into a single cluster. This includes Department of Engineering & Technical Services (DETS), Wastewater Engineering, Permit Operations, and CIP Infrastructure Management. The operations departments include Water Operations (includes Water Quality and Technology), Pumping & Sewer Operations, Wastewater Treatment Operations, Process Engineering, and Maintenance Services.
- Watershed Management – This new cluster is comprised of Clean Rivers (previously under engineering cluster), and new departments for Watershed Management and Regulatory Compliance functions.
- Shared Services (Previously Administrative Services) – This cluster includes the Shared Services Office, Security, Occupational Safety and Health, Office of Emergency Management, Fleet Management, and Facilities Management departments.
- Customer Care – This department was previously part of the Customer Experience cluster.
- Information Technology - This department was previously part of the Customer Experience cluster and is comprised of Enterprise Solutions and IT Infrastructure functions.
- Finance and Procurement – This cluster is comprised of Finance and the Procurement & Compliance departments. All goods, services and engineering procurement administration activities are consolidated under the Procurement and Compliance department. This cluster is also responsible for the oversight of the Non-Ratepayer Revenue Fund.
- People and Talent – Human Capital Management is now the People and Talent department and includes Labor Relations and Compliance Programs under this cluster.
- Strategy & Performance – This cluster oversees the Innovation, Enterprise Program Management Office, Strategic Management and Business Performance Management functions.
- Legal Affairs – General Counsel is now Office of Government and Legal Affairs.
- Marketing and Communications – External Affairs is now Marketing and Communications.

Senior Executive Team

Chief Executive Officer & General Manager	Chief of Staff	Chief Operating Officer & Executive Vice-President	Chief Financial Officer & EVP, Finance and Procurement	Chief People & Inclusion Officer & EVP People & Talent	Chief Strategy & Performance Officer & EVP Strategy & Performance	Chief Legal Officer & EVP Government & Legal Affairs	Chief Communications Officer & Stakeholders Engagement Officer & EVP
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\$ in thousands

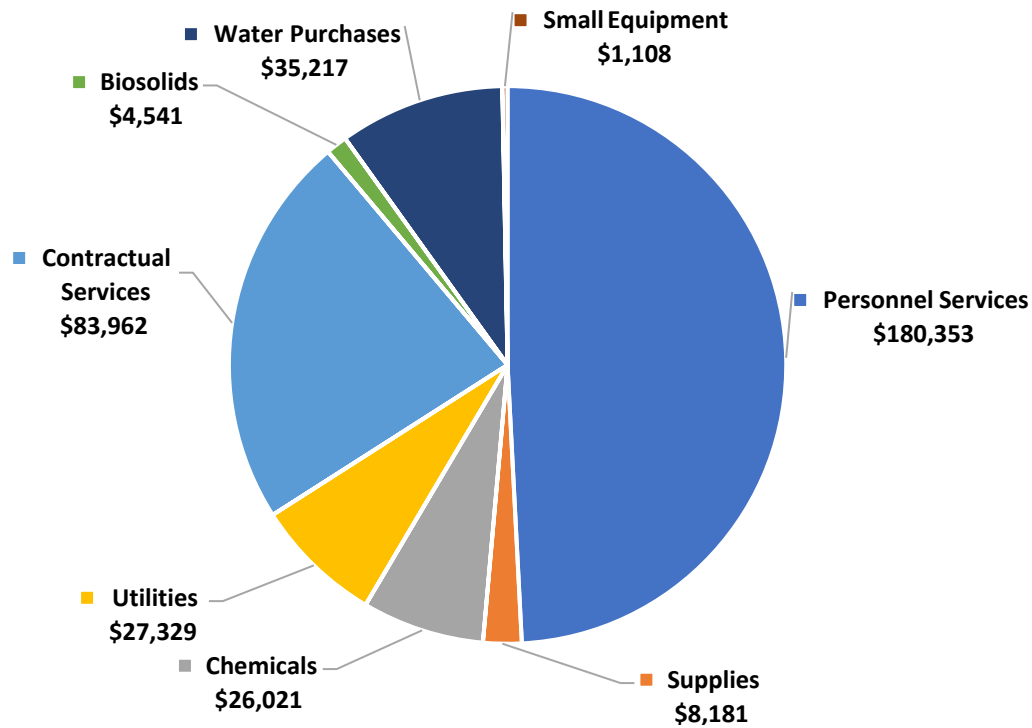
FY 2020 - FY 2023



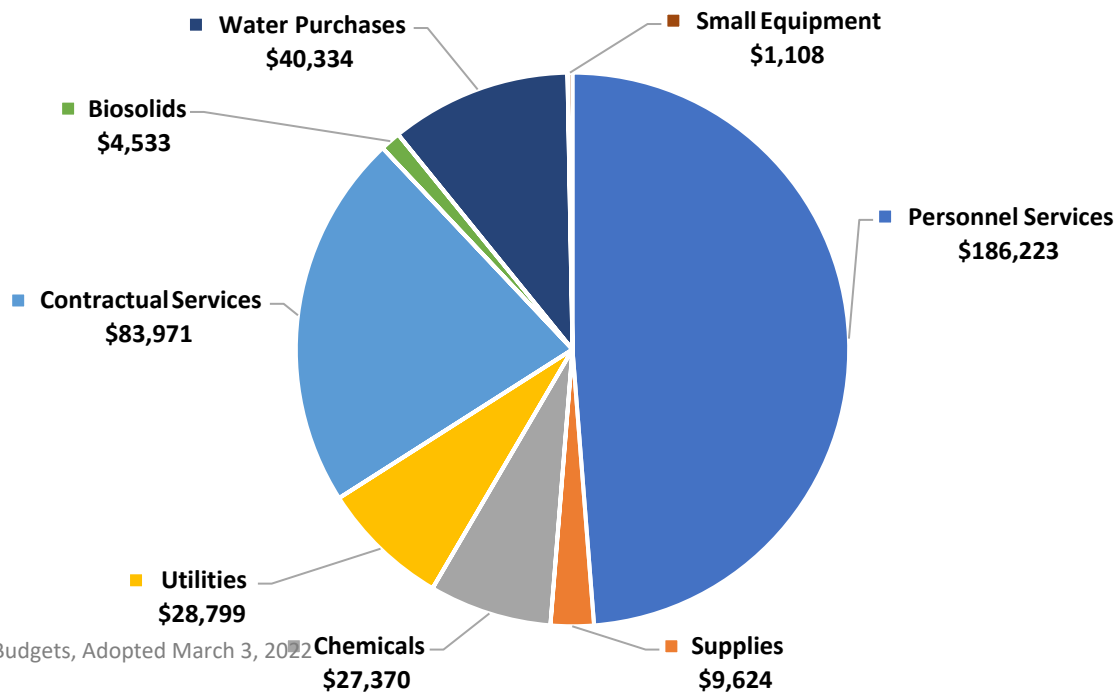
■ ROW	FY 2020 Actual	FY 2021 Actual	FY 2022 Approved	FY 2023 Approved
■ PILOT	\$ 5,100	\$ 5,100	\$ 5,100	\$ 5,100
■ Debt Service	\$ 16,934	\$ 17,272	\$ 17,618	\$ 17,970
■ Cash Financed Capital Improvements	\$ 199,056	\$ 204,878	\$ 231,164	\$ 234,679
■ Operations & Maintenance	\$ 28,556	\$ 30,355	\$ 37,830	\$ 46,692
■ Total	\$ 319,436	\$ 333,931	\$ 366,711	\$ 381,962
	\$569,082	\$591,537	\$658,423	\$686,403

The above chart shows steady growth in operations and maintenance (O&M) costs to maintain appropriate service levels. The overall operating budget is constrained by the increasing debt service costs required to support DC Water's Capital Improvement Program.

FY 2022 Approved \$366,711



FY 2023 Approved \$381,962



\$ in thousands

Object	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 APPROVED	FY 2023 APPROVED
Personnel Services	\$ 159,244	\$ 165,032	\$ 180,353	\$ 186,223
Contractual Services	74,326	73,575	88,504	88,504
Water Purchases	31,696	33,135	35,217	40,334
Chemicals and Supplies	28,659	34,244	34,201	36,994
Utilities	24,705	27,329	27,329	28,799
Small Equipment	806	617	1,108	1,108
Subtotal Operations & Maintenance Expenditures	\$ 319,436	\$ 333,931	\$ 366,711	\$ 381,962
Debt Service	199,056	204,878	231,164	234,679
Cash Financed Capital Improvements	28,556	30,355	37,830	46,692
Payment in Lieu of Taxes	16,934	17,272	17,618	17,970
Right of Way Fees	5,100	5,100	5,100	5,100
Total Operating Expenditures	\$ 569,082	\$ 591,537	\$ 658,423	\$ 686,403
Personnel Services charged to Capital Projects	(24,906)	(23,395)	(25,086)	(30,435)
Total Net Operating Expenditures	\$ 544,176	\$ 568,142	\$ 633,337	\$ 655,968


- **Personnel Services** – This covers the salaries, benefits, overtime, on-call and other employee compensation for full time employees, temporary part-time employees and the DC Water’s internship program.
- **Contractual Services** – This includes the maintenance and repairs for DC Water’s water, sewer and wastewater infrastructure, automotive and various operational facilities. It also covers the legal, insurance and compliance requirements, customer support and community outreach programs, employee training, safety programs, soGware maintenance, information technology services, pay for success based on performance of the Green Infrastructure project, etc.
- **Water Purchases** – This is for water purchased from the U.S. Army Corps of Engineers (Washington Aqueduct), the entity that sources, treats and produces the tap water distributed by DC Water in the District.
- **Chemicals and Supplies** – This includes the various chemicals used in the treatment processes, office supplies, parts sourced from the warehouse, uniforms for operational and technical employees, etc.
- **Utilities** – This covers the costs for telecommunications (radios, cell and phone lines), electricity, natural gas, water usage, building rentals, etc.
- **Small Equipment** – Include items such as adding machines, cameras, small appliances, etc.
- **Debt Service** – This is for repayment of principal and interest on debt issued for the capital program.
- **Cash Financed Capital Improvements (CFCI)** – The purpose of this fund is two-fold: to serve as an Operations and Maintenance budget contingency and to provide sufficient debt service coverage.
- **Payment in Lieu of Taxes and Right of Way** – These are payments to the District for water and sewer conduits that it occupies within the District of Columbia, consistent with memorandum of understanding (MOU).

\$ in thousand

Departments & Clusters	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 APPROVED	FY 2023 APPROVED
WASTEWATER OPERATIONS	\$ 94,679	\$ 99,470	\$ 105,202	\$ 107,718
Wastewater Treatment Operations	69,432	74,553	77,050	80,242
Process Engineering	6,557	5,870	7,373	6,978
Maintenance Services	18,690	19,047	20,779	20,497
ENGINEERING	\$ 28,782	\$ 31,460	\$ 33,118	\$ 36,230
Engineering & Technical Services	21,328	21,451	21,473	23,336
CIP Infrastructure Management	1,453	3,675	4,259	5,034
Wastewater Engineering	2,617	2,384	3,058	3,432
Permit Operations	3,385	3,949	4,328	4,428
WATER OPERATIONS	\$ 59,830	\$ 62,938	\$ 66,446	\$ 72,195
Water Operations	59,830	62,938	66,446	72,195
PUMPING AND SEWER OPERATIONS	\$ 34,328	\$ 35,654	\$ 37,945	\$ 37,349
Pumping and Sewer Operations	34,328	35,654	37,945	37,349
WATERSHED MANAGEMENT	\$ 1,927	\$ 2,602	\$ 4,097	\$ 4,118
Clean Rivers	1,927	2,602	4,097	4,118
CUSTOMER CARE	\$ 19,563	\$ 17,614	\$ 21,367	\$ 21,080
Customer Care	19,563	17,614	21,367	21,080
INFORMATION TECHNOLOGY	\$ 11,339	\$ 10,775	\$ 10,937	\$ 10,252
Information Technology	11,339	10,775	10,937	10,252
SHARED SERVICES	\$ 25,013	\$ 25,246	\$ 29,861	\$ 30,044
Shared Services Office	629	683	688	754
Office of Emergency Management	1,219	990	1,583	1,669
Fleet Management	5,911	6,158	7,194	7,576
Occupational Safety & Health	1,669	1,579	1,898	1,614
Facilities Management	7,925	8,482	9,262	9,781
Security	7,660	7,354	9,236	8,651
INDEPENDENT OFFICES	\$ 4,955	\$ 5,462	\$ 4,845	\$ 5,585
Secretary to the Board	498	432	634	635
Office of the Chief Executive Officer	3,896	4,474	2,537	2,772
Office of the Chief Operating Officer	-	-	924	1,432
Internal Audit (outsourced)	562	556	750	745
FINANCE & PROCUREMENT	\$ 21,883	\$ 26,503	\$ 30,479	\$ 33,013
Finance	15,735	19,648	22,673	24,592
Procurement and Compliance	6,148	6,855	7,292	7,421
Non-Ratepayer Revenue Fund	-	-	515	1,000
MARKETING AND COMMUNICATION	\$ 2,826	\$ 2,778	\$ 2,832	\$ 3,243
Marketing and Communication	2,826	2,778	2,832	3,243
STRATEGY AND PERFORMANCE	\$ -	\$ 902	\$ 2,031	\$ 2,856
Strategy and Performance	-	902	2,031	2,856
PEOPLE AND TALENT	\$ 8,671	\$ 6,686	\$ 10,096	\$ 9,928
People and Talent	8,671	6,686	10,096	9,928
GOVERNMENT AND LEGAL AFFAIRS	\$ 5,639	\$ 5,841	\$ 7,454	\$ 8,351
Government and Legal Affairs	5,639	5,841	7,454	8,351
Subtotal O & M Expenditures	\$ 319,436	\$ 333,931	\$ 366,711	\$ 381,962
Debt Service	199,056	204,878	231,164	234,679
Cash Financed Capital Improvements	28,556	30,355	37,830	46,692
Payment in Lieu of Taxes	16,934	17,272	17,618	17,970
Right of Way Fees	5,100	5,100	5,100	5,100
Total Operating Expenditures	\$ 569,082	\$ 591,537	\$ 658,423	\$ 686,403
Personnel Services charged to Capital Projects	(24,906)	(23,395)	(25,086)	(30,435)
Total Net Operating Expenditures	\$ 544,176	\$ 568,142	\$ 633,337	\$ 655,968



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(\$ in thousands)

	Auth Pos	Pay	Fringe	Overtime	Personnel Services	Supplies	Chemicals	Utilities	Contracts	Biosolids	Water Purchases	Equipment	Total Non-Personnel Services	Total Operating
Wastewater Treatment Operations	126	12,842	3,692	1,796	18,330	922	25,835	17,148	10,074	4,541	-	200	58,720	77,050
Process Engineering	35	3,955	1,217	50	5,222	492	-	46	1,533	-	-	80	2,152	7,373
Maintenance Services	99	9,525	2,955	630	13,110	3,753	-	136	3,391	-	-	389	7,669	20,779
Water Operations	202	18,754	6,268	1,780	26,802	913	30	572	2,859	-	35,217	54	39,645	66,446
Customer Service	123	11,162	3,769	462	15,393	86	-	394	5,462	-	-	32	5,974	21,367
Pumping and Sewer Operations	176	17,297	5,512	2,068	24,877	1,262	156	6,312	5,242	-	-	96	13,067	37,945
Engineering and Technical Service	110	12,353	3,599	938	16,890	104	-	515	3,904	-	-	60	4,583	21,473
CIP Infrastructure Management	25	3,298	961	-	4,259	-	-	-	-	-	-	-	-	4,259
Wastewater Engineering	15	1,746	482	25	2,253	10	-	-	795	-	-	-	805	3,058
Clean Rivers	9	1,714	464	-	2,179	22	-	108	1,789	-	-	-	1,918	4,097
Permit Operations	21	2,378	809	45	3,232	36	-	400	660	-	-	-	1,096	4,328
Subtotal Operations	941	\$95,024	\$29,728	\$7,794	\$132,547	\$7,600	\$26,021	\$25,630	\$35,709	\$4,541	\$35,217	\$912	\$135,629	\$268,176
Office of Chief Executive Officer	6	1,044	287	-	1,331	5	-	13	1,188	-	-	-	1,206	2,537
Office of Chief Operating Officer	4	612	187	-	799	-	-	-	125	-	-	-	125	924
Secretary to the Board	2	294	48	-	342	17	-	3	270	-	-	2	292	634
Internal Audit	0	-	-	-	-	-	-	7	743	-	-	-	750	750
Government and Legal Affairs	18	2,458	636	3	3,097	3	-	30	4,325	-	-	-	4,357	7,454
Marketing and Communication	13	1,603	445	-	2,048	14	-	25	733	-	-	12	784	2,832
Strategy and Performance	7	1,235	342	-	1,577	6	-	13	435	-	-	-	454	2,031
People and Talent	31	4,482	1,125	5	5,612	29	-	27	4,428	-	-	-	4,484	10,096
Information Technology	31	4,168	1,149	10	5,327	4	-	179	5,360	-	-	67	5,610	10,937
Procurement and Compliance	42	5,041	1,436	30	6,507	28	-	54	700	-	-	3	785	7,292
Finance	57	7,399	2,216	40	9,656	15	-	53	12,949	-	-	-	13,017	22,673
Shared Services Office	3	506	130	-	636	1	-	4	48	-	-	-	52	688
Non-Ratepayer Revenue Fund	0	-	-	-	-	-	-	-	515	-	-	-	515	515
Office of Emergency Management	6	785	220	5	1,010	13	-	17	518	-	-	25	574	1,583
Facilities Management	52	4,549	1,316	250	6,115	362	-	158	2,623	-	-	3	3,146	9,262
Security	7	847	214	1	1,062	49	-	325	7,770	-	-	30	8,174	9,236
Occupational Safety	12	1,162	309	-	1,471	10	-	25	393	-	-	-	427	1,898
Fleet Management	9	939	273	5	1,217	25	-	767	5,131	-	-	55	5,977	7,194
Subtotal Administration	300	\$37,121	\$10,336	\$349	\$47,806	\$581	-	\$1,699	\$48,253	-	-	\$196	\$50,730	\$98,536
Subtotal O & M Expenditures	1,241	\$ 132,145	\$ 40,064	\$ 8,143	\$ 180,353	\$ 8,181	\$ 26,021	\$ 27,329	\$ 83,962	\$ 4,541	\$ 35,217	\$ 1,108	\$ 186,359	\$ 366,711
Debt Service														231,164
Cash Financed Capital Improvements														37,830
Payment in Lieu of Taxes														17,618
Right of Way														5,100
Total OPERATING EXPENDITURES														658,423
Personnel Services charged to Capital Projects														(25,086)
TOTAL NET OPERATING EXPENDITURES														\$633,337



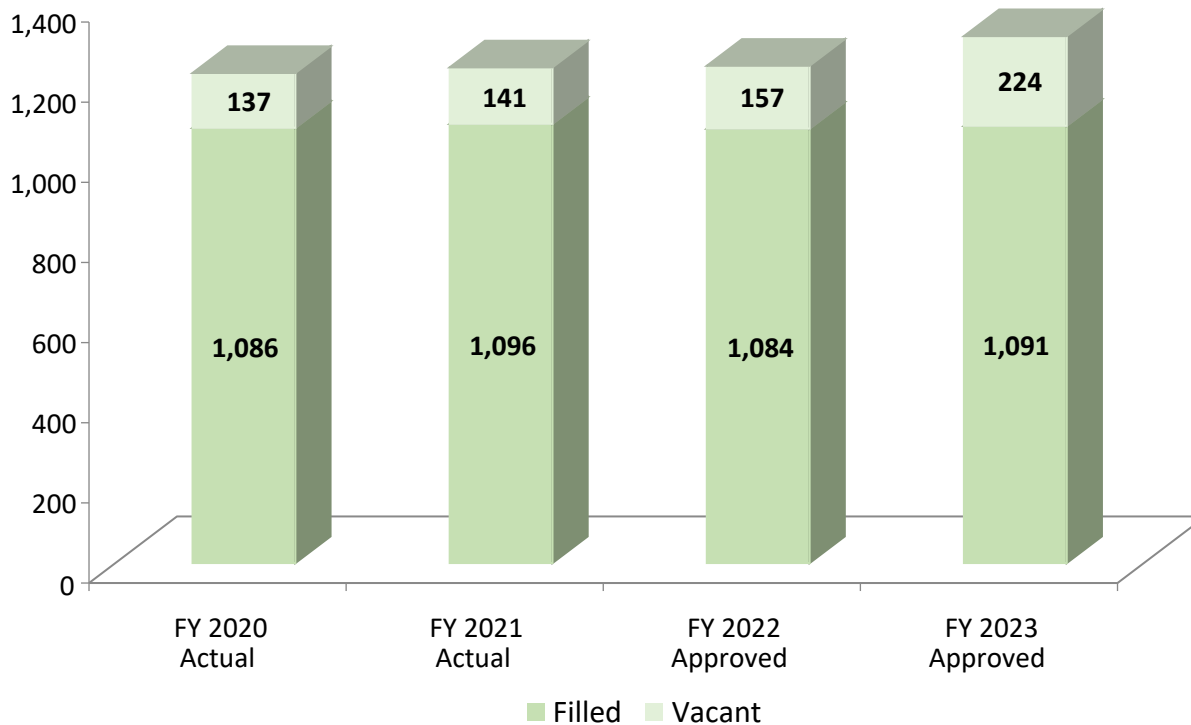
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	Auth Pos	Pay	Fringe	Overtime	Personnel Services	Supplies	Chemicals	Utilities	Contracts	Biosolids	Water Purchases	Equipment	Total Non-Personnel Services	Total Operating
Wastewater Treatment Operations	128	12,623	3,847	1,961	18,431	813	27,190	18,724	10,357	4,533	-	194	61,812	80,242
Process Engineering	36	3,669	1,152	50	4,872	525	-	37	1,436	-	-	109	2,107	6,978
Maintenance Services	99	9,189	2,880	600	12,669	3,851	-	143	3,475	-	-	360	7,828	20,497
Water Operations	216	19,515	6,190	1,780	27,485	1,170	29	387	2,736	-	40,334	54	44,710	72,195
Customer Service	123	10,905	3,618	405	14,927	76	-	444	5,625	-	-	7	6,152	21,080
Pumping and Sewer Operations	178	16,989	5,292	2,068	24,350	1,657	151	6,472	4,616	-	-	104	12,999	37,349
Engineering and Technical Service	136	14,191	4,226	938	19,356	101	-	306	3,514	-	-	60	3,981	23,336
CIP Infrastructure Management	31	3,694	940	10	4,644	-	-	-	390	-	-	-	390	5,034
Wastewater Engineering	21	2,075	565	-	2,640	10	-	-	782	-	-	-	792	3,432
Clean Rivers	11	1,744	439	-	2,183	12	-	89	1,835	-	-	-	1,935	4,118
Permit Operations	21	2,534	762	45	3,341	37	-	435	615	-	-	-	1,087	4,428
Subtotal Operations	1,000	\$97,129	\$29,911	\$7,857	\$134,897	\$8,251	\$27,370	\$27,036	\$35,380	\$4,533	\$40,334	\$888	\$143,793	\$278,690
Office of Chief Executive Officer	6	1,210	296	-	1,506	5	-	24	1,237	-	-	-	1,266	2,772
Office of Chief Operating Officer	3	610	151	-	760	-	-	0	672	-	-	-	672	1,432
Secretary to the Board	2	302	61	-	363	17	-	3	252	-	-	0	273	635
Internal Audit	-	-	-	-	-	-	-	2	743	-	-	-	745	745
Government and Legal Affairs	14	2,201	550	3	2,754	3	-	27	5,567	0	-	-	5,597	8,351
Marketing and Communication	14	2,043	549	2	2,594	10	-	21	606	-	-	12	649	3,243
Strategy and Performance	10	1,669	443	-	2,112	6	-	0	738	-	-	-	744	2,856
People and Talent	34	4,622	1,158	-	5,779	28	-	28	4,093	-	-	-	4,148	9,928
Information Technology	37	4,847	1,371	10	6,229	4	-	193	3,760	-	-	67	4,024	10,252
Procurement and Compliance	42	5,102	1,486	45	6,633	25	-	53	707	-	-	3	788	7,421
Finance	60	8,027	2,295	40	10,362	15	-	64	14,151	-	-	-	14,230	24,592
Shared Services Office	4	596	127	-	724	1	-	4	25	-	-	-	30	754
Non-Ratepayer Revenue Fund	-	-	-	-	-	-	-	-	1,000	-	-	-	1,000	1,000
Office of Emergency Management	6	821	218	5	1,044	5	-	10	584	-	-	25	625	1,669
Facilities Management	53	4,791	1,544	250	6,585	363	-	155	2,674	-	-	3	3,196	9,781
Security	7	732	157	1	890	40	-	331	7,360	-	-	30	7,762	8,651
Occupational Safety	13	1,161	295	-	1,456	0	-	23	134	-	-	-	158	1,614
Fleet Management	10	1,182	347	6	1,535	850	-	824	4,287	-	-	80	6,041	7,576
Subtotal Administration	315	\$39,915	\$11,050	\$362	\$51,326	\$1,373	-	\$1,763	\$48,591	\$0	-	\$220	\$51,946	\$103,272
Subtotal O & M Expenditures	1,315	\$ 137,044	\$ 40,960	\$ 8,218	\$ 186,223	\$ 9,624	\$ 27,370	\$ 28,799	\$ 83,971	\$ 4,533	\$ 40,334	\$ 1,108	\$ 195,739	\$ 381,962
Debt Service														234,679
Cash Financed Capital Improvements														46,692
Payment in Lieu of Taxes														17,970
Right of Way														5,100
Total OPERATING EXPENDITURES														686,403
Personnel Services charged to Capital Projects														(30,435)
TOTAL NET OPERATING EXPENDITURES														\$655,968

FY 2020 - FY 2023



DC Water is committed to a strategic goal to achieve a lower vacancy rate. The approach entails a closer look and assessment of staffing requirements needed to maintain service levels, coupled with increased hiring efforts in areas of need and criticality throughout the Authority. To this end, 63 aged and hard to fill vacant positions were deactivated to lower costs, and 15 new positions added, for a net reduction of 48 during FY 2020. The new positions added were for in-house support of various operational requirements for water quality compliance, automotive parts, permits, and other strategic programs.

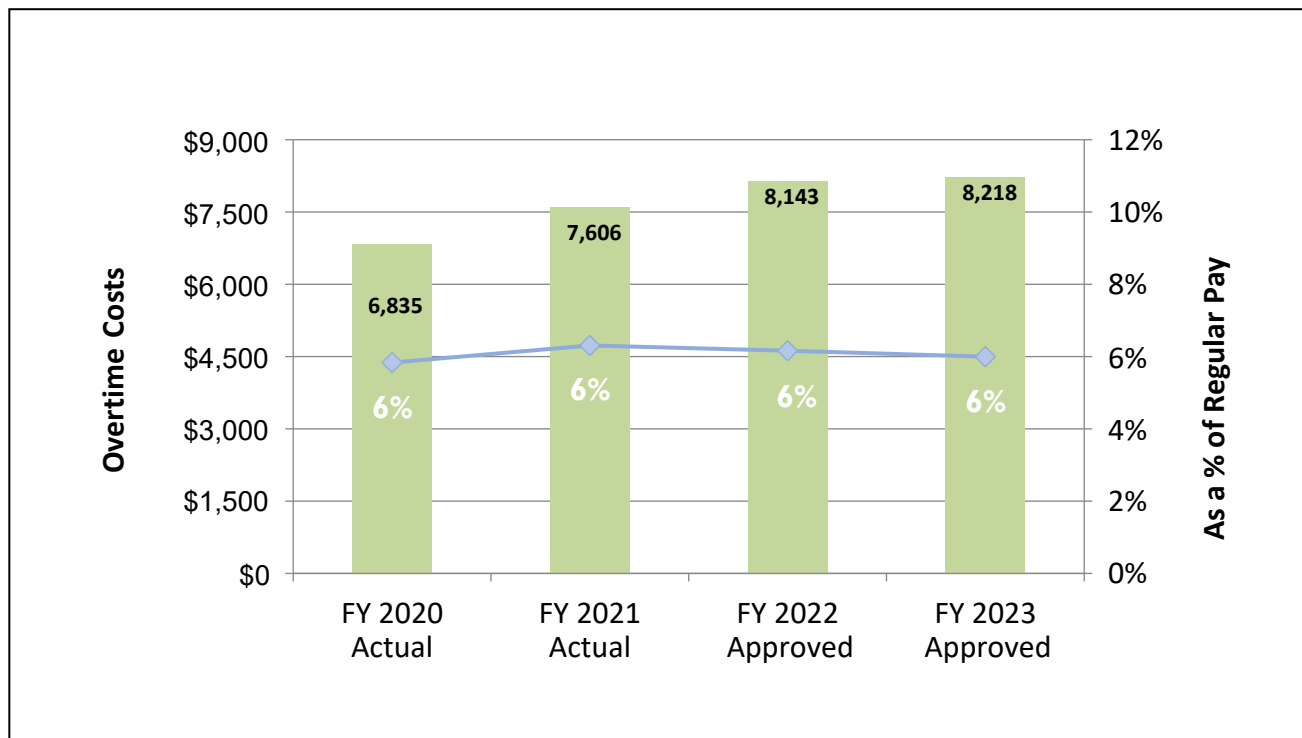
In FY 2021, 5 new positions were added to the overall headcount for DC Water Consumer Protection Amendment. In FY 2022, 10 new positions were added to advance the Lead-Free DC initiatives for inspection work and reduce continued reliance on consultants for support of various operational and day-to-day activities.

For the FY 2023 budget cycle, 73 new positions were added to provide in-house support of new operational and strategic programs and decrease continued reliance on consultants for day-to-day functions in the areas of engineering, information technology and budgeting functions. The authorized headcount reflects management's commitment to drive efficiency, fill critical positions and achieve a single-digit vacancy rate in the future.

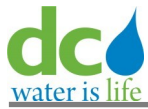
		FY 2020		FY 2021		FY 2022	FY 2023
		Authorized	Year -End Filled	Authorized	Year -End Filled	Authorized	Authorized
O	Wastewater Treatment Operations	127	114	126	112	126	128
p	Process Engineering	33	30	35	28	35	36
e	Maintenance Services	102	89	100	90	99	99
r	Water Operations	199	185	200	182	202	216
a	Customer Care	122	103	123	107	123	123
t	Pumping and Sewer Operations	177	163	177	160	176	178
i	Engineering and Technical Services	129	97	129	94	110	136
o	Wastewater Engineering	18	10	17	10	15	21
n	CIP Infrastructure Management	6	20	6	24	25	31
s	Clean Rivers	11	8	11	9	9	11
	Permit Operations	20	21	21	21	21	21
Subtotal		944	840	945	837	941	1,000
A	Office of the Chief Executive Officer	15	11	18	3	4	6
d	Office of the Chief Operating Officer				3	4	3
m	Strategy and Performance				8	9	10
i	Office of the Secretary	2	2	2	2	2	2
n	Internal Audit (outsourced)	-		-		-	
i	Government and Legal Affairs	15	12	17	13	18	14
s	Marketing and Communication	13	11	13	12	13	14
t	People and Talent	29	29	30	28	31	34
r	Information Technology	28	26	28	28	31	37
a	Procurement and Compliance	35	35	36	37	42	42
t	Finance	52	48	53	52	57	60
i	Risk Management	0		0		0	
o	Shared Services Office	3	3	3	3	3	4
n	Office of Emergency Management	6	3	6	5	6	6
	Facilities Management	52	45	51	44	52	53
	Security	8	5	8	6	7	7
	Occupational Safety and Health	11	9	11	7	12	13
	Fleet Management	10	7	10	8	9	10
Subtotal		279	246	286	259	300	315
Total Positions		1,223	1,086	1,231	1,096	1,241	1,315

Year-round interns, short-term temps, summer temps and apprentices are not included in the filled count.

FY 2020—FY 2023



The Authority’s overtime target is 6 percent of regular pay. Overtime costs in FY 2020 was significantly below historical trends due to the modified shifts to ensure the safety of work crews during the COVID-19 pandemic. The increases in FY 2021 were to cover responses to emergencies during the winter seasons and maintenance work due to aging water and sewer infrastructure. The approved FY 2023 overtime budget is relatively flat compared to FY 2022 level and aligns with historical spending trends prior to the pandemic.



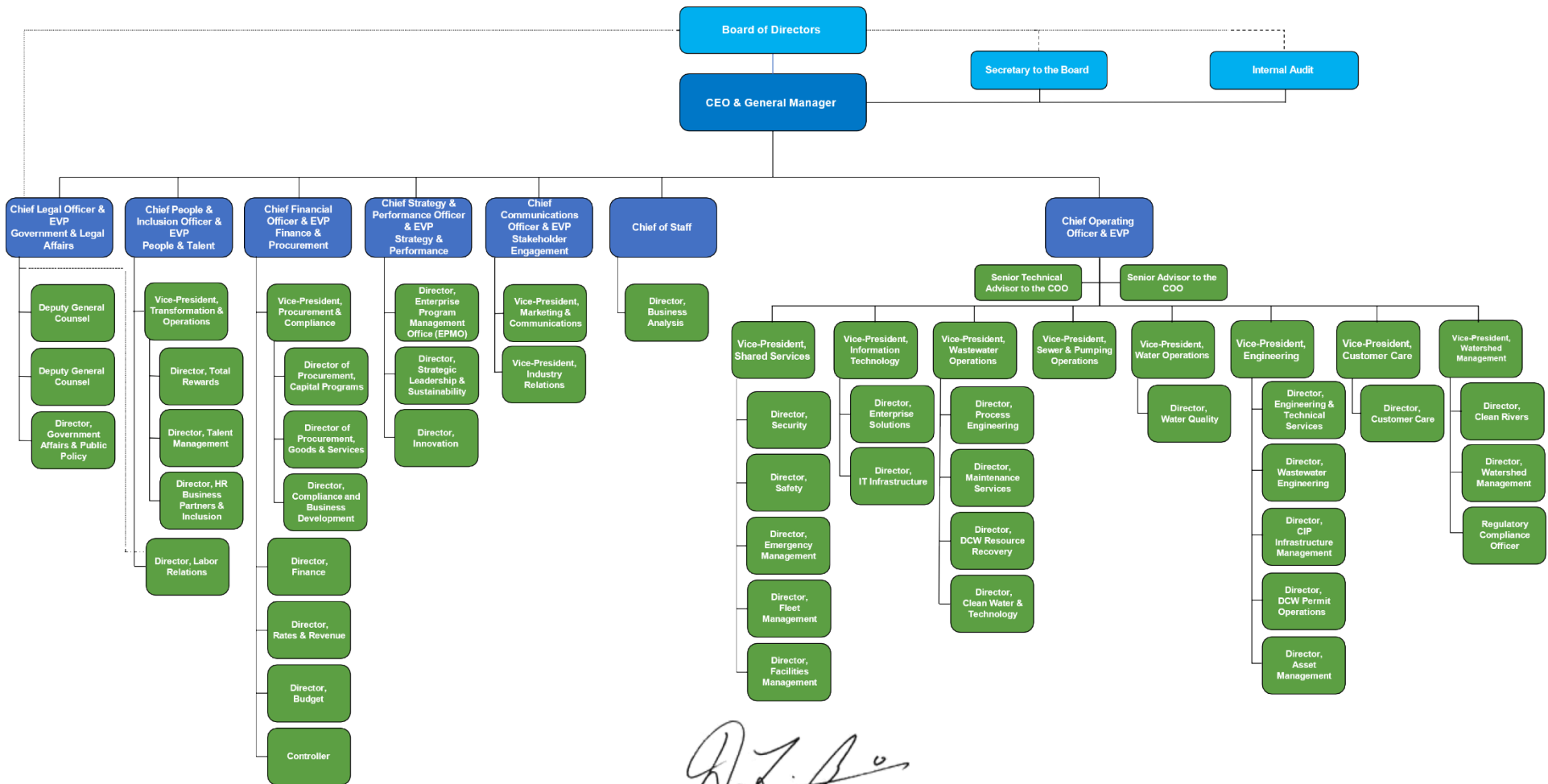
Overtime Budget by Department

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\$ in thousands

Department	FY 2020 Actual	FY 2021 Actual	FY 2022 Approved	FY 2023 Approved
Wastewater Treatment Operations	\$ 1,687	\$ 1,734	\$ 1,796	\$ 1,961
Process Engineering	80	26	50	50
Maintenance Services	688	535	630	600
Engineering and Technical Services	687	1,025	938	938
CIP Infrastructure Management	0	1	-	10
Wastewater Engineering	25	17	25	-
Permit Operations	15	30	45	45
Water Operations	1,409	1,438	1,780	1,780
Pumping and Sewer Operations	1,588	2,134	2,068	2,068
Clean Rivers	-	-	-	-
Customer Care	385	330	462	405
Information Technology	9	8	10	10
Shared Services Office	-	-	-	-
Office of Emergency Management	-	-	5	5
Fleet Management	5	8	5	6
Occupational Safety and Health	-	-	-	-
Facilities Management	196	220	250	250
Security	0	0	1	1
Secretary for the Board	2	-	-	-
Office of the Chief Executive Officer	2	-	-	-
Internal Audit	-	-	-	-
Finance	26	36	40	40
Procurement and Compliance	25	58	30	45
Marketing and Communication	2	1	-	2
People and Talent	3	4	5	-
Government and Legal Affairs	1	0	3	3
Total	\$ 6,835	\$ 7,606	\$ 8,143	\$ 8,218

DC Water Organizational Leadership



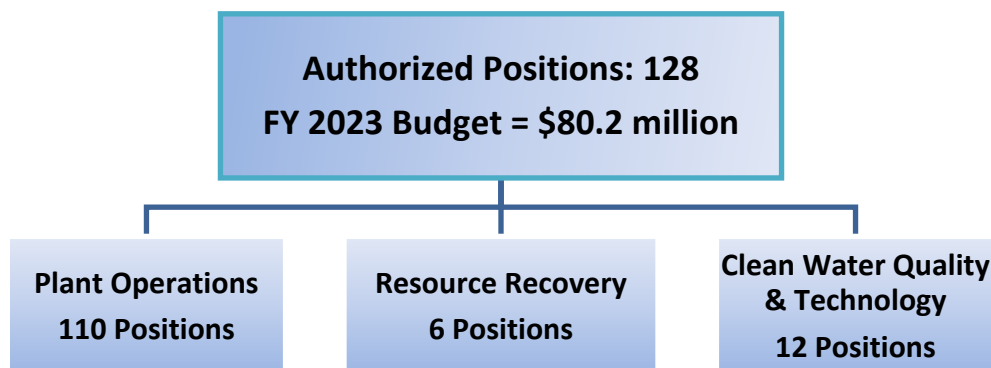
David L. Gadis, CEO & General Manager

CLUSTER: WASTEWATER OPERATIONS

DEPARTMENT: Wastewater Treatment Operations

PURPOSE: Operate the Advanced Wastewater Treatment Plant at Blue Plains to produce treated effluent that meets stringent Federal Clean Water Act and local water quality requirements

MISSION: To treat wastewater delivered to Blue Plains from the collection system of the District of Columbia and surrounding jurisdictions in Maryland and Virginia, and ensure that effluent is in compliance with the Clean Water Act



FUNCTIONS

Plant Operations	Resource Recovery	Clean Water Quality & Technology
Treat influent wastewater to remove pollutants and meet National Pollutant Discharge Elimination System Permit (NPDES) requirements	Biosolids storage, loading, hauling, and utilization/beneficial use	Physical, chemical, and biological analysis of wastewater and biosolids used for process control and permit reporting
Condition, thicken, dewater and stabilize biosolids for beneficial use	Certification and marketing of Class A Biosolids	Industrial pretreatment discharge monitoring
Manage 4 shift crews – round the clock and manage the use of resources – chemicals, energy, and contracts, including the Combined Heat and Power (CHP) facility	Outreach and partnership with surrounding jurisdictions on regulatory requests for biosolids applications	Treatment process innovation and R&D administration of the DC Water Advanced Research & Testing (ART) Program
Implement Asset Management goals and administer effective use of MAXIMO	Identify, prioritize, study, and implement energy generation and optimization options	

Department: Wastewater Treatment Operations

BUDGET

The \$3.2 million increase in FY 2023 compared to FY 2022 budget is for personnel cost adjustments for two new positions, and price escalation in major chemicals, utilities.

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	127	122	126	128	(2)	(2)%
Headcount: Filled	114	110	113	116	(3)	(3)%
Personnel Services	\$ 16,786	\$ 17,840	\$ 18,330	\$ 18,431	\$ (101)	(1)%
Supplies	510	642	922	813	109	12%
Chemicals	21,643	25,174	25,835	27,190	(1,355)	(5)%
Utilities and Rent	15,179	17,143	17,148	18,724	(1,576)	(9)%
Contractual Services	15,181	13,693	14,615	14,890	(275)	(2)%
Water Purchases	-	-	-	-	-	-
Biosolid	-	35	3,298	3,290	8	0%
Small Equipment	134	60	200	194	6	3%
Non Personnel Services ALL	52,647	56,713	58,720	61,812	(3,092)	(5)%
Department Total	\$ 69,432	\$ 74,553	\$ 77,050	\$ 80,242	\$ (3,192)	(4)%
Capital Equipment	\$ 22	-	\$ 50	\$ 50	\$ 0	0%

	FY 2020	FY 2021	FY 2022	FY 2023	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Achieve NACWA Award Status	Platinum	Platinum	Platinum	Platinum	Sustainable
Compliance with disposal of biosolids regulations 100%	100%	100%	100%	100%	Sustainable
Inspection and Sampling of Pretreatment Permittees 100%	100%	100%	100%	100%	Sustainable
Discharge monitoring report quality assurance samples: 90% acceptable results	greater than 90%	greater than 90%	greater than 90%	greater than 90%	Sustainable

Note: EPA 503 (i.e. Title 40 of the Code of Federal Regulations, Part 503) regulates the use or disposal of sewage sludge or biosolids EPA DMR QA (i.e. Discharge Monitoring Report Quality Assurance) is conducted on wastewater samples used for permit compliance reports. Achieving acceptable results for at least 90% of samples will minimize the potential for EPA to audit the laboratory

Department: Wastewater Treatment Operations

FY 2022 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue implementation of an Asset Management Program in tandem with an Asset Reliability Program and implementation of Operator Driven Reliability
- Implementation of Career Advancement Framework
- Continue optimization of new capital projects (this includes Filtrate Treatment Facility, Tunnel Dewatering Pump Station, Gravity Thickening Upgrades, and Filtration Influent Pumps Upgrades)
- Implement workforce development to enhance skills and create a learning environment for staff
- Continue to support implementation of other CIP projects in progress, including Long Term Control Plan (LTCP), Raw Wastewater Pump Station 2 (RWWPS2), Gravity Thickener, Primary Scum Screening Degrating Building (PSSDB) upgrades, and Filter Update Design (this includes installation of new Filter Influent Pumps)
- Continue implementation of Safety and Operator Cross-Training
- Continue to improve the structure and use of Maximo (this includes the roll-out of mobile tablets for creation of work orders and field inspections)
- Continue to work with surrounding jurisdictions (Maryland and Virginia) on regulatory requirements for biosolids and land applications
- Continue to increase the use of biosolids products (Bloom), in the service area, for restoration projects, tree planting, and land applications
- Implement the marketing plan for Class A exceptional quality Bloom
- Continue to take a lead in conducting cutting-edge research in wastewater treatment and biosolids management
- Expansion of innovative research strategies such as Advanced Research Technology (ART) initiatives

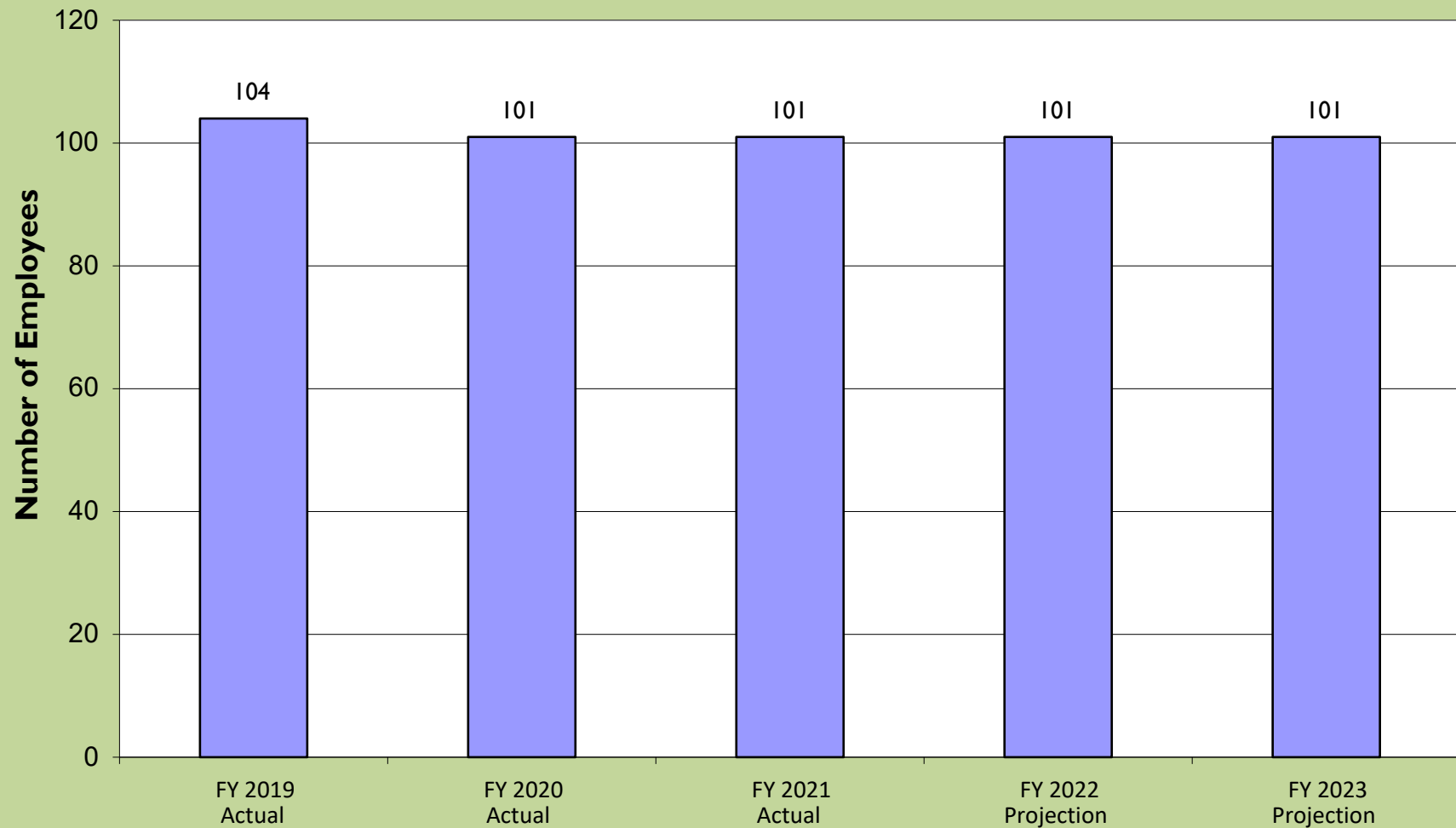
FY 2023 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue implementation of an Asset Management Program in tandem with an Asset Reliability Program Operator Driven Reliability (ODR)
- Continue optimization of all CIP projects
- Continue Career Advancement Framework

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

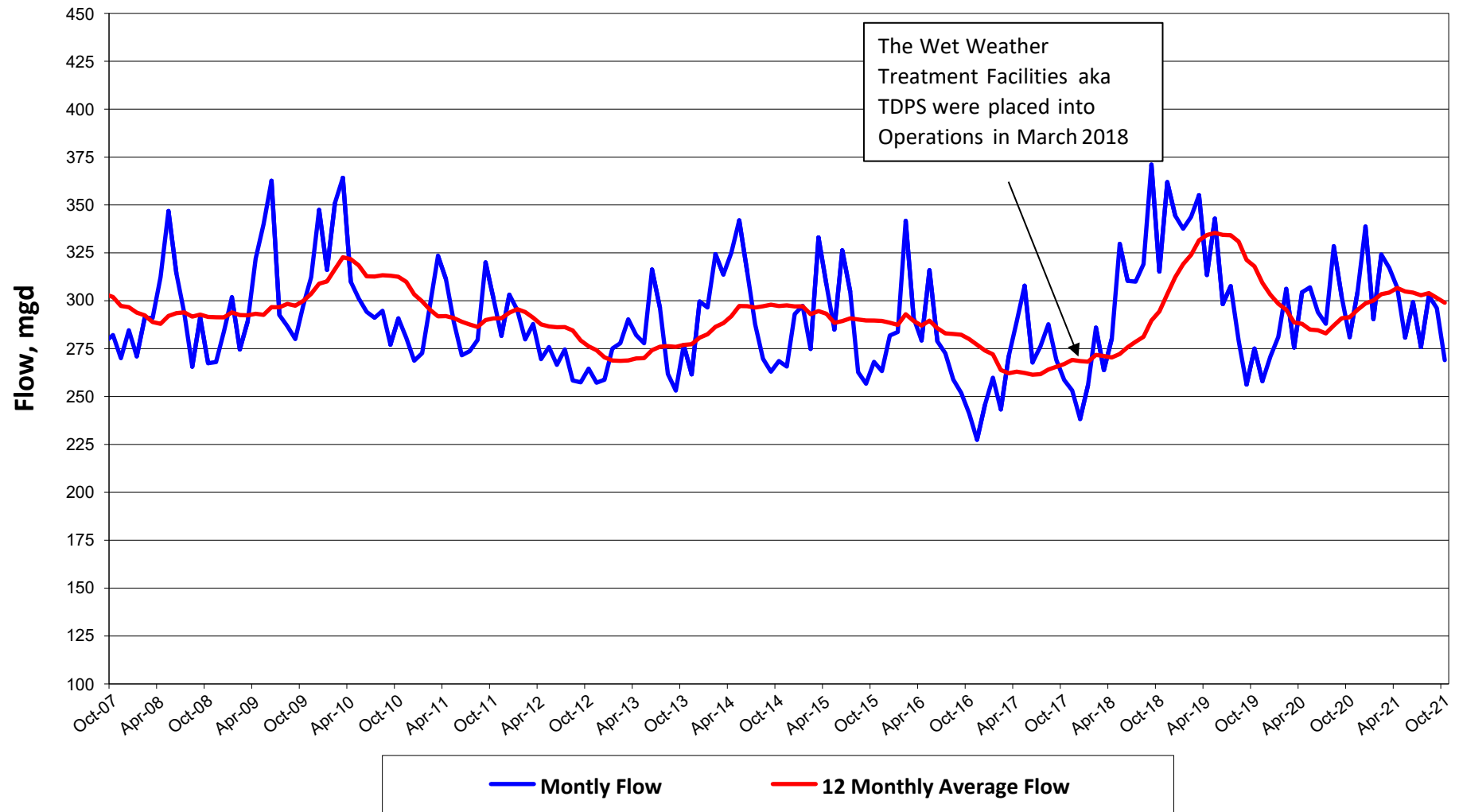
- Increased use of city water as a result of improved fluent screening
- Operation of the Tunnel Dewatering and Enhanced Clarification Facilities will increase electricity usage, chemicals, and other associated operation and maintenance costs with increased volumes due to additional tunnel

Wastewater Treatment Certified Operators* FY 2019 - FY 2023

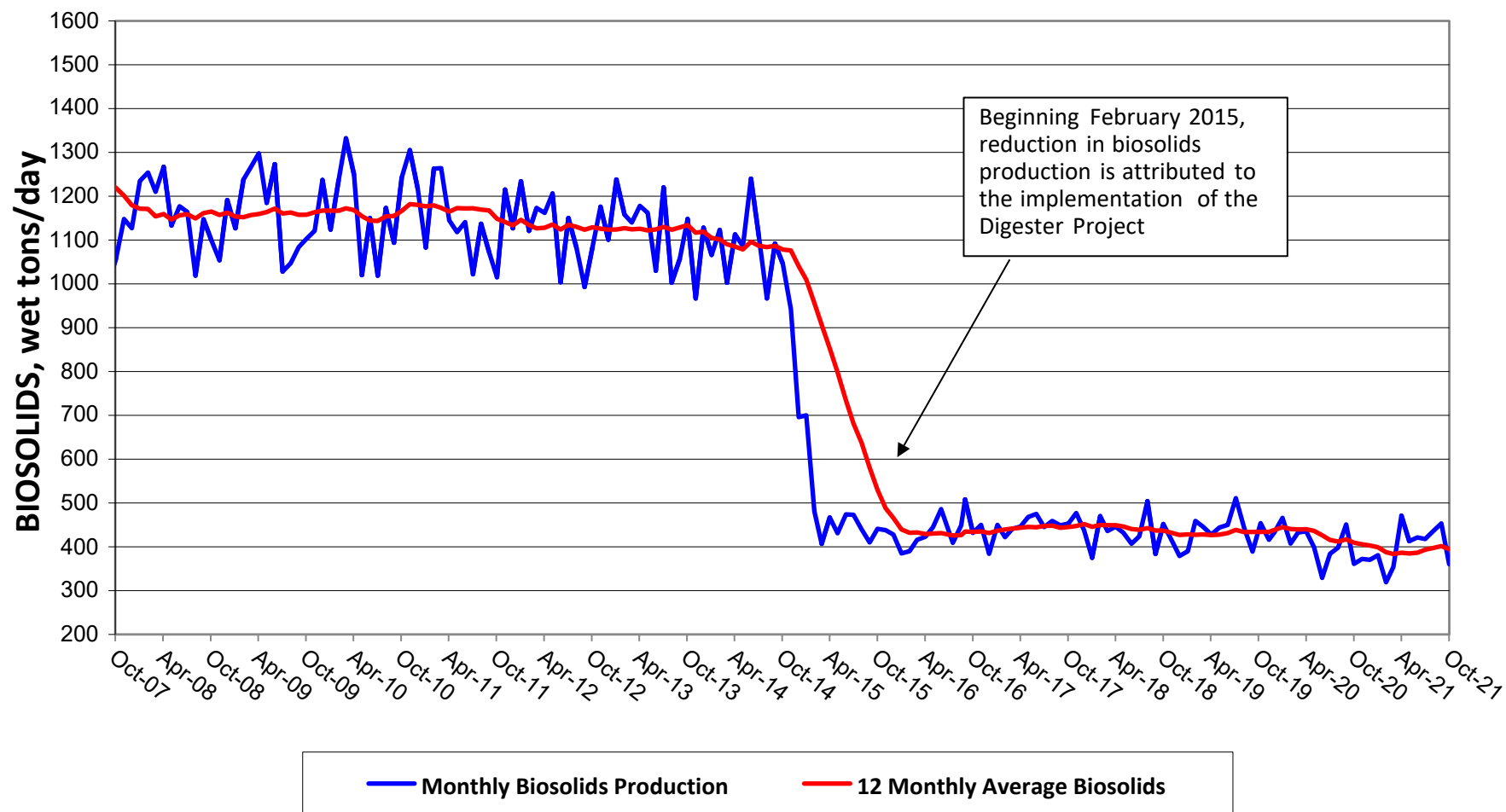


*Includes all positions with Certified Wastewater Treatment Plant Operator License

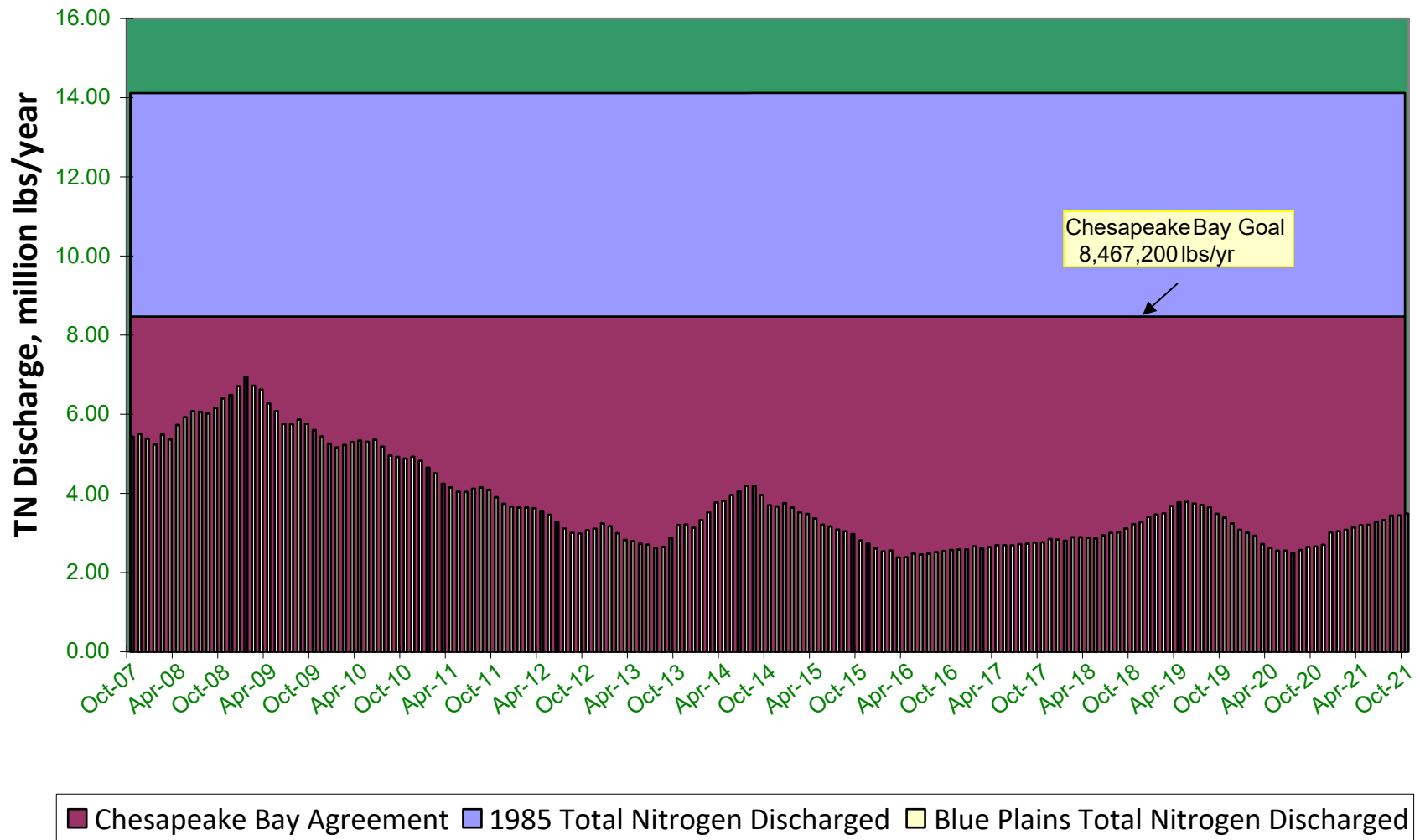
BLUE PLAINS WASTEWATER TREATMENT PLANT EFFLUENT FLOW October 2007 - October 2021



BLUE PLAINS WASTEWATER TREATMENT PLANT BIOSOLIDS PRODUCTION October 2007 - October 2021



BLUE PLAINS WASTEWATER TREATMENT PLANT ANNUAL TOTAL NITROGEN LOAD GRAPH OCTOBER 2007 - OCTOBER 2021

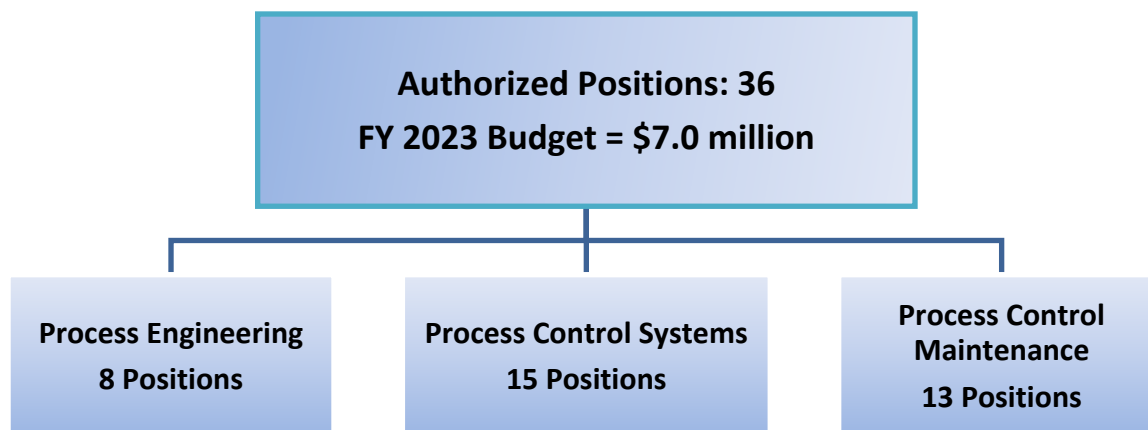


CLUSTER: WASTEWATER OPERATIONS

DEPARTMENT: Wastewater Treatment Process Engineering

PURPOSE: To assist in the operation of the Advanced Wastewater Treatment Plant at Blue Plains, and produce treated effluent and Class A Biosolids that meet stringent Federal Clean Water Act and local water quality requirements

MISSION: To economically maintain DC Water's process equipment and facilities at the Blue Plains Advanced Wastewater Treatment Plant, and ensure that the operational and customer service objectives of the Authority are achieved



FUNCTIONS

Process Engineering	Process Control Systems	Process Control Maintenance
Establish Process Control operating targets for Blue Plains	Maintain Process Control System (PCS) for Blue Plains Advanced Wastewater Treatment Plant	Plan and coordinate all activities for corrective, preventive, and predictive maintenance
Optimize process, chemical, and power use at the Plant; Provide design comments and support during construction of capital projects	Provide Design and Construction interface to PCS; Manage PCS hardware, software, maintenance, and support services	Maintain electronic process control systems, I&C (Instrumentation and Control) Systems flow measurement, metering and recording equipment for the Plant
Troubleshoot process performance problems	Troubleshoot PCS issues and train Process and Instrumentation staff	

Department: Wastewater Treatment - Process Engineering

BUDGET

The \$0.4 million decrease in FY 2023 compared to the FY 2022 budget is mainly for personnel services cost adjustments, and decrease in contractual services

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	33	36	35	36	(1)	(3)%
Headcount: Filled	30	28	30	26	4	13%
Personnel Services	\$ 4,833	\$ 4,499	\$ 5,222	\$ 4,872	\$ 350	7%
Supplies	450	389	492	525	(33)	(7)%
Chemicals	-	-	-	-	-	-
Utilities and Rent	43	25	46	37	10	21%
Contractual Services	1,206	957	1,533	1,436	97	6%
Water Purchases	-	-	-	-	-	-
Biosolid	-	-	-	-	-	-
Small Equipment	25	-	80	109	(29)	(36)%
Non Personnel Services ALL	1,724	1,370	2,152	2,107	45	2%
Department Total	\$ 6,557	\$ 5,870	\$ 7,373	\$ 6,978	\$ 395	5%
Capital Equipment	\$ 339	\$ 453	\$ 400	\$ 400	\$ 0	0%

	FY 2020	FY 2021	FY 2022	FY 2023	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Critical Equipment Availability 97%	greater than 97%	greater than 97%	greater than 97%	greater than 97%	Reliable

Department: Wastewater Treatment - Process Engineering

FY 2022 MAJOR PLANNED ACTIVITIES AND CHANGES

- Maintain full compliance with the National Pollutant Discharge Elimination Systems (NPDES) permit
- Continue to train staff on new processes such as Filtrate Treatment Facilities (FTF), Wet Weather Facility and training on CIP/commissioning projects as they come on-line; Raw Wastewater Pump Station 2 (RWWPS2), Gravity Thickener (GT) and Primary Scum Screening De-grating Building (PSSDB) Upgrades and Filter Influent Pump Replacement
- Continue to support the implementation of other CIP projects in progress, including Long Term Control Plan (LTCP), Raw Wastewater Pump Station 2 (RWWPS2), Gravity Thickener and Primary Scum Screening De-Grating Building (PSSDB) upgrades, Filter Influent Pump Replacement, Reclaimed Final Effluent Pumping Upgrades and Multimedia Filter Upgrades
- Conduct process design reviews for capital projects (i.e., Headworks Upgrades, Multi-Media Filtration Upgrades, etc.)
- Continue implementation of Asset Reliability Program to ensure availability of critical process equipment
- Continue implementation and support of an Asset Management Program in tandem with an Asset Reliability Program
- Continue to improve the structure and use of Maximo (including the rollout of mobile tablets for completion of work orders)
- Continued optimization of the Plant Processes for improved permit compliance reliability and treatment performance, including Class A Biosolids Facilities
- Fine-tune and monitor key performance indicators in Process Engineering, Control Systems, and Control Maintenance groups
- Conduct aggressive training program to support reduction in contracted work force

FY 2023 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue implementation of an Asset Management Program in tandem with an Asset Reliability Program
- Continue improvements to cyber security and recovery procedures that directly impact the Process Control System (PCS)

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

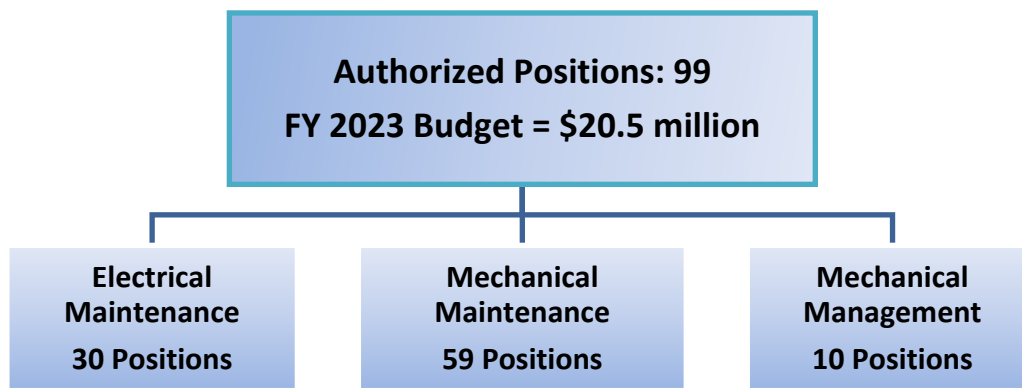
- Increased preventive maintenance costs for new equipment and facilities
- Increased effort for training and commissioning of new facilities—RWWPS2, GT Upgrade, FIP Replacement, and Tunnel Facilities

CLUSTER: OPERATIONS AND ENGINEERING

DEPARTMENT: Maintenance Services

PURPOSE: Maintain all mechanical and electrical equipment at the Blue Plains Advanced Wastewater Treatment Plant

MISSION: To economically maintain DC Water's process equipment and facilities at the Blue Plains Advanced Wastewater Treatment Plant, ensuring that the operational and customer service objectives of the Authority are achieved



FUNCTIONS

Electrical Maintenance	Mechanical Maintenance	Mechanical Management
Maintain electrical process control systems, equipment, and components for the Blue Plains Advanced Wastewater Treatment Plant	Maintain all mechanical process systems and equipment for the Plant	Plan and coordinate all activities for corrective, preventive, and predictive maintenance
Operate and maintain electrical power distribution system from 5kv to 69kv, electrical control systems for all process equipment, and all DC Water facilities	Plan, schedule, and perform condition monitoring for all process equipment at Blue Plains Advanced Wastewater Treatment Plant	Plan and operational support systems to manage maintenance by planning, estimating, inspecting, and scheduling maintenance activities
Maintain electrical systems for all non-process facilities (including offices) at the Blue Plains campus	Inspect and maintain cranes at Blue Plains Advanced Wastewater Treatment Plant	Coordinate work through operations and engineering and provide administrative support

Department: Maintenance Services

BUDGET

The \$0.3 million decrease in FY 2023 below the FY 2022 budget is mainly due to personnel cost adjustments, with anticipated increases in supplies and contractual services

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	102	98	99	99	0	0%
Headcount: Filled	89	90	88	88	0	0%
Personnel Services	\$ 11,644	\$ 11,431	\$ 13,110	\$ 12,669	\$ 441	3%
Supplies	3,669	3,376	3,753	3,851	(97)	(3)%
Chemicals	-	-	-	-	-	-
Utilities and Rent	177	119	136	143	(7)	(5)%
Contractual Services	2,931	3,899	3,391	3,475	(84)	(2)%
Water Purchases	-	-	-	-	-	-
Biosolid	-	-	-	-	-	-
Small Equipment	269	223	389	360	29	8%
Non Personnel Services ALL	7,046	7,616	7,669	7,828	(159)	(2)%
Department Total	\$ 18,690	\$ 19,047	\$ 20,779	\$ 20,497	\$ 282	1%
Capital Equipment	\$ 2,898	\$ 3,210	\$ 4,000	\$ 4,000	\$ 0	0%

	FY 2020	FY 2021	FY 2022	FY 2023	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Critical Equipment Availability 97%	96%	97%	95%	95%	Reliable
Ratio of Proactive vs Reactive Maintenance	63:37	68:32	68:32	68:32	Reliable

Department: Maintenance Services

FY 2022 MAJOR PLANNED ACTIVITIES AND CHANGES

- Improve planning and scheduling process
- Continue to expand culture of Reliability and Asset Management in the department
- Continue to Increase the level of data-driven decision making at all levels of the organization
- Continue to perform Failure Mode and Effects Analysis (FMEAs) along with Preventive Maintenance Optimization (PMOs)
- Establish Quality Assurance & Quality Control as a program
- Continue training initiatives to provide skills that support best maintenance practices and reduction in contracted work force

FY 2023 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue to maintain a culture of Reliability and Asset Management in the department and shared across the Authority
- Continue to perform Failure Mode and Effects Analysis (FMEAs) along with Preventive Maintenance Optimization (PMOs)
- Continue training initiatives to provide skills that support best maintenance practices and reduction in contracted work force

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

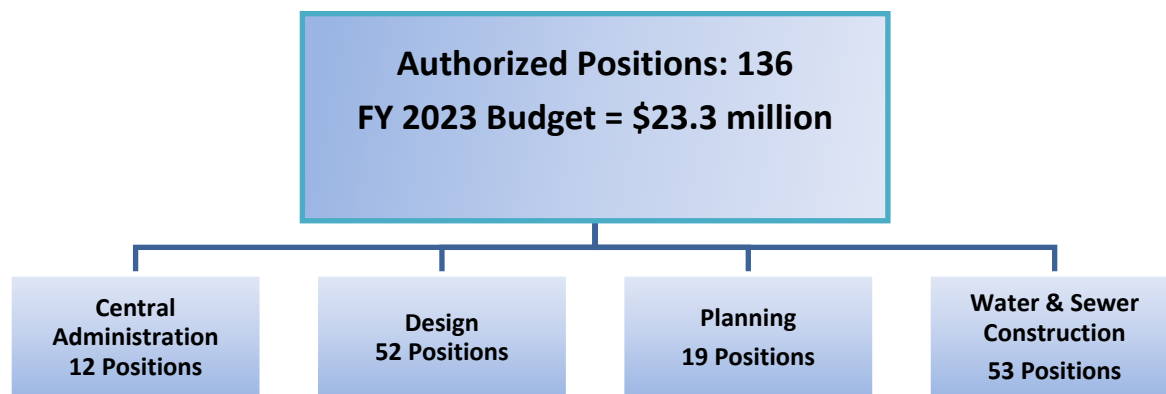
- Maintain activities for Tunnel Dewatering Pump Station (TDPS) and Enhanced Clarification Facility (ECF), and Gravity Thickening Project

CLUSTER: OPERATIONS AND ENGINEERING

DEPARTMENT: Engineering and Technical Services

PURPOSE: To perform engineering planning, design, and construction management necessary to execute DC Water's Capital Improvement Program (CIP)

MISSION: To provide assistance and advice to operating departments and management on engineering aspects of the Authority's operation and facilities. To develop and maintain engineering documentation of the Authority's facilities and systems, and to assist the Authority with environmental policy



FUNCTIONS

Design	Planning	Water & Sewer Construction
Design linear capital projects (water and sewer) and support construction efforts	Develop and maintain the water and sewer hydraulic models	Manage and inspect new construction, major repair, and modifications to water & sewer systems and facilities
Provide design support to Operations	Prioritize linear assets for assessment and rehabilitation	Monitor and inspect third party construction impacting DC Water infrastructure
	Develop the 10-year CIP for all water and sewer system infrastructure improvements	Conduct Quality Assurance/ Quality Control (QA/QC) inspection of precast structures used on DC Water projects
	Prepare concept design reports for capital projects	
	Perform studies and analyses to evaluate asset condition and performance	
	Oversee interagency coordination and permitting support for capital projects	
	Manage large-diameter condition assessment program for the water & sewer systems and inspection of local sewers	

Department: Engineering and Technical Services

BUDGET

The \$1.9 million increase in FY 2023 compared to FY 2022 budget is for personnel cost adjustments for twenty-six new positions, partially offset by reductions in utilities and contractual services

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	129	108	110	136	(26)	(24)%
Headcount: Filled	97	93	96	96	0	0%
Personnel Services	\$ 18,372	\$ 17,078	\$ 16,890	\$ 19,356	\$ (2,465)	(15)%
Supplies	71	48	104	101	3	3%
Chemicals	-	-	-	-	-	-
Utilities and Rent	627	477	515	306	209	41%
Contractual Services	2,251	3,848	3,904	3,514	390	10%
Water Purchases	-	-	-	-	-	-
Biosolid	-	-	-	-	-	-
Small Equipment	7	-	60	60	0	0%
Non Personnel Services ALL	2,956	4,373	4,583	3,981	602	13%
Department Total	\$ 21,328	\$ 21,451	\$ 21,473	\$ 23,336	\$ (1,863)	(9)%
Capital Equipment	-	\$ 0	\$ 204	\$ 25	\$ 179	88%

	FY 2020	FY 2021	FY 2022	FY 2023	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Percentage of KPI's Completed	80%	80%	80%	80%	Resilient
Use 100% of Clean Water Act grant funds	100%	100%	100%	100%	Healthy, Safe, and Well
Use 100% of Safe Drinking Water Act grant funds	100%	100%	100%	100%	Healthy, Safe, and Well

Department: Engineering and Technical Services

FY 2022 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue with condition assessment of major sewers including Upper Potomac Relief Sewer, Little Falls Trunk Sewer, and several sewers under buildings
- Inspection of local sewers (~15 miles/year)
- Identify rehabilitation needs for water and sewer linear assets
- Advertise projects with at least 11 miles of small diameter watermain. Continue to meet small diameter water main renewal goal of 1% (or 11 mi) per year
- Continue with the planning, design, and construction of capital projects
- Obtain IMA (Inter-Municipal Agreement) approval for upcoming joint-use project cost shares
- Complete digitizing of DC Water's document archive of over 11 million records
- Validate and prioritize CIP projects using the Enterprise Asset Management Framework
- Monitor and inspect third party projects impacting DC Water assets

FY 2023 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue with the timely and on-budget delivery of all approved water and sewer CIP projects
- Continue to validate and prioritize CIP projects using the Enterprise Asset Management Framework and Info Asset Planner
- Implement Water and Sewer Facility Plans and corresponding Asset Management Plans
- Improve program management, project development, and implementation across the service areas
- Maintain and use water and sewer hydraulic models
- Provide engineering support to other departments within DC Water
- Acquire permits and approvals needed to execute various CIP projects
- Continue condition assessments of large diameter water mains
- Inspect and assess the condition of major and critical trunk sewers and interceptors
- Inspection of local sewers (~40 miles/year)
- Monitor and inspect third party projects impacting DC Water assets

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

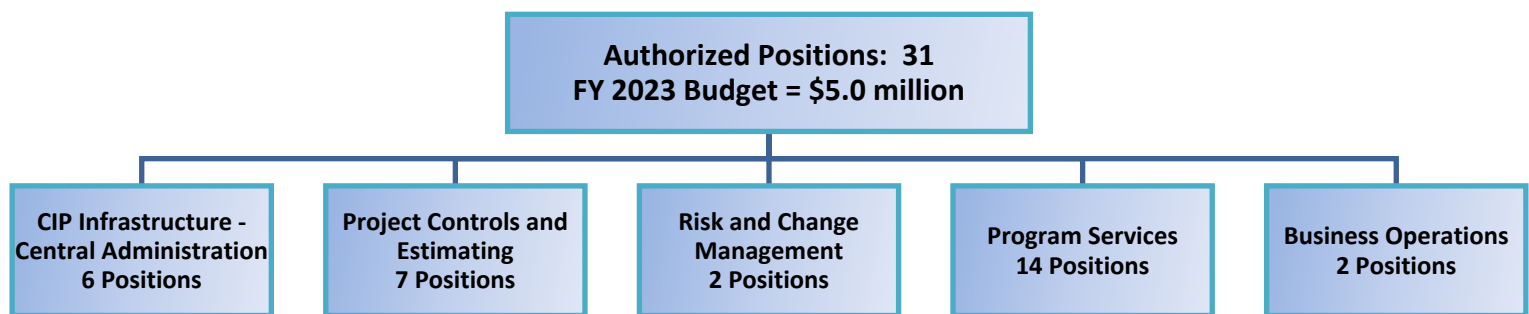
- Increase in operating costs due to ramping up of CIP projects. Examples include support for isolating water mains for condition assessment
- Increase in Capital Projects will require additional staff and/or consultant support

CLUSTER: OPERATIONS AND ENGINEERING

DEPARTMENT: CIP Infrastructure Management

PURPOSE: To improve Capital Improvement Program (CIP) project delivery efficiency and outcomes; centralize key support functions to improve service by aligning current staff and functions and provide enhanced project execution tools and standards to drive CIP Execution performance improvements

MISSION: To provide the CIP management tools, analysis, oversight, and leadership to ensure DC Water Capital and Operating Program goals and objectives are consistently met while ensuring compliance with the required fiscal boundaries through a transparent and collaborative process



FUNCTIONS

Project Controls and Estimating	Risk and Change Management	Program Services	Business Operations
Provide CIP scheduling, tracking tools, standards, and expertise	Develop and maintain risk and change management standards, procedures, and tools	Develop and Maintain engineering specifications, standards, and project design manual Manage CIP pay application process and ensure compliance	Manage all business operations for the Engineering cluster including management of the operating budget, new employee onboarding, and distribution of Personal Protective Equipment (PPE) and uniforms
10- year CIP forecasting and tracking	Oversee approach to risk and change management	Facilitate contract instrument processing, including developing and administering the automated approval processes	Manage IT needs for Engineering cluster
CIP Project Management Information System implementation and administration	Develop and maintain stage gating process	Coordination with risk management for the Rolling Owner-Controlled Insurance Program (ROCIP) program Oversee biochemical oxygen demand	
Develop and track metrics and KPIs for improved CIP Execution	Oversee U.S. Environmental Protection Agency (EPA) and Water Infrastructure Finance and Innovation Act (WIFIA), oversee the approach and external funding compliance, and pursue new sources of funding	Management of DC Water's physical and electronic historical document archive Retrieve records from document archive for CIP planning and execution Provide quality control and assurance for design and construction	

Department: CIP Infrastructure Management

BUDGET

This is a newly established department with functions previously undertaken as part of the Engineering & Technical Services department. The \$0.7 million increase in FY 2023 compared to FY 2022 budget is for personnel cost adjustments for six new positions and funding contractual services costs

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	6	26	25	31	(6)	(24)%
Headcount: Filled	20	24	20	20	0	0%
Personnel Services	\$ 1,453	\$ 3,666	\$ 4,259	\$ 4,644	\$ (385)	(9)%
Supplies	-	4	-	-	-	-
Chemicals	-	-	-	-	-	-
Utilities and Rent	-	-	-	-	-	-
Contractual Services	-	6	-	390	(390)	-
Water Purchases	-	-	-	-	-	-
Biosolid	-	-	-	-	-	-
Small Equipment	-	-	-	-	-	-
Non Personnel Services ALL	-	9	-	390	(390)	-
Department Total	\$ 1,453	\$ 3,675	\$ 4,259	\$ 5,034	\$ (775)	(18)%
Capital Equipment	-	\$ 70	-	-	-	-

	FY 2020	FY 2021	FY 2022	FY 2023	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Percentage of KPI's Completed	80%	80%	80%	80%	Resilient
Use 100% of Clean Water Act grant funds	100%	100%	100%	100%	Healthy, Safe, and Well
Use 100% of Safe Drinking Water Act grant funds	100%	100%	100%	100%	Healthy, Safe, and Well

Department: CIP Infrastructure Management

FY 2022 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue administration of Water Infrastructure and Finance and Innovation Act (WIFIA) loan including compliance and reporting
- Complete digitizing of DC Water's document archive of over 11 million records
- Continue Implementation of Oracle Primavera Unifier Project Management tool (CM14 replacement) Phase 1 and 2
- Develop a real-time tracking tool for contract instrument status
- Maximize infrastructure external funding by pursuing the Bipartisan Infrastructure Law and other opportunities
- Re-organization of the CIP planning cycle with the addition of equity criteria to project prioritization

FY 2023 MAJOR PLANNED ACTIVITIES AND CHANGES

- Implementation of Oracle Primavera Unifier Management tool (CM14 replacement) Phase 3 and continued development
- Establishment of cost estimating center of excellence
- Establishing standards and procedures to consistently control and mitigate risk
- Continue to maximize external funding opportunities
- Track and control CIP Project Execution through established metrics and Key Performance Indicators (KPI)

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

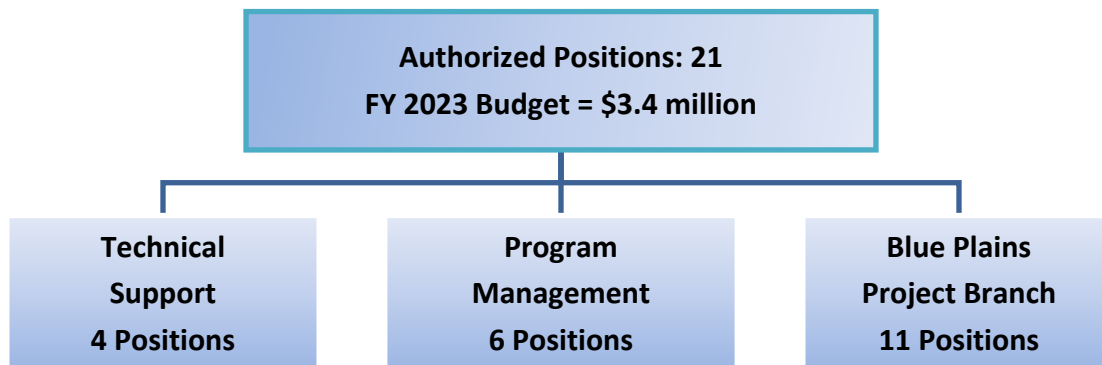
- Continue to build and strengthen the department to align required resources with core functions. Areas of focus are Project Management Information Systems, Cost Estimating, Contract Management Services, Document Management, Quality, and administrative functions. These activities will result in reduction in consultant staff and corresponding cost savings

CLUSTER: OPERATIONS AND ENGINEERING

DEPARTMENT: Wastewater Engineering

PURPOSE: Oversee the construction and rehabilitation of wastewater treatment, water, and sewer pumping facilities to meet all required National Pollutant Discharge Elimination System (NPDES) and consent decree requirements, and continued performance for critical functionality of assets

MISSION: Plan and execute a Capital Improvement Program (CIP) that supports DC Water in effectively and efficiently meeting the NPDES standards



FUNCTIONS

Technical Support	Program Management	Blue Plains Project
Review and approve PCS, SCADA, and Instrumentation and Control (I&C) engineering documents for compliance with established guidelines and standards	Develop and maintain long-term facility planning Provide staff support for environmental policy affecting DC Water	Perform construction management of new construction, major repairs, and modifications to process and non-process facilities
Manage the engineering responsibilities for all PCS and SCADA related projects from planning, design, construction, commissioning, and operational support	Provide engineering data for development and maintenance of the Capital Improvement Plan	Administer contracts for construction management, new construction, major upgrades, modifications, and start-up to the Blue Plains Advanced Wastewater Treatment Plant, pump stations, and facilities that serve the water distribution and wastewater collection systems
Coordinate with all DC Water user and customer groups/ departments on all SCADA, PCS, and I&C matters	Generate bid documents for construction and rehabilitation projects	Perform design reviews and coordinate construction work with other departments at Blue Plains

Department: Wastewater Engineering

BUDGET

The \$0.4 million increase in FY 2023 compared to FY 2022 budget is for personnel cost adjustments including the additions of six new positions to be offset by future reductions in capital contract spending

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	18	15	15	21	(6)	(40)%
Headcount: Filled	10	10	10	9	1	10%
Personnel Services	\$ 2,005	\$ 1,789	\$ 2,253	\$ 2,640	\$ (387)	(17)%
Supplies	-	-	10	10	0	(2)%
Chemicals	-	-	-	-	-	-
Utilities and Rent	-	-	-	-	-	-
Contractual Services	612	596	795	782	13	2%
Water Purchases	-	-	-	-	-	-
Biosolid	-	-	-	-	-	-
Small Equipment	-	-	-	-	-	-
Non Personnel Services ALL	612	596	805	792	13	2%
Department Total	\$ 2,617	\$ 2,384	\$ 3,058	\$ 3,432	\$ (374)	(12)%
Capital Equipment	-	\$ 0	-	-	-	-

	FY 2020	FY 2021	FY 2022	FY 2023	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Design Lock-In and Stag-gating with comment closure	3	2	2	2	Reliable
Construction Contracts Awarded	4	2	2	2	Reliable
Construction Contracts Closed	1	3	3	3	Reliable

Department: Wastewater Engineering

FY 2022 MAJOR PLANNED ACTIVITIES AND CHANGES

- Fully implement new Engineering and Procurement Standard Operating Procedures to reflect the adopted roles and responsibilities with incorporation of the Capital Procurement Office in the Procurement and Compliance Department
- Continue planning, design, construction, and commissioning of upgrades to Stormwater Pump Stations and Sewage Pump Stations through Basic Ordering Agreement contracts
- Continue construction of ongoing projects at the Advanced Wastewater Treatment Plant at Blue Plains, including the Gravity Thickener Upgrades, Reclaimed Final Effluent Pump Station, and Filter Influent Pump Station projects
- Continue to execute high priority and urgent rehabilitation, repair, and upgrade projects through the Miscellaneous Facility Upgrades construction contracts
- Begin design of the Filter Underdrains and Backwash Systems Upgrades project at Blue Plains
- Begin design for a Biosolids Curing Pad at Blue Plains, including solar arrays on the roof of the structure
- Solicit proposals for engineering services for a Microgrid and Power Monitoring and Control System at Blue Plains
- Solicit engineering consultant for Basic Ordering Agreement to perform planning studies and designs for water, sewer, stormwater, and combined sewer facilities
- Closeout the Tunnel Dewatering Pump Station/Enhanced Clarification Facility Project

FY 2023 MAJOR PLANNED ACTIVITIES AND CHANGES

- Recruit, hire and integrate into the department, key staff to incorporate construction management and program management functions in-house for cost savings and better knowledge retention
- Complete design for Filter Underdrain and Backwash System Upgrades
- Complete concept planning for Microgrid/Power Monitoring and Control System at Blue Plains, including feasibility studies for microgrid and energy storage
- Solicit contractor for construction of Headworks Electrical Upgrades, Headworks Influent Structures Rehabilitation, and Central Operations Facility Electrical Upgrades
- Complete concept plan for Floodwall completion for mitigation of 500-year flood at Blue Plains
- Complete SCADA upgrades for Stormwater Pump Stations

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

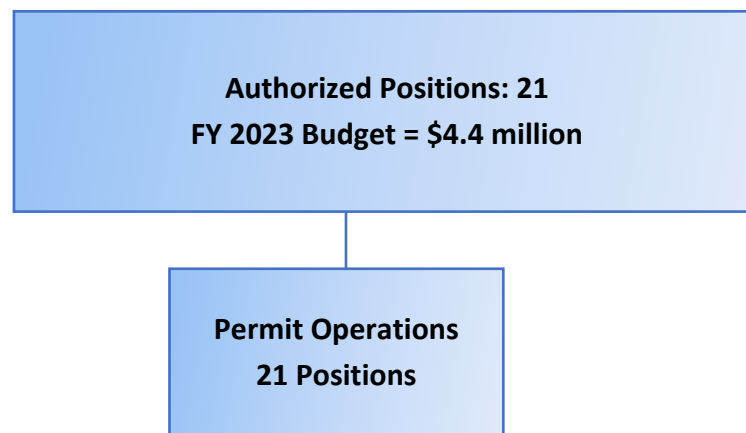
- Installation of Solar Arrays has decreased power purchase costs at Blue Plains
- Construction of Biosolids Curing Pad will increase revenue for Biosolids production and further reduce power purchase costs with solar arrays on the roof structure
- Completion of other rehabilitation and replacement projects such as the Filter Underdrains and Backwash Systems Upgrades project will reduce O&M costs on aging equipment and increase reliability for continued operation and regulatory compliance

CLUSTER: OPERATIONS AND ENGINEERING

DEPARTMENT: Permit Operations

PURPOSE: Support the District of Columbia's construction permit process through coordinated effort with the Department of Consumer and Regulatory Affairs (DCRA), the District Department of Transportation (DDOT), and the Department of Environment and Energy (DOEE). This is done through the review and approval of plans for new construction and/or renovations that impact the water or sewer system

MISSION: To manage DC Water's development and permit services



FUNCTIONS

Permit Operations - Central Administration
Review and approve permit applications, issue work orders for the inspection of proposed work
Ensure development community compliance with DC Water design standards, criteria, and specifications
Assess and collect fees for permit review, fixed fee services, inspection services, System Availability Fees, and manage the fee collection process
Create accounts for collected fees and manage return of unused reimbursable fees
Evaluate impact of proposed development on water and sewer infrastructure for capacity and hydraulic grade
Ensure compliance with combined sewer system/DC Clean Rivers program initiatives; current CIP, and proposed improvements
Coordinate with various DC agencies (DCRA, DDOT, and DDOE) in support of the District's permit procedures
Update and/or create customer service records (Premises) and the GIS database

Department: Permit Operations

BUDGET

The \$0.1 million increase in FY 2023 compared to FY 2022 budget is for personnel cost adjustments

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	20	21	21	21	0	0%
Headcount: Filled	21	21	21	21	0	0%
Personnel Services	\$ 2,957	\$ 3,163	\$ 3,232	\$ 3,341	\$ (108)	(3)%
Supplies	4	1	36	37	(1)	(2)%
Chemicals	-	-	-	-	-	-
Utilities and Rent	353	400	400	435	(35)	(9)%
Contractual Services	70	386	660	615	45	7%
Water Purchases	-	-	-	-	-	-
Biosolid	-	-	-	-	-	-
Small Equipment	-	-	-	-	-	-
Non Personnel Services ALL	427	786	1,096	1,087	9	1%
Department Total	\$ 3,385	\$ 3,949	\$ 4,328	\$ 4,428	\$ (99)	(2)%
Capital Equipment	-	-	-	-	-	-

	FY 2020	FY 2021	FY 2022	FY 2023	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Process permit applications within service level agreement timeframe of 85%	85%	85%	85%	90%	Reliable

Department: Permit Operations

FY 2022 MAJOR PLANNED ACTIVITIES AND CHANGES

- Review and propose new permit review fees adjusted as needed to meet future budgetary needs
- Implemented an email permit application and electronic review and plan signature to accommodate working remotely
- 50% Development of Oracle ERP Permits solution integrating Maximo and Customer Information system to streamline receipt and deposit of fees, plan review, and construction inspection requests
- Initiate the construction inspection account refund and forfeiture policy
- Decrease the response time on Developer Request For Information (RFI) from 30 days to 5 days in order to meet customer service expectations and need
- Implement a DCRA/DC Water Memorandum of Agreement (MOA) for permit review support in the amount of \$300,000

FY 2023 MAJOR PLANNED ACTIVITIES AND CHANGES

- Final development and implementation of Oracle Permit Integrated (Enterprise Resource Planning (ERP) system that combines online payments, with Permit Processing, and with work order tracking
- Increase the in-field participation of the Permits Operations' staff to include an as-built field validation and meter sets
- Reduce the residence time of customer accounts and process refunds within 2 years of project initiation approximately 50% of the time and within 5 years 100% of the time
- Renew the DCRA/DC Water Permit Review MOA

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

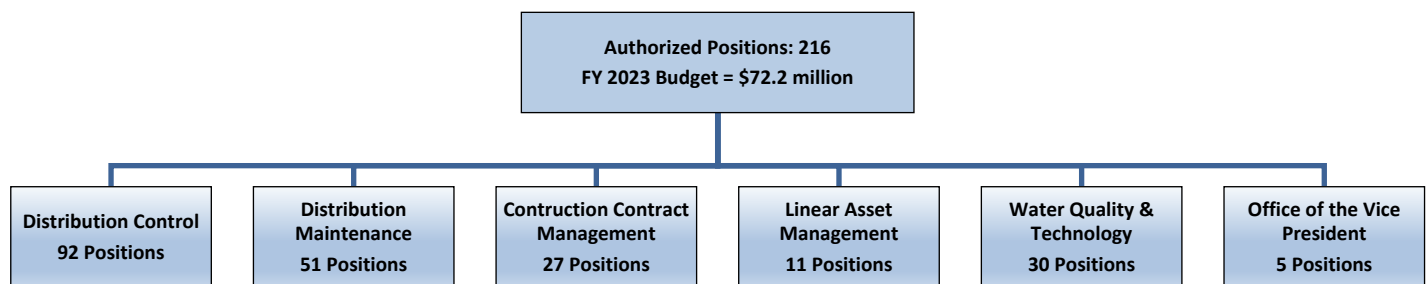
- None

CLUSTER: WATER OPERATIONS

DEPARTMENT: Water Operations

PURPOSE: The Department of Water Operations (DWO) is charged with operating and maintaining the water distribution system, delivering potable water to the citizens and visitors to the District of Columbia. DWO ensures compliance with the applicable regulations promulgated by the Safe Drinking Water Act.

MISSION: To support the Authority's mission as defined by the strategic plan and exceed expectations by providing high quality water services in a safe, environmentally friendly, and efficient manner



FUNCTIONS

Distribution Control	Distribution Maintenance	Construction Contract Management	Linear Asset Management	Water Quality & Technology	Office of the Vice President
Preventative maintenance on the 43,000 system valves	Repair and replace water mains, service lines, valves, hydrants, and other linear assets. Coordinate emergency response for distribution system repairs.	Manage ongoing multifaceted contracts to support water and sewer infrastructure rehabilitation and replacement programs.	Manage ongoing multifaceted contracts to support water and sewer infrastructure rehabilitation and replacement programs.	Environmental Protection Agency (EPA) drinking water compliance, monitoring, and reporting.	Provide oversight and ensure operational compliance with various MOUs.
Inspect, maintain, and replace 9,500 fire hydrants, in accordance with the Memorandum of Understanding (MOU).	Perform all water services tap, and abandonments 2" and smaller, in the District of Columbia.	Administer Public Space Restoration Program.	Optimize and prioritize capital program projects using condition assessment and analysis of Computerized Management Maintenance Software (CMMS). Provide technical support to design and construction of CIP.	Ensure water quality within the distribution system. Collaborate with District agencies to mitigate adverse health effects from drinking water contaminants fees.	Manage departments operating and capital budgets and perform budget monitoring functions.
First responders to Investigate water system leaks emergencies.	Plan and execute small capital improvement projects using in-house resources to support Water Quality, Lead Free DC (LFDC), and operational initiatives.	Manage the acquisition of District Department of Transportation (DDOT) permits to facilitate emergency repairs and scheduled projects.	Support Voluntary Lead Service Program. Manage service line data in Maximo and Geographic Information Systems GIS databases and provide data analytics.	Assess online water quality data and models and enforce fire hydrant usage policies and regulations.	

Department: Water Operations

BUDGET

The \$5.8 million increase in FY 2023 compared to FY 2022 budget is mainly for personnel services adjustments for additional positions and purchase of drinking based on DC Water's proportionate share of the Washington Aqueduct's operating budget

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	199	204	202	216	(14)	(7)%
Headcount: Filled	185	182	185	184	1	1%
Personnel Services	\$ 24,897	\$ 25,324	\$ 26,802	\$ 27,485	\$ (684)	(3)%
Supplies	572	887	913	1,170	(257)	(28)%
Chemicals	21	201	30	29	1	3%
Utilities and Rent	568	458	572	387	184	32%
Contractual Services	2,030	2,926	2,859	2,736	124	4%
Water Purchases	31,696	33,135	35,217	40,334	(5,117)	(15)%
Biosolid	-	-	-	-	-	-
Small Equipment	47	7	54	54	0	0%
Non Personnel Services ALL	34,933	37,614	39,645	44,710	(5,065)	(13)%
Department Total	\$ 59,830	\$ 62,938	\$ 66,446	\$ 72,195	\$ (5,749)	(9)%
Capital Equipment	\$ 348	\$ 419	\$ 800	\$ 1,050	\$ (250)	(31)%

	FY 2020	FY 2021	FY 2022	FY 2023	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Maintain Safe Drinking Water Act standards. Coliform results less than 5%	2%	2%	2%	2%	Healthy, Safe, and Well
Maintain a 99% fire hydrant operational rate	99%	99%	99%	99%	Reliable
Respond to 95% of all emergency service orders in less than 45 minutes	97%	98%	97%	97%	Reliable
Number of water main breaks per 100 miles of pipe	33	35	31	31	Resilient

Department: Water Operations

FY 2022 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue to develop the transmission and distribution valve assessment and rehabilitation program to extend the full life expectancy of the assets
- Continue to replace, repair, and maintain fire hydrants in accordance with the existing MOU
- Correct 90% of fire hydrants that are out of service within 30 days
- Enhance the fire flow testing program, expand fire flow tests to be in line with the MOU
- Support the CIP, Developer, DDOT, AMI, condition assessment, and private plumbing projects with distribution system isolations
- Expand water system distribution pressure monitoring
- Continue to develop the transmission and distribution valve assessment and rehabilitation program to extend and realize the full life expectancy of the assets
- Develop customer notification system using Everbridge for water distribution system isolations.
- Plan and execute flushing operations to achieve target chlorine residual in all areas
- Coordinate with Information Technology (IT) Department to create new data applications and database for lead testing processes
- Coordinate with IT to create new Maximo and data applications for customer complaint and flushing processes
- Develop, plan, and execute strategies and actions for compliance to new EPA guidelines (Lead and Copper)
- Increase customer usage of the Third-Party Portal (3PP) online reporting system and app modules for Cross-Connection Control/Backflow Preventers, Fire Hydrant Use, Permitting & Equipment Rental and Fats, Oils and Grease Abatement System Cleaning and Maintenance
- Increase customer compliance with Cross-Connection Connection/Backflow Preventers and Fats, Rags, Oils and Grease (FROG) Regulations from FY 2021 ratios of 62% and 20%, respectively.
- Coordinate with Legal Affairs, Wastewater Treatment and Pumping & Sewer Operations departments to propose new regulations and codes on Cross-Connection/Backflow Preventer
- Coordinate with Customer Care and IT to Improve SAP billing and 3PP issuing of permits and equipment associated with customers use of fire hydrants
- Assess cost of service for Cross-Connection/Backflow Preventer, Fire Use Permit and Equipment Rental, and Fats, Rags, Oils and Grease Programs and then implement adjustments to program fees as needed
- Manage valve exercising and condition assessment program to extend the useful life of the assets
- Support preventative maintenance programs (i.e. hydrant, valve, sewer mains, outfalls)
- Continue to support SDWMR CIP projects (plan review, shut development, asset commissioning)
- Plan and execute Drone Inspection Program
- Provide training support (Maximo, GIS, and Mobile Apps)
- Support water main inspection and condition assessment program
- Implement cathodic protection testing, inspection, and maintenance program
- Implement mobile computing solution in support of hydrant inspection
- Continue to provide technical support for department (hydraulic modeling, GIS mapping, GPS location, field inspection)
- Manage CSO Compliance Program in support of consent decree
- Continue to perform RCA (Root Cause Analysis) on major asset failures

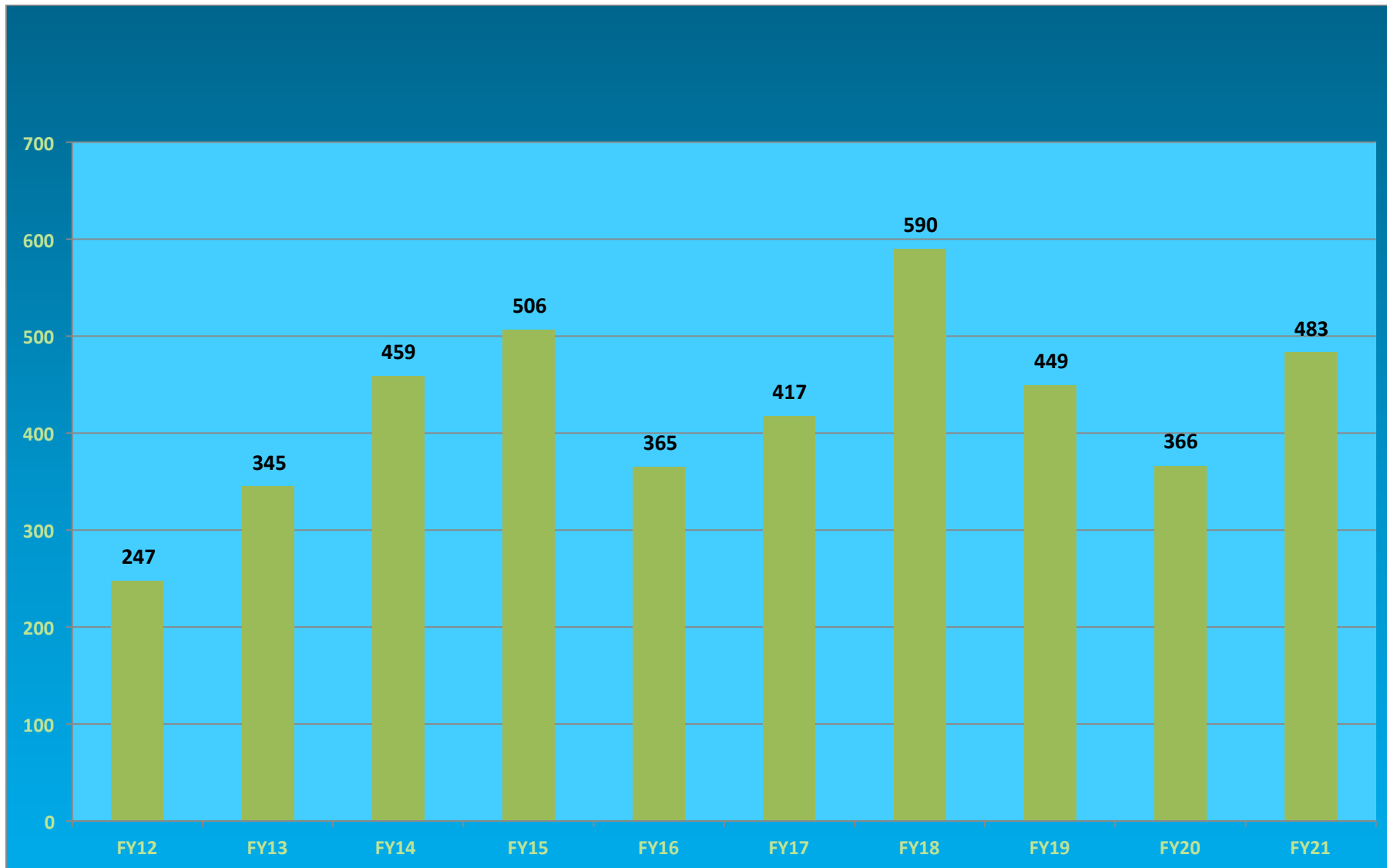
FY 2023 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue to provide emergency response and conduct repairs on the distribution system
- Improve customer experience by reducing the response time for conducting low priority repairs
- Continue to identify and execute small operational Capital Improvement Projects focused on addressing water quality issues that were previously deferred
- Continue to perform QA/QC, analyze, and report main break data
- Continue to perform all water services taps and abandonments 2" and smaller in the District
- Continue implementation of mobile computing solutions for operational activities
- Continue to improve 3PP and SAP based on customer feedback
- Continue to inspect sites for compliance and enforcement
- Continue to ensure industry best practices for safety, technology implementation, and equipment
- Continue to and potentially expand leadership and support for the LeadFree DC program (i.e., unknown material inventory, revised CIP focus, etc.)
- Develop CCTV Master Database program
- Expand cathodic protection testing, inspection, and maintenance program
- Expand mobile computing solution in support of all operational activities
- Develop Pipeline and Soil Testing and Analysis Pilot Program
- Develop, plan, and execute strategies and actions for compliance to new EPA guidelines (Lead and Copper)
- Expand operational dashboard to visualize data and provide meaningful insight
- Streamline asset commissioning and coordination program

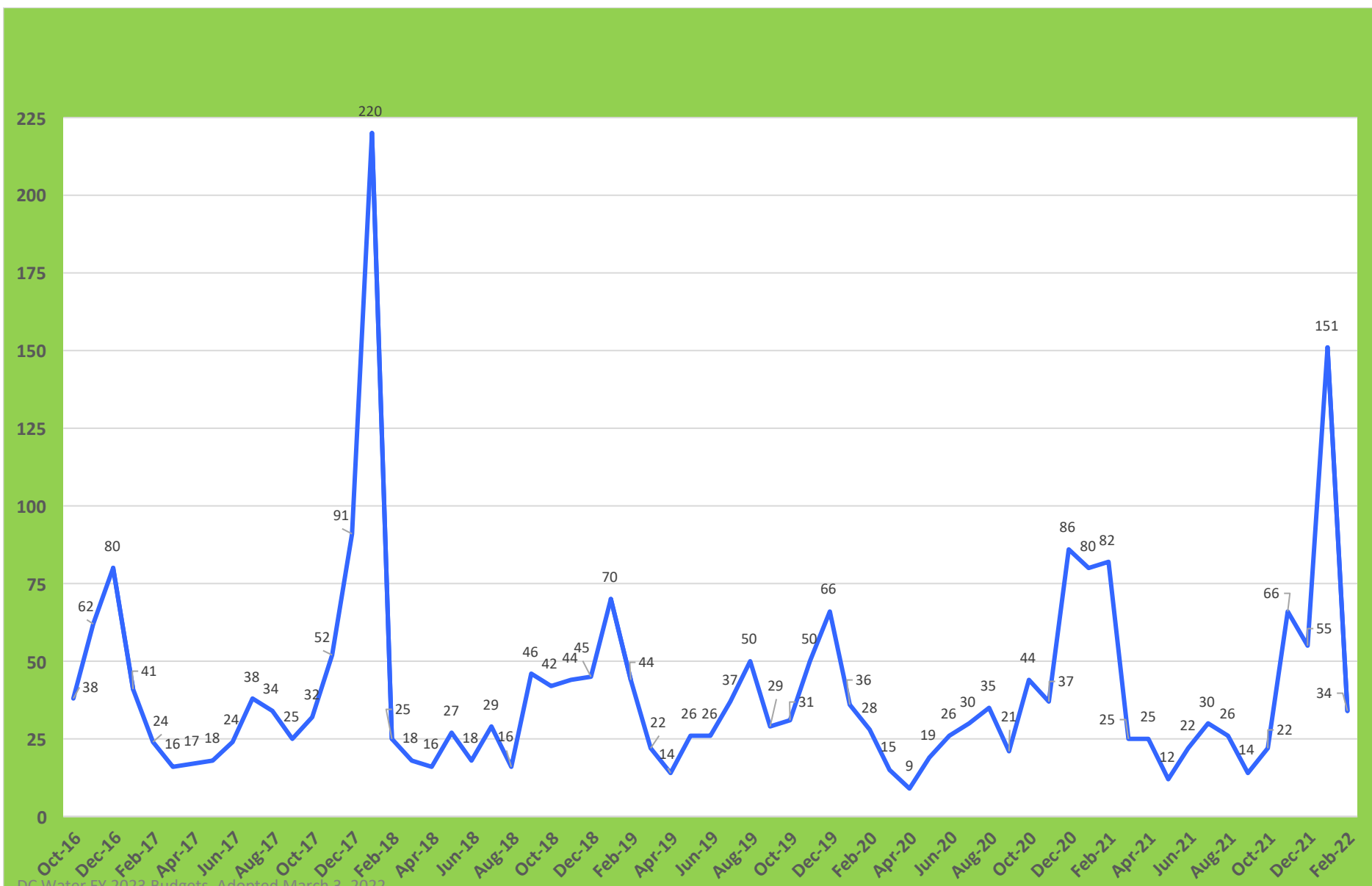
IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Software and hardware needs will expand as part of mobile computing solutions for operational activities
- Potential for additional overtime if capital projects ramp up in FY 2023 from FY 2022 levels
- Additional requirements may come as a result of addressing potential system issues due to deferred replacements having direct impact on operational spending in the form of overtime and capital equipment requests
- Additional labor, materials, and miscellaneous operating expenses may be associated with the completion of capital improvement projects in support of Water Quality issue resolution and the Lead-Free DC program
- Additional labor, materials, software enhancements and miscellaneous operating expenses will be associated with improving customer compliance with Fats, Rags, Oils & Grease (FROG), Cross-Connection Control/Backflow Preventer and Fire Hydrant Use regulations and codes

Historical Water Main Breaks



HISTORICAL MONTHLY MAIN BREAKS FY 2017 thru FY 2022 (February)

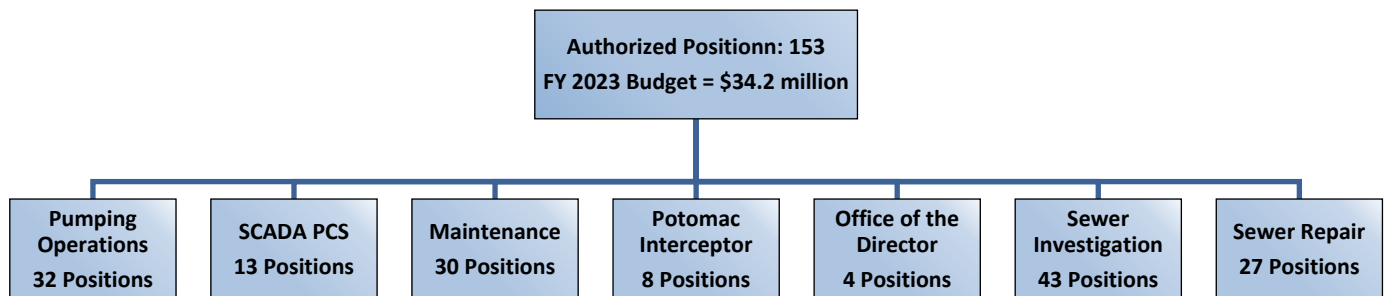


CLUSTER: OPERATIONS AND ENGINEERING

DEPARTMENT: Pumping and Sewer Operations

PURPOSE: To provide for the operation and maintenance of the sewer system which collects and transports wastewater and stormwater flow to treatment areas and authorized discharge points and deliver clean, safe and reliable drinking water to its customers with an efficient flow of sewer effluent to Blue Plains

MISSION: To perform engineering planning, design, and construction management necessary to execute DC Water's Capital Improvement Program (CIP); to provide assistance and advice to operating departments and management on engineering aspects of the Authority's operation and facilities. In addition, provide resilient delivery of Water Distribution and Sewer Pumping services every minute of the day



Pumping Operations	SCADA PCS	Maintenance	Potomac Interceptor	Office of the Director	Sewer Investigation	Sewer Repair
Operate Water, Sewer, and Stormwater Pumping Stations, Water Storage Facilities and Water Towers	Operate and maintain Supervisory Control and Data Acquisition (SCADA) computer system, Applications, Hardware, and Network Support	Plan and coordinate corrective, emergency, preventive, and predictive maintenance for pump stations	Operate and maintain Potomac Interceptor (PI) Sewer	Directs Department of Pumping Operations	Inspect public sewers and sewers laterals. Clean sewers and inlet outlet structures	Install and repair sewer mains and sewer laterals. Install and repair catch basins
Remove screenings and debris from pump stations and prepare work order for equipment in need of repair	Operate and maintain all process instrumentation and controls, including completion of all related preventative and corrective maintenance	Maintain, trouble– shoot, and repair mechanical and electrical process systems and equipment	Operate and maintain PI Flow Meters and odor control facilities and manholes	Plans and manages the capital equipment and operating funds	Monitor & Control Operations. Removal of floatable debris	Responsible for the cleaning and maintenance operations of regular catch basins, stormceptors, and grate ponds
Perform Stormwater Pollution Prevention Plan inspections and reports Inspect inflatable dams to maintain proper function during rain events	Ensure integrity of SCADA, disaster Recovery Planning, Implementation and Testing Administer and manage service contracts and special projects for department	Plan, schedule, and perform condition monitoring for process equipment, including vibration, infra–red, and oil analysis	Manage Miss Utility service in Virginia and Montgomery County in Maryland; Monitor Right-of- Way to maintain integrity and prevent encroachment	Manage Maximo operations and perform reviews to evaluate effectiveness of methods in relation to asset management, uptime, Mean Time to Repair (MTTR), and Mean Time Between Failures (MTBF) metrics	Enforcement of Fats, Rags, Oils and Grease (FROG) removal program Operate and maintain sewer regulator structures	Oversees maintenance program for storm water structures, filter bio-retention and water quality catch basins cleaning

Department: Pumping and Sewer

BUDGET

The FY 2023 budget decreased by \$0.6 million compared to the FY 2022 budget mainly for personnel service cost adjustments and contractual services, and partly offset by increases in supplies and utilities.

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	177	175	176	178	(2)	(1)%
Headcount: Filled	163	160	165	162	3	2%
Personnel Services	\$ 22,305	\$ 22,548	\$ 24,877	\$ 24,350	\$ 528	2%
Supplies	1,203	1,201	1,262	1,657	(395)	(31)%
Chemicals	15	1	156	151	5	3%
Utilities and Rent	5,825	6,846	6,312	6,472	(160)	(3)%
Contractual Services	4,887	4,846	5,242	4,616	626	12%
Water Purchases	-	-	-	-	-	-
Biosolid	-	-	-	-	-	-
Small Equipment	92	213	96	104	(8)	(8)%
Non Personnel Services ALL	12,023	13,106	13,067	12,999	68	1%
Department Total	\$ 34,328	\$ 35,654	\$ 37,945	\$ 37,349	\$ 595	2%
Capital Equipment	\$ 1,868	\$ 1,251	\$ 2,000	\$ 1,975	\$ 25	1%

	FY 2020	FY 2021	FY 2022	FY 2023	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Availability % of our critical assets	90%	97.6%	95%	95%	Reliable
Odor Complaints Sewer Overflows for the entire District of Columbia	180	189	0	0	Reliable
Odor Complaints Sewer Overflows for Potomac Interceptor Area	0	0	0	0	Reliable

Department: Pumping and Sewer

FY 2022 MAJOR PLANNED ACTIVITIES AND CHANGES

PUMPING

- Document all work management processes and maintain safety awareness highlighting best practice daily among our department, internal, external customers and stakeholders
- Identification of processes to support optimization opportunities, energy savings and early failure prediction
- Operate Sewer Pump Stations, Stormwater Pump Stations, Inflatable Dams, within the requirements of the National Pollution Discharge Elimination System (NPDES) Permit, the Municipal Separate Storm Water Sewer System (MS4) Permit, DC Water Standard Operating Procedures
- Work with the Department of Wastewater Engineering to design and implement improvements to Sewer Pump Stations, Stormwater Pump Stations, Bryant St Pump Station Spill Header, Flow Meters and replace equipment at Fabridam Structures
- Replace Variable Frequency Drives (VFDs), Valves, Programmable Logic Controllers (PLCs), Operator Interface Terminals (OITs) and other critical equipment in need of upgrades, add all Ventilation Control Vault (VCV), Pump Station odor control facilities to SCADA
- Implement the Long-Term Corrosion Prevention Program (LTCP) and develop routine Closed-Circuit Television (CCTV) inspection on the Potomac Interceptor
- Manage relocation of Potomac Interceptor at I-495 crossing and replace all manholes with lockable composite material
- Prepare and submit Multi-Jurisdictional Use Facilities (MJUF) final Bill
- Leverage the Capacity Management Operations and Maintenance Manual (CMOM) document to help minimize/eliminate Sanitary Sewer Overflow (SSO's)
- Upgrade maintenance operations shop
- Continue Operational Drills - Emergency response training and Emergency response - Water tabletop exercise
- Develop a system wide hydraulic model that includes Fairfax/Arlington, etc
- Start implementation of Light Detection and Ranging (LIDAR) scans of the Potable Water, Stormwater and Sewer Pump Stations
- Assess meters upgrades – billing meters, Anacostia Pump Station flow meters, gas monitoring at Poplar Point Pump Station, Secondary level transmitters at fabridams, Upper Anacostia Pump Station and Potomac Pump Station flow meters
- Implement SCADA Security Audit Recommendations

SEWER

- Manage application of chemical root foaming at locations previously affected by roots
- Implementation of the Small Local Sewer Inspection Program
- Combined sewer overflow technology
- Expand installation of level sensors throughout the collection system
- Coordinate with Compliance team to address Fats Rags Oils and Grease (FROG)
- Expand installation of point patch repair of mainline sewer and manage the replacement of sewer laterals using Trenchless Technologies
- Manage catch basin data to determine frequency of cleaning
- Work with IT on the testing and deployment of an updated catch basin application
- Develop plans with Facilities to replace the building structure and dock facility for the floatable debris removal program
- Manage inspection of Municipal Separate Storm and Sewer (MS4) Sewer Outfalls

FY 2023 MAJOR PLANNED ACTIVITIES AND CHANGES

PUMPING

- Install emergency connection for portable pumps at Fort Reno Pump Station
- Prepare and submit MJUF FY 2022 Bill
- Implementation of Long-Term Corrosion Prevention Program
- Update MJUF Operation and Maintenance (O&M) Cost Share Procedure
- Repair Potomac Interceptor Access Road
- Implement Potomac Interceptor manhole reinforcement as part of SSO prevention
- Install Battery at Odor Control Site # 31
- Upgrade Pumps at Anacostia Pumping Station

SEWER

- Small Local Sewer Inspection Program (Red Zone Robotics)
- Deploy update to catch basin app
- Deploy Local and Small Sewer Inspection and Maintenance Program
- Update the Sewer Emergency Operations Response Documents – Major Assets (Sewer)
- Implement Root cause analysis training
- Work with DETS on the design phase of rehabilitation to Oxon Run Sewers
- Coordinate with DETS in Creek Bed Sewer Rehab Projects
- Continue coordination with DETS on condition assessment for Outfall Sewer Rehab
- Coordinate with DETS to complete design phase for Spring Place Sewer Rehabilitation

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

PUMPING

- If CIP projects are deferred, there is potential for more failures and emergencies, i.e. at Main Pump Station, Stormwater Pump Stations, Inflatable Dams, etc. This impacts overtime and material costs, public confidence, environmental risks, etc.
- Upcoming major CIP projects would have impact on Potomac Interceptor workload in addition to all the new Ventilation Control Vaults (VCV's) responsibility
- Maintenance of old/obsolete Equipment

SEWER

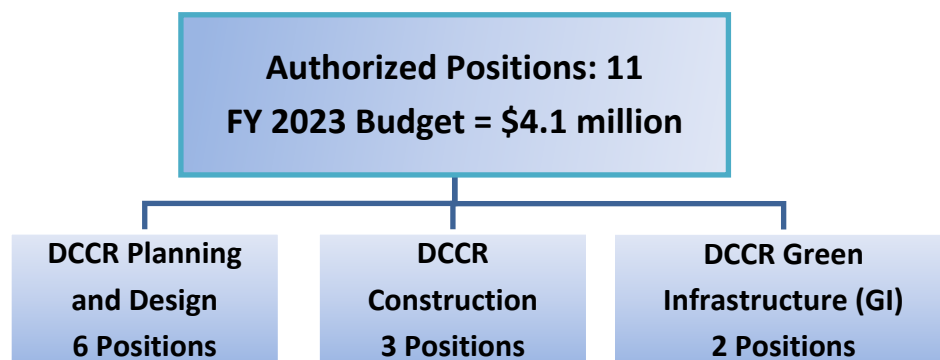
- If CIP projects are deferred, there is potential for more failures and emergencies, i.e. in the sewer system, outfalls, and catch basins, SSO's and dry weather overflows, etc. This will impact overtime and material costs, public confidence, environmental risks, etc.

CLUSTER: WATERSHED MANAGEMENT

DEPARTMENT: Clean Rivers

PURPOSE: To oversee the Authority's DC Clean Rivers reduce combined sewer overflows to bring them into compliance with the District water quality standards, and provide flood relief to neighborhoods in the Northeast Boundary section of the City. The project is a combination of tunnel systems and Green Infrastructure

MISSION: To develop, design, construct and implement the Authority's 25-year DC Clean Rivers Program (aka Combined Sewer Overflow Long Term Control Plan) that includes federally enforceable consent decree driven milestones



FUNCTIONS

DCCR Planning and Design	DCCR Construction	DCCR Green Infrastructure (GI)
Manage and oversee the planning and design phase of the \$2.99 billion, 25-year Clean Rivers Program	Manage and oversee the construction phase of the 25-year Clean Rivers Program	Manage and oversee the completion of the Green Infrastructure (GI) Program, planning, design, construction, and maintenance for GI projects
Oversee the program consultant's management of design contracts; and guide value engineering efforts to improve the quality and design cost-effectiveness	Ensure adherence to all construction related consent decree requirements and guide constructability review efforts	Manage collaboration with external stakeholders including memorandum of understanding development and negotiation with District
Develop risk mitigation strategies for all Clean Rivers projects and ensure adherence to all design related consent decree milestones	Develop risk mitigation strategies for all Clean Rivers projects, inspect tunnel construction and other CSO abatement facilities	Develop risk mitigation strategies related to GI implementation, maintenance, and permit compliance
Provide assistance in creating an accurate DC Clean Rivers Engineering Assets inventory with the integration of DC Water's operating facilities	Identify and mitigate potential project delay and scope growth	Ensure adherence to all GI consent decree milestones

Department: Clean Rivers

BUDGET

The overall budget is relatively flat in FY 2023 compared to the FY 2022 level with two additional positions

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	11	10	9	11	(2)	(22)%
Headcount: Filled	8	9	8	9	(1)	(13)%
Personnel Services	\$ 1,753	\$ 1,899	\$ 2,179	\$ 2,183	\$ (4)	0%
Supplies	2	5	22	12	10	45%
Chemicals	-	-	-	-	-	-
Utilities and Rent	118	102	108	89	19	18%
Contractual Services	55	596	1,789	1,835	(46)	(3)%
Water Purchases	-	-	-	-	-	-
Biosolid	-	-	-	-	-	-
Small Equipment	-	-	-	-	-	-
Non Personnel Services ALL	174	703	1,918	1,935	(17)	(1)%
Department Total	\$ 1,927	\$ 2,602	\$ 4,097	\$ 4,118	\$ (21)	(1)%
Capital Equipment	-	-	-	-	-	-

	FY 2020	FY 2021	FY 2022	FY 2023	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Meet all CSO LTCP consent decree milestones	100%	100%	100%	100%	Resilient

Department: Clean Rivers

FY 2022 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue construction of Northeast Boundary Tunnel (NEBT)
- Complete Potomac River Tunnel (PRT), Contract B – Tunnel System Construction (TSC) Request for Proposal (RFP) Documents and begin procurement of project
- Continue the geotechnical field investigation for PRT-Contract B
- Complete construction for CSO-025/026 Sewer Separation
- Continue construction for Potomac River Tunnel (PRT), Contract A - Advanced Utility Construction (AUC)
- Continue implementation of National Green Infrastructure Certification Program (NGICP)
- Award Construction Contract for Rock Creek Project B Green Infrastructure (GI) and start construction
- Continue the deployment of Clean Rivers' assets into DC Water's enterprise asset management system
- Continue the coordination of preventive maintenance of Clean Rivers assets
- Continue the maintenance of GI facilities
- Begin National Environmental Policy Act (NEPA) Studies for Rock Creek control facilities
- Regulatory requirements compliance

FY 2023 MAJOR PLANNED ACTIVITIES AND CHANGES

- Complete construction of Northeast Boundary Tunnel (NEBT) and commission tunnel into service
- Complete Design-Build collaboration for PRT, Contract B -TSC and select contractor
- Complete construction of CSO-025/026 Sewer Separation
- Complete construction of PRT Contract A - AUC Contract
- Continue construction of Rock Creek GI Project B (RC-B)
- Continue the deployment of Clean Rivers assets into DC Water's enterprise asset management system
- Continue the coordination of preventive maintenances of Clean Rivers assets
- Continue the maintenance of GI facilities
- Complete NEPA Studies for Rock Creek Storage/Tunnel
- Regulatory requirements compliance

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

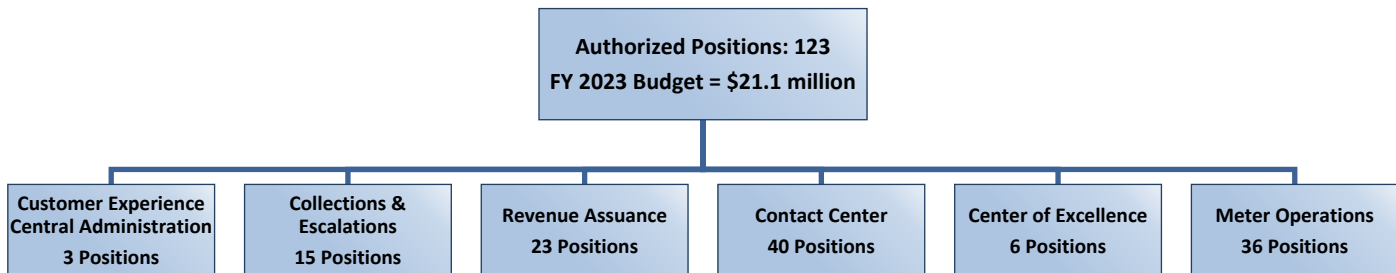
- Operations and Maintenance cost of Green Infrastructure in Rock Creek sewer shed, Clean Rivers is in the process of rehiring a Program Manager, Green Infrastructure to oversee the program management, staff in the development and execution of contract documents, bid support, design support during construction, construction oversight management

CLUSTER: CUSTOMER CARE

DEPARTMENT: Customer Care

PURPOSE: To ensure that DC Water delivers a satisfying experience for customers by providing timely and accurate billing, appropriate meter replacement and maintenance as well as responding to customer inquiries through multiple channels in compliance with District of Columbia laws and regulations

MISSION: To provide superior, equitable and responsive customer service to the diverse community we serve



FUNCTIONS

Central Administration	Collections & Escalations	Revenue Assurance	Contact Center	Center of Excellence	Meter Operation
Leads customer service operations, initiatives and programs	Manages delinquent accounts including liens, receivership, and tax sale	Manages customer accounts and billing processes including bill exceptions, adjustments, and cancellations	Provides timely responses to customer inquiries across multiple channels	Provides business oversight for Customer Service systems (CIS, work order management, Advanced Metering Infrastructure (AMI) Interactive Voice Response IVR, and web self-service)	Maintains, installs, tests, repairs, and replaces meters
Provides strategic oversight of the customer experience	Handles disputes, hearings, and external escalated request tax sale	Maintains impervious area GIS database, assuring accurate billing of impervious surfaces in DC	Provides 24/7 Emergency customer call response and dispatch	Conducts analysis of existing or new business processes and proposes/ implements solutions	Obtains manual meter reads
	Administers the DC Water Customer Assistance Programs (CAP) and Serving People by Lending a Supporting Hand (SPLASH) programs	Handles new account creation and customer move-ins/move-outs			Performs meter disconnections & turn-ons

Department: Customer Care

BUDGET

The \$0.3 million decrease in FY 2023 compared to the FY 2022 budget is mainly for personnel services cost adjustments, and partly offset by increases in contractual services and utilities

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	122	121	123	123	0	0%
Headcount: Filled	103	107	105	107	(2)	(2)%
Personnel Services	\$ 12,587	\$ 12,861	\$ 15,393	\$ 14,927	\$ 466	3%
Supplies	64	59	86	76	10	12%
Chemicals	-	-	-	-	-	-
Utilities and Rent	419	298	394	444	(50)	(13)%
Contractual Services	6,493	4,395	5,462	5,625	(163)	(3)%
Water Purchases	-	-	-	-	-	-
Biosolid	-	-	-	-	-	-
Small Equipment	-	1	32	7	25	77%
Non Personnel Services ALL	6,976	4,753	5,974	6,152	(178)	(3)%
Department Total	\$ 19,563	\$ 17,614	\$ 21,367	\$ 21,080	\$ 287	1%
Capital Equipment	\$ 5,105	\$ 684	\$ 2,900	\$ 3,100	\$ (200)	(7)%

	FY 2020	FY 2021	FY 2022	FY 2023	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Calls answered within 40 seconds	85%	86%	85%	85%	Reliable
Abandonment rate	5%	3%	5%	3%	Reliable

Department: Customer Care

FY 2022 MAJOR PLANNED ACTIVITIES AND CHANGES

- Upgrade Interactive Voice Response customer phone system
- Incorporate feedback from customer satisfaction surveys
- Impervious area data refresh
- Implement SAP S4/Hana customer relationship management functionality

FY 2023 MAJOR PLANNED ACTIVITIES AND CHANGES

- Vertex One (V1) upgrade, including Customer Advantage Upgrade and Kona Replacement
- Implement Customer Survey & Process Improvement from survey results

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

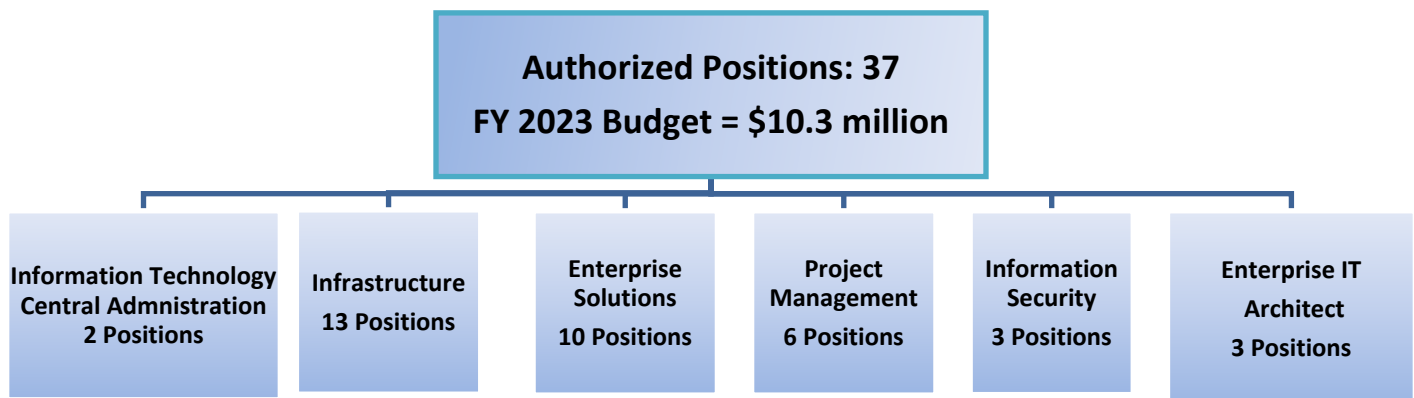
- Annual maintenance and support fees for new/upgraded software systems

CLUSTER: INFORMATION TECHNOLOGY

DEPARTMENT: Information Technology

PURPOSE: To identify, define, develop and support an integrated set of solutions that leverages people, process, and technology to improve reliability, increase efficiency, reduce cost, drive innovation and improve the employee and customer experience

MISSION: To provide a safe and reliable state-of-the-art information technology platform capable of adapting to the changing needs of our internal and external customers. To ensure that the Authority's mission is supported by state-of-the-art technology with an infrastructure capable of accommodating all traffic and connectivity demands, and a computing environment that encourages the development of efficient business



FUNCTIONS

Infrastructure & Operation	Enterprise Solutions	Project Management	Office of the CIO & Other
Provide technical support for applications and manage the IT infrastructure; Develop and provide standards for System Architecturef Integration	Support DC Water's Authority-wide and business unit goals, objectives, and business functions	Design and maintain DC Water's website to allow customer e-business access Develop and support DC Water's intranet and manage project prioritization process	Manage Information Technology initiatives, functions, and assets of the enterprise
Maintain DC Water's technology standards. Implement and support radio systems/phone	Support the IT Governance process and maintain information needed to make sound business decisions for Local and Executive IT Steering Committees (ESC and LSCs)	Integrate and provide product support for the financial, payroll, maintenance, and customer information and billing, Automated Meter Reader (AMR), Interactive Voice Response (IVR), Asset Management (AM) systems	Manage project implementations, database administration, and related budgets
Maintenance of the Enterprise Continuity of Operations (COOP) capabilities	Create, plan, assist and implement enterprise solutions utilizing technology to meet the Authority's needs	Manage the project portfolio and provide program and project management services for the Authority	Design and implement Cyber security strategy for the enterprise. Test and validate Cyber protections
Manage the Solution Center (Help Desk)	Maintain, service, and enhance DC Water's enterprise applications	Support project planning, management, and implementation	Support Disaster Recovery for the Authority

DEPARTMENT: Information Technology

BUDGET

The \$0.7 million decrease in FY 2023 compared to the FY 2022 budget is mainly from the reduction in the use of consultants for IT functions contracts, offset by the insourcing of six new positions, and other adjustments in personnel services

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	28	30	31	37	(6)	(19)%
Headcount: Filled	26	28	26	28	(2)	(8)%
Personnel Services	\$ 4,864	\$ 5,056	\$ 5,327	\$ 6,229	\$ (902)	(17)%
Supplies	6	0	4	4	0	0%
Chemicals	-	-	-	-	-	-
Utilities and Rent	185	133	179	193	(14)	(8)%
Contractual Services	6,242	5,565	5,360	3,760	1,600	30%
Water Purchases	-	-	-	-	-	-
Biosolid	-	-	-	-	-	-
Small Equipment	42	22	67	67	0	0%
Non Personnel Services ALL	6,476	5,720	5,610	4,024	1,587	28%
Department Total	\$ 11,339	\$ 10,775	\$ 10,937	\$ 10,252	\$ 685	6%
Capital Equipment	\$ 11,673	\$ 9,519	\$ 7,269	\$ 6,869	\$ 400	6%

	FY 2020	FY 2021	FY 2022	FY 2023	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
98% Network uptime round the clock	98%	99%	99%	99%	Reliable
96% of high priority tickets completed within 4 hours	96%	96%	98%	98%	Reliable
60% Tickets closed by Tier 1 support	60%	70%	71%	71%	Reliable
50% of Projects Completed on-time	50%	90%	80%	80%	Sustainable
98% Network uptime during peak hours	98%	100%	99.5%	99.5%	Reliable

DEPARTMENT: Information Technology

FY 2022 MAJOR PLANNED ACTIVITIES AND CHANGES

- Field Mobile Applications (Power Apps/Layer Mark) Phase 2 – Valve App
- Electronic Permits Applications (3PP) Enhancements and Emergency Permits SP, Oracle PSCR for Permits Applications
- Primavera Contract Manager Replacement Phase 1A & 1B
- IVR Upgrade to 15.0
- Updates: Aclara One Upgrade, Field Meter testing equipment, Updates/Large, DCU Firmware, VertexOne Upgrade (V1) CRM Integration
- Upgrades: Maximo Upgrade, Genesys Upgrade to Cloud, and MTU Upgrade
- Enhancements: VertexOne Enhancements, Mobile App Enhancements
- HQO Building Automation System
- SharePoint Dashboard
- DC Water.com Pipeline Interactive design upgrade
- Project Zeus – HCM DataMart Project
- AlertUs – Emergency Communications
- Emergency Event Management System
- Lawson Data Retention & Migration (Sunset Support)
- Other planned activities are FY-22 SharePoint Brown Folder, Open Text to SharePoint Migration, DMB Mobility, Managed SQLServer Instance, CIS Datamart in Azure, FIDO Prototype, LSR-DS250 Lead Reports data collection, and Collection Response Program

FY 2023 MAJOR PLANNED ACTIVITIES AND CHANGES

- Vertex One ongoing enhancement, Vertex One AI
- Replacements: CRM Replacement, Customer Advantage & Kona replacement, KONA Replacement & Customer Advantage replacement
- Enhancements: Impervious Area System Enhancements (CRIAC), STAR data warehouse, enhancements, Mobile App enhancements, Maximo Enhancements, 3PP enhancements & upgrade, Pipe Sleuth enhancements
- Upgrades: DCU Upgrade, Oracle ERP functional upgrades, Cloud Call Center upgrade Phase 3 & 4, and, iPass/Interface upgrades with GIS, Maximo, ERP, Unifier & Mobile apps
- Developments: Clean River asset class and WF development, SharePoint forms development
- Other planned activities are Payment Gateway, Qualtrics Implementation, Internet of Things (IoT) Apps, Power Apps, and Promise Pay

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Migration of Oracle databases to MS SQL in Azure cloud or to Oracle Cloud will result in significant savings in our Hardware and Software maintenance costs
- Lawson backup project will reduce the operational cost of maintaining retired Lawson environment
- OpenText to SharePoint migration will result in savings in our software operational costs
- Genesys Upgrade to Cloud will result in savings with IT customer service-related operational costs

CLUSTER: SHARED SERVICES

DEPARTMENT: Shared Services Office

PURPOSE:	To oversee and direct the administrative functions that support the achievement of DC Water's goals
MISSION:	Ensure continuity of operations and a safe, secure and healthy working environment by providing a foundation of resources and support to DC Water employees through the management of facility, security, safety, emergency management, and fleet services

Authorized Positions: 4
FY 2023 Budget = \$0.8 million

FUNCTIONS

Facilities Management	Security	Occupational Safety & Health	Emergency Management	Fleet Management
Ensure continuity of operations and a safe, secure and healthy working environment by providing a foundation of resources and support to DC Water employees through the management of facility, security, safety, emergency management, and fleet services				
Provide a healthy, safe and secure environment for DC Water to operate, through high-quality and cost-effective services and trainings, delivering an exceptional customer experience for our workforce and community				

DEPARTMENT: Shared Services Office

BUDGET

The approved FY 2023 budget increased by \$0.07 million over the FY 2022 approved budget due to personnel services adjustments, offset in part by decrease in contractual services

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	3	3	3	4	(1)	(33)%
Headcount: Filled	3	3	3	3	0	0%
Personnel Services	\$ 616	\$ 639	\$ 636	\$ 724	\$ (88)	(14)%
Supplies	0	3	1	1	0	(2)%
Chemicals	-	-	-	-	-	-
Utilities and Rent	4	4	4	4	0	(5)%
Contractual Services	10	38	48	25	23	48%
Water Purchases	-	-	-	-	-	-
Biosolid	-	-	-	-	-	-
Small Equipment	-	-	-	-	-	-
Non Personnel Services ALL	14	44	52	30	23	43%
Department Total	\$ 629	\$ 683	\$ 688	\$ 754	\$ (66)	(10)%
Capital Equipment	-	-	-	-	-	-

DEPARTMENT: Shared Services Office

FY 2022 MAJOR PLANNED ACTIVITIES AND CHANGES

- Optimize the operations of safety, security, fleet and emergency management and increase participation from all DC Water employees in training opportunities and tabletop exercises
- Development and implementation of a Comprehensive Safety Management System at DC Water
- Finalize a Land Use Master Plan, to provide guidance and structure to standardizing and improving facilities based on the implementation of the Environmental Health and Safety (EHS) program and other cluster initiatives related to continuity of operations and resiliency
- Expand the Health & Hygiene initiative through implementation of a Wellness Certification program for all Facilities

FY 2023 MAJOR PLANNED ACTIVITIES AND CHANGES

- Creation of a Business Operations function, to further streamline and coordinate all Shared Services cluster activities, and better socialize them throughout DC Water
- Analyze business processes and implement activities to improve efficiency and increase resiliency, as we move towards a shared-services model to better track costs by department/program
- Finalize a Comprehensive Fleet Management Plan, incorporating new policies, procedures and guidance requirements for the new Maryland location

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- None

CLUSTER: SHARED SERVICES

DEPARTMENT: Office of Emergency Management

PURPOSE: To provide planning and operational support to the entire Authority during emergencies and ensure DC Water complies with the American Water Infrastructure Act

MISSION: To facilitate the development and sustainment of a disaster resilient utility



FUNCTIONS

Emergency Planning	Training and Exercises	Risk Resilience	Hazard Mitigation and Grants
Manage and implement mitigation, planning, response, and recovery emergency procedures and plans in compliance and aligned with America's Water Infrastructure Act (AWIA), National Incident Management System (NIM, Emergency Management Accreditation (EMAP)	Provide tailored trainings and exercises through a multi-year training and exercise plan and calendar which utilizes federal funding through EPA and collaboration with regional partnerships	Facilitate Risk and Resilience Assessments for compliance to AWIA and continuous improvement efforts such as integration into hazard mitigation plan and capital improvement projects	Identify, secure, and facilitate hazard mitigation funding sources for Authority's hazard mitigation efforts which lower financial obligations
Facilitate local, regional, and federal partnerships to support DC Water's emergency management efforts and submit resource requests to DC HSEMA and NCR Water/Wastewater Agency Response Network	Manage DC Water's Incident Management Team (IMT) and Emergency Liaison Officers (ELOs)	Provide support to the DC Fusion Centre, assessment of data, sharing of information, and development of threat briefings.	Manage DC Water's Hazard Mitigation Plan and Task Force
Assist in providing after action reviews and reports for multiple operational period emergencies that utilized an activated IMT and provide improvement planning tracking measures	Partner with regional partner agencies on training and exercise efforts to sustain readiness and resilience	Identifies, proposes, and accesses federally available funding, including the development and submission of Urban Areas Security Initiative (UASI) grant proposals	Coordinate and manage grant submittals, awards, correspondence, compliance reports, and to maintain confidential files

DEPARTMENT: Office of Emergency Management

BUDGET

The FY 2023 Approved budget for the Office of Emergency Management (OEM) is relatively flat compared to the FY 2022 budget

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	6	5	6	6	0	0%
Headcount: Filled	3	5	3	4	(1)	(33)%
Personnel Services	\$ 739	\$ 625	\$ 1,010	\$ 1,044	\$ (35)	(3)%
Supplies	2	1	13	5	8	59%
Chemicals	-	-	-	-	-	-
Utilities and Rent	2	14	17	10	7	41%
Contractual Services	476	350	518	584	(66)	(13)%
Water Purchases	-	-	-	-	-	-
Biosolid	-	-	-	-	-	-
Small Equipment	-	0	25	25	0	0%
Non Personnel Services ALL	480	365	574	625	(51)	(9)%
Department Total	\$ 1,219	\$ 990	\$ 1,583	\$ 1,669	\$ (86)	(5)%
Capital Equipment	-	-	\$ 50	\$ 0	\$ 50	100%

	FY 2020	FY 2021	FY 2022	FY 2023	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Maintain compliance in American's Water Infrastructure act every 5 yrs 100%	100%	100%	100%	100%	Resilient
Maintain Emergency Management Accreditation. Provide yearly neasures report	100%	100%	100%	100%	Resilient

DEPARTMENT: Office of Emergency Management

FY 2022 MAJOR PLANNED ACTIVITIES AND CHANGES

- Establish America's Water Infrastructure Act (AWIA), Emergency Management Accreditation (EMAP) standards, and Blueprint 2.0 imperatives into department's strategies, goals, and procedures
- Fully implement a sustainable Program Manager, Hazard Mitigation Grants position for grant funding identification and facilitation
- Establish a suite of virtual emergency management training courses, specific to DC Water, to assist staff in obtaining a knowledge base and to assist in establishing incident management competencies
- Procure an Incident Management Team (IMT) and documentation software solution for quicker emergency documentation and plan references
- Continue to expand on regional water emergency response and communication capabilities
- In compliance with AWIA and EMAP, continue facilitation of five year annual and revision cycle established for all nine-emergency management, mitigation, response, and recovery plans and provide full revisions of two of the nine plans
- Ensure continuous compliance with Emergency Management Accreditation and annual report
- Support DC Water's overall emergency response and incident management capabilities by fully implementing the after-action improvement matrix
- Facilitate source support and implement Federal Emergency Management Agency Mitigation Grants
- Further evaluate automation of weather alert platforms to assist operations and planning
- Continue to implement and provide robust and comprehensive emergency management training

FY 2023 MAJOR PLANNED ACTIVITIES AND CHANGES

- Facilitate Authority wide update to the risk and resilience assessment with J100 and PARRE tool within 2023 for AWIA compliance
- Implement Program Manager, Hazard Mitigation Grants position for grant funding facilitation
- Establish an IMT management and documentation software solution for quicker emergency notifications, tasks, documentation, and easier plan references
- Continue compliance with AWIA and EMAP through plan updates revisions, training and exercises, response capabilities, hazard mitigation, gap improvements, and critical infrastructure protection
- Develop confidential Critical Infrastructure Protection guidance manual for the Authority
- Implement a complete inventory and maintenance system for emergency management resources
- Establish an IMT management and documentation software solution for quicker emergency documentation and plan references
- Build out mobile incident command post capabilities and coordinated situational awareness information sharing measures
- Plan for lengthy and robust EMAP reaccreditation efforts to occur in FY 2024

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

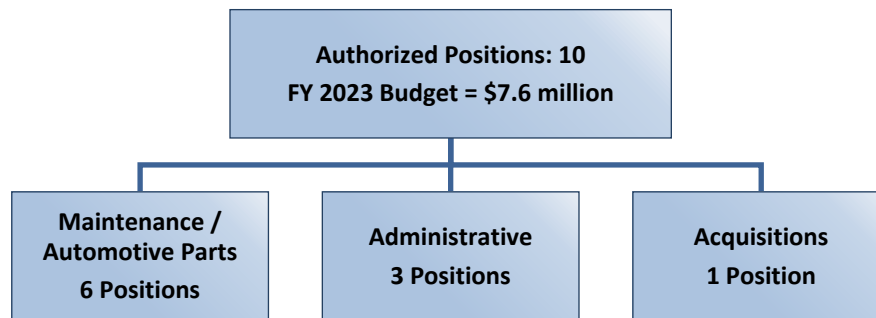
- No direct impact

CLUSTER: SHARED SERVICES

DEPARTMENT: Fleet Management

PURPOSE: Ensure DC Water's fleet and equipment are safe and functioning to meet the operational needs of the Authority

MISSION: To provide safe, reliable and cost-effective vehicles and equipment to DC Water for use by all departments in performance of their missions



FUNCTIONS

Maintenance/Automotive Parts	Administrative	Acquisitions
Preventive and repair maintenance	Manage fleet maintenance contractor and vendors	Acquisition/Disposal of vehicles/equipment
Inventory control of automotive parts	Manage and support the Fleet Wave System, and monitor fuel usage	
Performance Measurements - percent of uptime/availability	Management of vehicles, equipment, parts and DC Water loaner pool program	
Integration and retrofitting of vehicles Integration mobile technology support	Commercial Driver's License (CDL) Safe Drivers Program	
Apprentice-trainees (vehicle/equipment maintenance; quality assurance)		

DEPARTMENT: Fleet Management

BUDGET

The \$0.4 million increase in FY 2023 compared to FY 2022 is mainly for personnel service cost adjustments

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	10	9	9	10	(1)	(11)%
Headcount: Filled	7	8	7	8	(1)	(14)%
Personnel Services	\$ 1,142	\$ 1,155	\$ 1,217	\$ 1,535	\$ (318)	(26)%
Supplies	27	1,369	25	850	(826)	(3,370)%
Chemicals	-	-	-	-	-	-
Utilities and Rent	536	749	767	824	(58)	(8)%
Contractual Services	4,161	2,839	5,131	4,287	844	16%
Water Purchases	-	-	-	-	-	-
Biosolid	-	-	-	-	-	-
Small Equipment	46	47	55	80	(25)	(45)%
Non Personnel Services ALL	4,770	5,003	5,977	6,041	(64)	(1)%
Department Total	\$ 5,911	\$ 6,158	\$ 7,194	\$ 7,576	\$ (382)	(5)%
Capital Equipment	\$ 3,344	\$ 791	\$ 10,648	\$ 6,000	\$ 4,648	44%

	FY 2020	FY 2021	FY 2022	FY 2023	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Preventative Maintenance Completed on Schedule	6%	33%	96%	96%	Reliable
Priority #1 Vehicles available for use	89%	85%	96%	96%	Reliable

DEPARTMENT: Fleet Management

FY 2022 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue with planning for relocation and transition to the new Fleet Facility
- Reassess all major equipment repair contracts
- Continue implementation and upgrade of Field Services Mobile Support Technology Programs meshing, smart Infrastructure and vehicle sensor technology
- Continue systems integration and upgrades to Fleet Management Information System (WAVE) Geotab and rideshare program
- A reassessment of the Priority Equipment and major change outs according to Departmental Programs
- Continue utilization of grants and enterprise collaborations for the purchase of Alternative Fueled Vehicles (AFV's), Hybrid Plug-in Electric
- Continue the "Right Sizing- Effective Efficiency Use" Program as well as reduce the carbon footprint and the re-issuance of underutilized units
- Continue purchasing of Customized Smart Infrastructure and Advanced Technology, Clean Idle, certified clean diesel, and electric vehicles, where possible to reduce carbon emission
- Continue increased usage of environmentally friendly soy and bio-based products and cleaners
- Continue employee training and certification of Fleet personnel

FY 2023 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue utilization of grants and enterprise collaborations for the purchase of Alternative Fueled Vehicles (AFV's), Hybrid Plug-in Electric
- Continue the "Right Sizing- Effective Efficiency Use" Program as well as reduce the carbon footprint and the re-issuance of underutilized units
- Continue systems integration and upgrades to Fleet Management Information System (WAVE) Geotab and rideshare program
- Continue the reassessment of the Priority Equipment and major change outs according to Departmental Programs
- Continue purchasing of Customized Smart Infrastructure and Advanced Technology, Clean Idle, certified clean diesel, and electric vehicles, where possible to reduce carbon emission
- Continue increased usage of environmentally friendly soy and bio-based products and cleaners
- Continue implementation and upgrade of Field Services Mobile Support Technology Programs meshing, smart Infrastructure and vehicle sensor technology

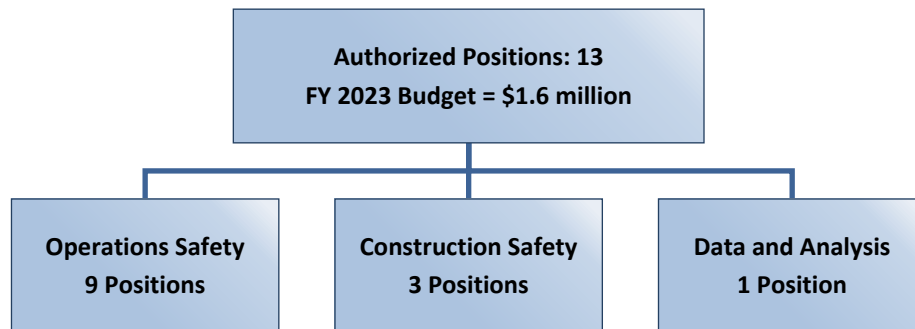
IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Construction and relocation to a new Fleet facility will enhance our operations and serviceability of our vehicles in a climate-controlled environment
- Our ability to perform certain tasks will be greatly enhanced and our vehicle downtimes will decrease

CLUSTER: SHARED SERVICES

DEPARTMENT: Occupational Safety and Health

PURPOSE:	Oversight of the Authority's Comprehensive Health and Safety Program, to accomplish a safe and healthy work environment, as well as, compliance with environmental health and safety regulations
MISSION:	To support DC Water's Blueprint Strategic Plan by effectively managing Department resources to accomplish a healthy work environment for all DC Water employees



FUNCTIONS

Operations Safety	Construction Safety	Data and Analysis
Compliance with environmental health and safety management system	Compliance with environmental health and safety management system	Compliance with environmental health and safety management system
Implement comprehensive safety program, including facility and crew safety inspections, and accident and incident investigations	Oversight of the implementation of comprehensive construction safety program	Develop and analyze safety metrics
Support DC Water's Emergency Response activities and serve as the Safety Officer when the Incident Management Team (IMT) is activated	Coordinate with and support the Office of Risk Management, Emergency Management, Emergency Preparedness of Contractors, and the Department of Engineering and Technical Services, including the Rolling Owner Controlled Insurance Program (ROCIP), Safety Program, and Non-ROCIP contracts	Generate and provide required safety reports
Oversight of hazardous waste program and storage tank compliance. Identify, develop, schedule and deliver required safety training	Implement initiatives to prevent and reduce accidents, occupational illnesses, and exposure to health and physical hazards	Administer and maintain safety database

DEPARTMENT: Occupational Safety and Health

BUDGET

The \$0.3 million decrease in the Approved FY 2023 budget is mainly for contractual services

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	11	12	12	13	(1)	(8)%
Headcount: Filled	9	7	8	7	1	13%
Personnel Services	\$ 1,308	\$ 1,246	\$ 1,471	\$ 1,456	\$ 15	1%
Supplies	6	1	10	0	10	100%
Chemicals	-	-	-	-	-	-
Utilities and Rent	27	22	25	23	2	6%
Contractual Services	229	310	393	134	258	66%
Water Purchases	-	-	-	-	-	-
Biosolid	-	-	-	-	-	-
Small Equipment	99	-	-	-	-	-
Non Personnel Services ALL	361	333	427	158	270	63%
Department Total	\$ 1,669	\$ 1,579	\$ 1,898	\$ 1,614	\$ 284	15%
Capital Equipment	-	-	-	-	-	-

	FY 2020	FY 2021	FY 2022	FY 2023	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
DC Water Employee Recordable Incident Rate (RIR) (CY)	3.1	4.3	<5.3	<5.3	Healthy, Safe, and Well
DC Water Employee Lost Time Incident (LTI) (CY)	1.8	2.4	<2.1	<2.1	Healthy, Safe, and Well
Contractor/ROCIPI Recordable Incident Rate (RIR) (CY)	2	1.1	<2.8	<2.8	Healthy, Safe, and Well
Contractor/ROCIPI Lost Time Incident (LTI) (CY)	0	0	<1.1	<1.1	Healthy, Safe, and Well

DEPARTMENT: Occupational Safety and Health

FY 2022 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue to develop safety goals and initiatives in support of the Healthy Safe and Well Imperative of Blueprint 2.0
- Continue to provide support to the Office of Risk Management for the Rolling Owner Controlled Insurance Program (ROCIP) and DC Water's Workers Compensation Program
- Continue to review and update Health and Safety Policies
- Continue the development of the DC Water Occupational Health and Safety System in alignment with ISO 45001
- Continue to support DC Water in response to the COVID-19 Pandemic

FY 2023 MAJOR PLANNED ACTIVITIES AND CHANGES

- Support Blueprint 2.0 and the Healthy Safe and Well Imperative
- Continue to support ROCIP and DC Water's Workers Compensation Program
- Implement approved health and safety policies
- Focus on implementing the DC Water Occupational health and safety system
- Collaborate with the Office of Marketing and Communications (OMAC) on enhancing safety communications

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

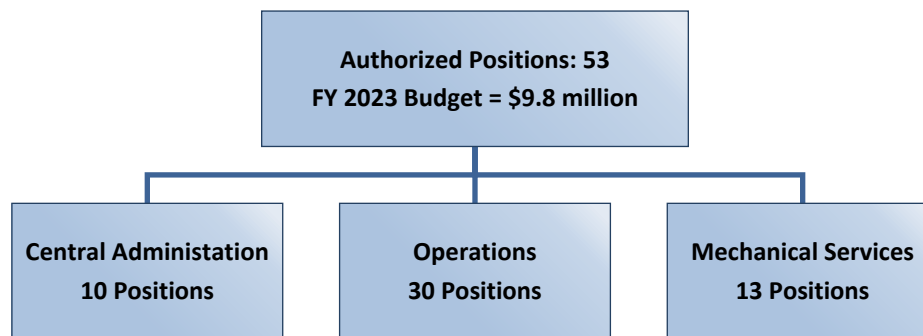
- None

CLUSTER: SHARED SERVICES

DEPARTMENT: Facilities Management

PURPOSE: Administers programs for construction, operation, maintenance, and continuous improvement of the Authority's physical infrastructure and building services

MISSION: To support the operation of the Authority through routine maintenance, custodial services, repair and improvement of its facilities, buildings, grounds, and roadways for DC Water's operations



FUNCTIONS

Central Administration	Operations	Mechanical Services
Mail, courier and freight services	Building operations maintenance, procure and assign furniture, repair fences and rollup doors	Predictive/preventive maintenance
Motor pool services	Coordinate workspace assignments and moves	Adequate indoor air quality
Manage DC Water's recycling program (paper, cans, bottles)	Janitorial service, landscaping, trash removal, and pest control	Engage in project management of major construction and renovation projects
Coordinate work order requests and surveys for facilities	Adequate ground direction and building signage	Elevator and HVAC systems maintenance
Manage DC Water's copy services	Manage cafeteria operations	Plumbing

DEPARTMENT: Facilities Management

BUDGET

The \$0.5 million increase in FY 2023 compared to the FY 2022 budget is primarily for the personnel services cost adjustments including additional headcount

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	52	51	52	53	(1)	(2)%
Headcount: Filled	45	44	44	44	0	0%
Personnel Services	\$ 5,174	\$ 5,486	\$ 6,115	\$ 6,585	\$ (469)	(8)%
Supplies	282	722	362	363	(1)	0%
Chemicals	-	1	-	-	-	-
Utilities and Rent	105	75	158	155	3	2%
Contractual Services	2,324	2,174	2,623	2,674	(51)	(2)%
Water Purchases	-	-	-	-	-	-
Biosolid	-	-	-	-	-	-
Small Equipment	39	25	3	3	0	0%
Non Personnel Services ALL	2,751	2,996	3,146	3,196	(50)	(2)%
Department Total	\$ 7,925	\$ 8,482	\$ 9,262	\$ 9,781	\$ (519)	(6)%
Capital Equipment	\$ 1,255	\$ 1,127	\$ 2,168	\$ 1,966	\$ 202	9%

	FY 2020	FY 2021	FY 2022	FY 2023	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
% of Facilities Service requests completed within 30 days	11%	36%	90%	90%	Reliable
Preventative Maintenance Completed on Schedule	N/A	33%	90%	90%	Reliable

DEPARTMENT: Facilities Management

FY 2022 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue the implementation of the Building Automation Program (HVAC systems)
- Assess and refine the organization of the Facilities Department including the development of the Land Use Branch of Facilities
- Refine the campus management team to support proactive maintenance throughout DC Water facilities
- Define and establish the facilities management program for the headquarters building
- Support Matrix contributors with office work area updates
- Define and support the new normal for janitorial services at all DC Water campuses
- Continue to provide grounds keeping services throughout DC Water campuses
- Provide stakeholder support/coordination for Central Office Facilities (COF) Building renovation by DETS
- Provide stakeholder support/coordination for Bryant Street Campus renovation by DETS
- Identify roof replacement needs for DC Water facilities and estimate the associated costs
- Identify HVAC replacement needs for DC Water facilities and estimate the associated costs
- Continue to implement new industry innovations to support efficiency and sustainability

FY 2023 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue the implementation of the Building Automation Program (HVAC systems)
- Assess and refine the organization of the Facilities Department: Hire a Program Manager to support Non-Process Facilities Program Management
- Manage the Non-Process Facilities Program Management CIP budgeting, design and construction projects
- Identify roof replacement needs for DC Water facilities and estimate the associated costs
- Identify HVAC replacement needs for DC Water facilities and estimate the associated costs
- Continue to develop and manage the proactive maintenance program throughout DC Water facilities
- Support Matrix contributors with office work area updates
- Continue to provide grounds keeping, carpentry, painting, HVAC and plumbing services throughout DC Water campuses
- Continue to implement new industry innovations to support efficiency and sustainability

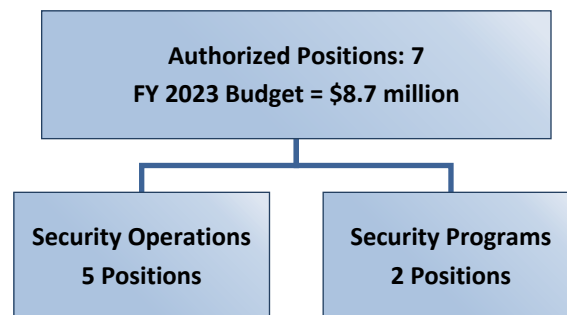
IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Continued improvement of DC Water non-process facilities and mechanical systems will reduce the overall maintenance efforts and ultimately expenditures

CLUSTER: SHARED SERVICES

DEPARTMENT: Security

PURPOSE:	To deliver best-in-practice security services that safeguard and protect DC Water's mission-critical resources and employees in meeting the enterprise commitment to our communities and the environment
MISSION:	To support and maintain a safe and welcoming workplace that is customer focused and intended to enhance the well-being of staff and visitors



FUNCTIONS

Security Operations	Security Protection
Locksmith, Key Control	Electronic security asset testing and maintenance
Guard force and traffic management Identification and Badge Control	Management of security related Capital Improvement Plan projects
Emergency Management & First Response and community awareness training	Loss prevention, asset protection, vulnerability assessments, and hazardous threat training awareness
Investigations, local and federal liaison, and Security work order requests	Information security, site surveys, and Key management

DEPARTMENT: Security

BUDGET

The approved FY 2023 budget decreased by \$0.6 million compared to the FY 2022 approved budget due to adjustments in personnel services and a decrease in contractual services

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	8	7	7	7	0	0%
Headcount: Filled	5	6	5	5	0	0%
Personnel Services	\$ 901	\$ 790	\$ 1,062	\$ 890	\$ 172	16%
Supplies	18	43	49	40	9	18%
Chemicals	-	-	-	-	-	-
Utilities and Rent	319	292	325	331	(6)	(2)%
Contractual Services	6,420	6,229	7,770	7,360	410	5%
Water Purchases	-	-	-	-	-	-
Biosolid	-	-	-	-	-	-
Small Equipment	3	-	30	30	0	0%
Non Personnel Services ALL	6,759	6,563	8,174	7,762	413	5%
Department Total	\$ 7,660	\$ 7,354	\$ 9,236	\$ 8,651	\$ 585	6%
Capital Equipment	\$ 841	\$ 1,325	\$ 1,407	\$ 800	\$ 607	43%

	FY 2020	FY 2021	FY 2022	FY 2023	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Percent of security investigations completed within 21 days	83%	95%	95%	95%	Healthy, Safe, and Well
Security Camera operational uptime (cannot go below 90%)	95%	95%	90%	90%	Reliable
Smart card readers operational uptime (cannot go below 90%)	100%	99%	90%	90%	Reliable

DEPARTMENT: Security

FY 2022 MAJOR PLANNED ACTIVITIES AND CHANGES

- Focus on making the necessary improvements recommended in the Physical Security Assessment/Hazard Mitigation Plan/CISA Infrastructure Survey – Security & Resilience Report
- Continue with Phase III of Hardening Project at Blue Plains
- Continue to upgrade Blue Plains Operations cameras
- Continue to repair/upgrade Fire Protection systems at DC Water Facilities
- Continue to develop and institute training curriculum with a Safety, Security & Emergency Management
- Continue integration of operations cameras at ‘non-Blue Plains’ locations
- Continue to analyze throughout the Authority areas in need of additional and/or electronic security improvements
- Support IT with integration of Alert Us project – Mass Notification enhancement

FY 2023 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue to focus making the necessary improvements recommended in the Physical Security Assessment/Hazard Mitigation Plan/CISA Infrastructure Survey – Security & Resilience Report
- Continue to repair/upgrade Fire Protection at various DC Water Facilities
- Integrate additional departments into the asset protection program for enhancing protective protocols throughout the Authority
- Continue to analyze throughout the Authority areas in need of additional and/or electronic security improvements

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Continuous improvement of security systems will reduce overall maintenance, improve response time, and decrease threat levels
- Mega-projects require significant security upgrades and enhancements which will require increased manning to provide full support
- The new Fleet Facility is expected to increase security operations costs in future years

CLUSTER: INDEPENDENT OFFICES

DEPARTMENT: Secretary to the Board

PURPOSE: Serves as the Authority's executive level business entity that manages the day-to-day activities of the Board of Directors

MISSION: To support DC Water's Blueprint/Strategic Plan by effectively managing assigned resources to accomplish the duties of the Office of the Secretary (Board)

Authorized Positions: 2
FY 2023 Budget = \$0.6 million

FUNCTIONS

Manage logistics for the Board of Directors and Committee meetings, Public Hearings, Workshops, the Strategic Planning Process, and all other business activities of the Board

Manage and oversee the day-to-day operations of the Board of Directors and execute custodial oversight of all books, records and official documents of the Board

Administer the subpoena process and provide Notary Service for the Authority

Department: Office of the Secretary

BUDGET

The FY 2023 budget is relatively flat compared to the FY 2022 budget

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	2	2	2	2	0	0%
Headcount: Filled	2	2	2	2	0	0%
Personnel Services	\$ 329	\$ 334	\$ 342	\$ 363	\$ (20)	(6)%
Supplies	10	5	17	17	0	0%
Chemicals	-	-	-	-	-	-
Utilities and Rent	5	3	3	3	0	(2)%
Contractual Services	153	91	270	252	18	7%
Water Purchases	-	-	-	-	-	-
Biosolid	-	-	-	-	-	-
Small Equipment	1	-	2	0	2	100%
Non Personnel Services ALL	169	98	292	273	19	7%
Department Total	\$ 498	\$ 432	\$ 634	\$ 635	\$ (1)	0%
Capital Equipment	-	-	-	-	-	-

	FY 2020	FY 2021	FY 2022	FY 2023	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Provide timely and accurate Brd and Comm agendas, rpts & min	100%	100%	100%	100%	Reliable
Follow-up and complete Board actions	100%	100%	100%	100%	Reliable

Department: Office of the Secretary

FY 2022 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue to draft and submit notices and agendas for all Board and Committee meetings and Public Hearings for publication in the District of Columbia Register as required by the Open Meetings Act of 2010
- Continue to publish all Board and Committee agendas, meeting materials and meeting minutes on DC Water's website as required by the Open Meetings Act of 2010
- Continue to coordinate logistics for the Board's Strategic Planning Session (retreat)
- Continue to coordinate the process to fill the expired and/or vacant Board appointments, as needed
- Continue to effectively monitor follow-up requests from the Board and Committees to ensure timely responses
- Continue to enhance data dissemination process for the Board, DC Water employees, the general public and stakeholders by use of state-of-the-art technology that supports the Board's Strategic Plan
- Continue to manage recordkeeping process by ensuring accuracy, comprehensiveness and effective maintenance of all Board related documents and materials
- Continue to work with Information Technology to secure, install and utilize state-of-the-art technology to ensure efficient and effective recording of proceedings for all Board and Committee meetings
- Continue accomplishing all duties as required and further enhance processes, as needed

FY 2023 MAJOR PLANNED ACTIVITIES AND CHANGES

- No major changes anticipated
- Continue to draft and submit notices and agendas for all Board and Committee meetings and Public Hearings for publication in the District of Columbia Register as required by the Open Meetings Act of 2010
- Continue to publish all Board and Committee agendas, meeting materials and meeting minutes on DC Water's website as required by the Open Meetings Act of 2010
- Continue to coordinate logistics for the Board's Strategic Planning Session (retreat)
- Continue to coordinate the process to fill the expired and/or vacant Board appointments, as needed
- Continue to effectively monitor follow-up requests from the Board and Committees to ensure timely responses
- Continue to enhance data dissemination process for the Board, DC Water employees, the general public and stakeholders by use of state-of-the-art technology that supports the Board's Strategic Plan
- Continue to manage recordkeeping process by ensuring accuracy, comprehensiveness and effective maintenance of all Board related documents and materials
- Continue to work with Information Technology to secure, install and utilize state-of-the-art technology to ensure efficient and effective recording of proceedings for all Board and Committee meetings

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- No direct impact

CLUSTER: INDEPENDENT OFFICES

DEPARTMENT: Office of the Chief Executive Officer(CEO)

PURPOSE: The CEO/ General Manager’s Office administers, plans, organizes, and directs the operations of DC Water

MISSION: To provide DC Water customers with access to affordable, safe and reliable utility infrastructure and services

Authorized Positions: 6
FY 2023 Budget = \$2.8 million

FUNCTIONS

Strategic Planning	Operations	Performance
Provide overall operational and policy direction in support of the Board of Director’s Strategic Plan	Organize, plan and direct all operations of the Authority Ensure development and implementation of improvement processes to increase operational efficiencies	Facilitate development of cross-functional Enterprise Performance Plans Establish and maintain an Enterprise Program Management office to enhance collaboration, governance, and accountability across the utility

Department: Office of the Chief Executive Officer

BUDGET

The Approved FY 2023 budget increased slightly over the Approved FY 2022 budget due to personnel services adjustments

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	15	8	6	6	0	0%
Headcount: Filled	11	6	4	4	0	0%
Personnel Services	\$ 3,152	\$ 3,246	\$ 1,331	\$ 1,506	\$ (175)	(13)%
Supplies	34	17	5	5	0	(4)%
Chemicals	-	-	-	-	-	-
Utilities and Rent	28	19	13	24	(11)	(85)%
Contractual Services	683	1,188	1,188	1,237	(49)	(4)%
Water Purchases	-	-	-	-	-	-
Biosolid	-	-	-	-	-	-
Small Equipment	-	4	-	-	-	-
Non Personnel Services ALL	744	1,228	1,206	1,266	(60)	(5)%
Department Total	\$ 3,896	\$ 4,474	\$ 2,537	\$ 2,772	\$ (235)	(9)%
Capital Equipment	-	-	-	-	-	-

	FY 2020	FY 2021	FY 2022	FY 2023	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Implement all policies and directives of the Board of Director's	100%	100%	100%	100%	Sustainable

Department: Office of the Chief Executive Officer

FY 2022 MAJOR PLANNED ACTIVITIES AND CHANGES

- Active engagement, leadership, and partnership with global industry leaders in the utility sector
- Development and execution of an efficient and effective OCEO administrative system for information flow that strategically guides day-to-day operations and supports data-driven, executive decision-making across the Authority
- Continue improving our labor management partnership
- Continue/expand engagement with the community through the Stakeholder Alliance and other forums
- Continue development and expansion of executive leadership to continue building a high performing leadership team and culture
- Support the Board of Directors and Senior Executive Team (SET) relationships through ongoing joint engagement efforts
- Watershed-based stakeholder engagement, including continued support of the Anacostia freshwater mussel project to improve water quality and protect our investment in cleaning the Anacostia River
- Participation in a sector-wide initiative with leading water utilities to capture best-practices in Business Case Evaluation and CIP Prioritization
- Support the development and delivery of a national Women of Water event in the DC Region to showcase and recognize women leaders in the water sector
- Continue expansion of the CEO HQO “Decor” project with Office of Marketing and Communication

FY 2023 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue active engagement, leadership, and partnership with global industry leaders in the utility sector
- Development and execution of an efficient and effective OCEO administrative system for information flow that strategically guides day-to-day operations and supports data-driven, executive decision-making across the Authority
- Continue improving our labor management partnership
- Continue to expand the strategic direction of the Chief Executive by designing new support roles for execution
- Continue/expand engagement with the community through the Stakeholder Alliance and other forums
- Continue development and expansion of executive leadership to continue building a high performing leadership team and culture
- Support the Board of Directors and Senior Executive Team (SET) relationships through ongoing joint engagement efforts
- Watershed-based stakeholder engagement, including continued support of the Anacostia freshwater mussel project to improve water quality and protect our investment in cleaning the Anacostia River
- Continue participation in a sector-wide initiative with leading water utilities to capture best-practices in Business Case Evaluation and CIP Prioritization
- Continue to support the planning and delivery of an annual national Women of Water event in the DC Region to showcase and recognize women leaders in the water sector

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- No direct impact

CLUSTER: INDEPENDENT OFFICES

DEPARTMENT: Office of the Chief Operating Officer

PURPOSE: To support and provide oversight, guidance and strategic direction for the Departments of the Administration, Customer Experience and Operations and Engineering Clusters to ensure alignment with the vision and strategic direction cast by the CEO and Board of Directors

MISSION: Effectively, efficiently and reliably manage the core operations of the Authority to provide critical services to internal and external customers; oversight and direction for the authority's capital improvement program planning and implementation; and working to achieve resilience and mitigate risks to day to day operations and critical infrastructure

Authorized Positions: 3
FY 2023 Budget = \$1.4 million

FUNCTIONS

Chief of Operations for the Authority serves as the representative of the Authority, CEO and Senior Executive Team on matters related to the operations of the Authority including engaging in boards, associations and other stakeholder groups on policy and operational matters

Planning, development and implementation of key programs, projects and initiatives

Establish/monitor key performance indicators

Advisement to CEO and other members of the Senior Executive Team (SET)

Participation in internal and external policy development and decisions

Oversight, planning and implementation of DC Water's Capital Improvement Program

Provide support, oversight and guidance to the Administration, Customer Care, Information Technology, Operations and Engineering clusters

Support for strategic planning and implementation

Provide oversight, review and guidance for all compliance requirements related to local and federal

DEPARTMENT: Office of the Chief Operating Officer

BUDGET

The Office of the Chief Operating Officer department is newly established with a \$0.5 million increase in contractual services over FY 2022

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	0	3	4	3	1	25%
Headcount: Filled	0	3	1	2	(1)	(100)%
Personnel Services	-	-	\$ 799	\$ 760	\$ 39	5%
Supplies	-	-	-	-	-	-
Chemicals	-	-	-	-	-	-
Utilities and Rent	-	-	-	0	0	-
Contractual Services	-	-	125	672	(547)	(438)%
Water Purchases	-	-	-	-	-	-
Biosolid	-	-	-	-	-	-
Small Equipment	-	-	-	-	-	-
Non Personnel Services ALL	-	-	125	672	(547)	(438)%
Department Total	-	-	\$ 924	\$ 1,432	\$ (508)	(55)%
Capital Equipment	-	-	-	-	-	-

DEPARTMENT: Office of the Chief Operating Officer

FY 2022 MAJOR PLANNED ACTIVITIES AND CHANGES

- Completion of the Advanced Energy Group (Clean Energy & Equity Portfolio) Challenge
- Workshops on Diversity, Equity and Inclusion (DEI) at National Conferences
- Leadership role in the DC Flood Task Force
- Completion of the Phase One Organizational Development
- Preparation of renegotiation of the Washington Cost Sharing Agreement

FY 2023 MAJOR PLANNED ACTIVITIES AND CHANGES

- Execution of Projects identified in the Advanced Energy Group (Clean Energy & Equity Portfolio)
- Workshops at National Conferences on DEI and other Topics
- Completion of the DC Flood Task Force
- Renegotiation of the Washington Agreement Cost Sharing Agreement
- Completion of the Phase Two Organizational Assessment
- Completion of the Water Equity Network Roadmap

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

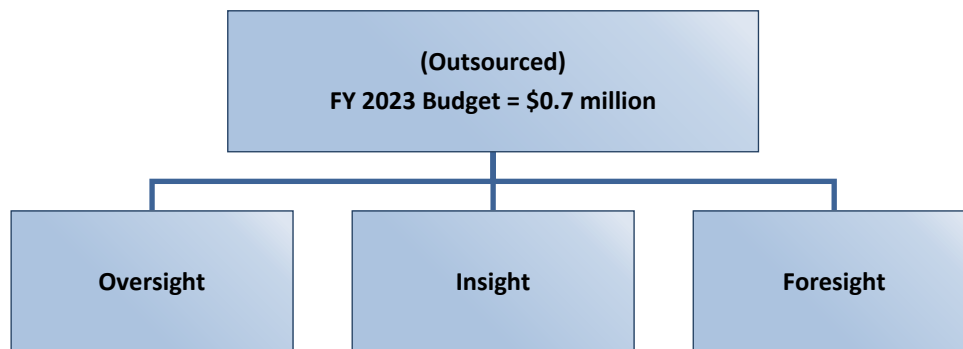
- None

CLUSTER: INDEPENDENT OFFICES

DEPARTMENT: Internal Audit

PURPOSE: Assists the Authority in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's risk management, control and governance processes

MISSION: To provide independent, objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of DC Water



FUNCTIONS

Oversight	Insight	Foresight
Conduct periodic audits	Assess programs and policies	Identify trends and challenges before they become crises
Conduct audits requested by the Board of Directors and for the Chief Executive Officer & General Manager	Share best practices and benchmarking information	Identify risks and opportunities
Review of corporate governance	Provide ongoing feedback for re-engineering management practices and policies	Risk-based auditing

Department: Internal Audit

BUDGET

The FY 2023 budget is relatively flat compared to the FY 2022 budget

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	0	0	0	-	0	-
Headcount: Filled	0	0	0	-	0	-
Personnel Services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Chemicals	-	-	-	-	-	-
Utilities and Rent	3	1	7	2	5	71%
Contractual Services	559	554	743	743	0	0%
Water Purchases	-	-	-	-	-	-
Biosolid	-	-	-	-	-	-
Small Equipment	-	-	-	-	-	-
Non Personnel Services ALL	562	556	750	745	5	1%
Department Total	\$ 562	\$ 556	\$ 750	\$ 745	\$ 5	1%
Capital Equipment	-	-	-	-	-	-

	FY 2020	FY 2021	FY 2022	FY 2023	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Internal Audit Work Planned	14	8	13	14	Reliable

Department: Internal Audit

FY 2022 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue to manage DC Water’s hotline and implement the hotline protocol
- Report to the Board of Directors via the Audit and Risk Committee on the status of prior internal audit findings and management action plans
- Conduct follow-up procedures on newly presented audit findings and determine status of management action plans

FY 2023 MAJOR PLANNED ACTIVITIES AND CHANGES

- Conduct an updated risk assessment and internal audit plan for the Authority
- Implement committee and Board approved audit plans
- Continue to manage DC Water’s hotline and implement the hotline protocol
- Continue to report to the Board of Directors via the Audit and Risk Committee on the status of prior internal audit findings and management action plans
- Continue to conduct follow-up procedures on newly presented audit findings and determine status of management action plans
- For management assessments conducted, identify strategic improvement opportunities for management

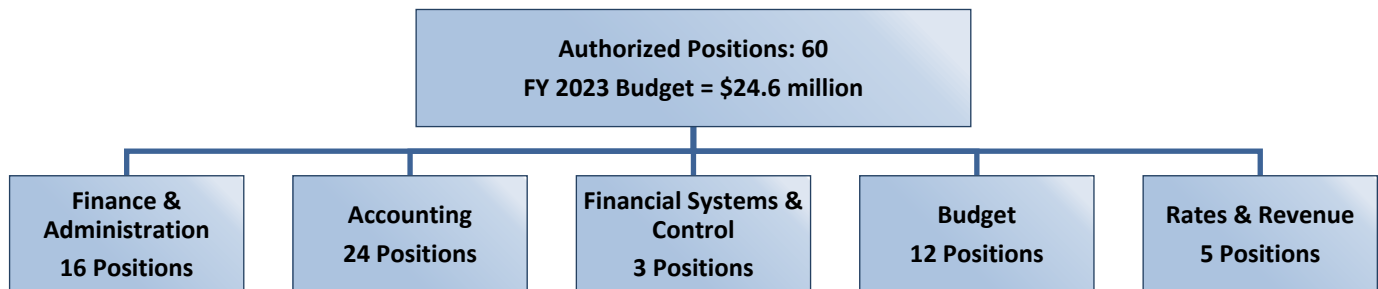
IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- No direct impact

CLUSTER: FINANCE AND PROCUREMENT

DEPARTMENT: Finance

PURPOSE:	Responsible for the financial integrity of the Authority's assets and liabilities, funds acquisition, budget execution, and management and planning of expenditures for all programs and initiatives
MISSION:	Stewardship of DC Water's financial activities to ensure financial integrity and ensure performance that meets the expectations of the Board of Directors, Stakeholders, and the broader financial community



FUNCTIONS

Finance & Administration	Accounting	Financial Systems & Control	Budget	Rates & Revenue
<p>Oversight and management of Finance, Accounting, Budget, Financial Systems & Control, and Rates & Revenue</p> <p>Manage and oversee Treasury, Debt, insurance and Risk Management functions of the organization</p>	<p>Manage accounting and financial reporting functions of the organization</p> <p>Prepare Annual Comprehensive Financial Report (ACFR), and financial transactions</p> <p>Establish accounting and reporting policies, maintain financial records and effective internal control structure</p>	<p>Manage and Support organization-wide Financial System and related applications</p> <p>Ensure accountability and safeguarding of the Authority's assets</p>	<p>Develop, monitor and report the annual operating and 10 Year Capital Improvements Program (CIP) budgets</p> <p>Oversee the Board Committees' reporting process and financial relationship with the Washington Aqueduct</p> <p>Submit Board-adopted Budgets through the District for Congressional Appropriation</p>	<p>Manage short and long-range financial planning, revenue forecasting, and monitoring and establishing rates</p> <p>Manage cost of service studies for water & sewer, Clean Rivers Impervious Area Charge (CRIAC), fire protection service fee, Potomac Interceptor, operating reserves, renewal & replacement reserves, rate stabilization fund and engineering study</p>
<p>Debt and investment portfolios, operations of cashing and banking services</p> <p>Administer all insurance and risk management activities, manage all general liability and tort claims for DC Water's Operations</p> <p>Manage construction insurance and claims programs (ROCIP)</p>	<p>Oversee payroll operations, vendor payment operation and asset management and accountability</p> <p>Manage the billing activities of the organization, including grants and county billing operations</p>	<p>Management of Financial System, including upgrades and enhancements</p> <p>Financial System user support/access control/user training and Business Intelligence and Reporting</p>	<p>Prepare quarterly reports and monthly Financial Reports</p> <p>Perform ongoing financial management of critical programs and maintain department's web page</p>	<p>Monitor consumption, revenue, collections, accounts receivable and delinquencies greater than 90 days</p> <p>Manages independent budget and rate review for public hearing</p>

DEPARTMENT: Finance

BUDGET

The \$1.9 million increase in FY 2023 compared to the FY 2022 budget is for personnel services adjustments and contractual services mainly for various professional services and increased credit card processing fees

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	52	59	57	60	(3)	(5)%
Headcount: Filled	48	52	48	50	(2)	(4)%
Personnel Services	\$ 7,887	\$ 8,498	\$ 9,656	\$ 10,362	\$ (707)	(7)%
Supplies	23	3	15	15	0	0%
Chemicals	-	-	-	-	-	-
Utilities and Rent	56	52	53	64	(11)	(20)%
Contractual Services	7,769	11,095	12,949	14,151	(1,202)	(9)%
Water Purchases	-	-	-	-	-	-
Biosolid	-	-	-	-	-	-
Small Equipment	1	-	-	-	-	-
Non Personnel Services ALL	7,849	11,150	13,017	14,230	(1,213)	(9)%
Department Total	\$ 15,735	\$ 19,648	\$ 22,673	\$ 24,592	\$ (1,919)	(8)%
Capital Equipment	\$ 298	\$ 527	\$ 8,623	\$ 10,786	\$ (2,163)	(25)%

	FY 2020	FY 2021	FY 2022	FY 2023	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Ensure revenue projections and O&M expenditures are within budget	99%/95%	97%/92%	99%/95%	99%/95%	Sustainable
Comply with the Board's investment policy and strategy	100%	100%	100%	100%	Sustainable
Short-Term Funds - ML 3 months US T-Bill Index and Core Funds - ML 1 - 3 year	69/70	5/18	16/43	56/105	Sustainable
Manage financial operations to ensure 160% combined debt service coverage	524%	508%	589%	539%	Sustainable
Meet or exceed 250 days operating & maintenance expenses per fiscal year	\$187M	\$196M	\$236M	\$243M	Sustainable
Issue Annual Comprehensive Financial Report in accordance with GAAP	February	February	February	February	Sustainable
Pay 97% of all undisputed invoices within 30 days	97%	93%	97%	97%	Reliable
Publish Annual Budgets within 90 days of start of fiscal year	90 days	90 days	90 days	90 days	Sustainable

DEPARTMENT: Finance

FY 2022 MAJOR PLANNED ACTIVITIES AND CHANGES

Finance:

- Complete the Series 2022 bond issuance for approximately \$400 million to finance capital projects such as Clean Rivers, Lead Free DC, capital improvements to Washington Aqueduct, and general CIP upgrades
- Monitor Board approved policy of 250 days of cash operating reserve level requirements for liquidity needs per fiscal year
- Prepare Request for Proposal (RFP) to implement new Payment Gateway services to replace Merchant Card services to reduce costs to the Authority
- Implementation of digital disbursements software to upgrade current refund process allowing refunds via ACH to retail customers, also reducing time frame for customers to receive refunds
- Administer post compliance reporting for all outstanding debt and monitor bond market for Green Bond issuance and performance
- Manage the insurance cost needs for the Authority's Rolling Owner-Controlled Insurance Program (ROCIP)
- Monitor operating and financial metrics via Sustainability Standards Accounting Board (SASB) standards for ESG reporting per fiscal year

Rates and Revenue:

- Complete FY 2022 Cost of Service Study for Fire Service Protection Fee
- Complete FY 2022 Cost of Service Study for Water, Sewer, and Clean Rivers Impervious Area Charge (CRIAC)
- Implementation of multi-year Rates for FY 2023 and FY 2024
- Continue to monitor economic conditions and customer support

Financial Systems & Controls:

- Maintain and support a new Enterprise Resource Planning (ERP) system – Oracle Cloud ERP: Financials and Procurement, Advanced Procurement, HCM, Budgeting, and minimize or eliminate use of third-party consultants

Accounting:

- Participate in the implementation of ERP
- Coordinate and support Internal Auditors
- Provide Prepare by Client (PBC) list to external auditors and clarify any issues/questions on Financials
- Obtain unmodified external audit opinion
- Complete A-133 audit
- Issue Annual Comprehensive Financial Report (ACFR)
- Issue Green Bond Report
- Minimize/eliminate paper check payments to vendors

DEPARTMENT: Finance

Budget:

- Develop, monitor and report the annual operating and 10-year CIP budgets
- Ongoing financial management of critical programs
- Advance and implement enhancements to the position request workflow
- Implement streamlined and continue improvements to the budget planning process
- Continue support and improvement of the Enterprise Planning and Budgeting Cloud Service (EPBCS) system
- Continue support and improvement of the Enterprise Performance Reporting Cloud Service (EPRCS) system

FY 2023 MAJOR PLANNED ACTIVITIES AND CHANGES

- Explore alternative revenue generating initiatives
- Complete FY 2023 Cost of Service Study for Water, Sewer, and Clean Rivers Impervious Area Charge (CRIAC)
- Complete FY 2023 Cost of Service Study for Miscellaneous Fee
- Complete FY 2023 Cost of Service Study for Potomac Interceptor (PI)
- Utilize EPBCS to streamline FY 2024 budget development process

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

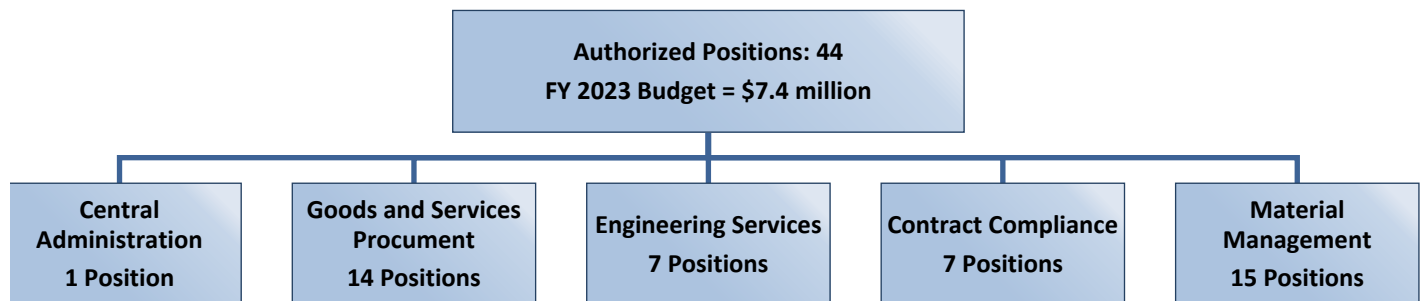
- None

CLUSTER: FINANCE AND PROCUREMENT

DEPARTMENT: Procurement and Compliance

PURPOSE: The department is responsible for the acquisition of goods and services in support of the Authority's business activities in accordance with approved procurement policies and guidelines

MISSION: To procure the best value products and services, with the highest degree of procurement integrity, utilizing efficient and cost-effective procurement methods, with a continuing focus on Local and Small Business Enterprises (LSBE) and Disadvantaged and Women Business Enterprises (D/WBE) contracting participation



FUNCTIONS

Central Administration	Goods and Service Procurement	Engineering Services	Contract Compliance	Material Management
Manage compliance to the Procurement Regulations and Manual	Manage procurement process for products and services	Manage procurement process for engineering services and capital projects	Manage DC Water's business development program and business diversity and inclusion programs	Manage the operational materials planning and warehousing
Provide the executive direction on the procurement and contracting	Develop category and sourcing strategies	Develop category and sourcing strategies	Manage the DC WaterWorks program	Administer the material control system and optimize inventory management
Manage department employees and resources	Manage vendor relationships	Manage vendor relationships	Manage Contract and Employment Compliance Program (CECP)	Provide direction and guidance on inventory policies and procedures

DEPARTMENT: Procurement and Compliance

BUDGET

The \$0.1 million increase in FY 2023 compared to the FY 2022 budget is for personnel services cost adjustments

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	35	42	42	42	0	0%
Headcount: Filled	35	37	34	38	(4)	(12)%
Personnel Services	\$ 4,814	\$ 6,053	\$ 6,507	\$ 6,633	\$ (126)	(2)%
Supplies	20	76	28	25	3	12%
Chemicals	-	0	-	-	-	-
Utilities and Rent	40	41	54	53	1	2%
Contractual Services	1,273	685	700	707	(7)	(1)%
Water Purchases	-	-	-	-	-	-
Biosolid	-	-	-	-	-	-
Small Equipment	-	-	3	3	0	0%
Non Personnel Services ALL	1,334	802	785	788	(3)	0%
Department Total	\$ 6,148	\$ 6,855	\$ 7,292	\$ 7,421	\$ (129)	(2)%
Capital Equipment	-	\$ 35	-	-	-	-

	FY 2020	FY 2021	FY 2022	FY 2023	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Timely processing of small purchases within 7 working days	95%	100%	95%	95%	Reliable
Issue Invitation for Bid and award contracts within 90 calendar days	95%	95%	95%	95%	Reliable
Issue Requests for Proposal and award contracts within 120 calendar days	95%	100%	95%	95%	Reliable
Issue Procurement request for inventory restock in one business day of approval	95%	95%	95%	95%	Reliable
System & physical issue of stock request within same day of authorized request	95%	95%	95%	95%	Reliable

DEPARTMENT: Procurement and Compliance

FY 2022 MAJOR PLANNED ACTIVITIES AND CHANGES

- Stabilize the new Oracle ERP system and optimize the integration with business processes and procurement policies
- Continue the integration of capital procurement team with Engineering and establish the new procurement process for capital projects
- Improve business diversity and inclusion through the implementation of the new business development program
- Generate cost savings and avoidance through competitive procurement and negotiation processes and inventory optimization to avoid the waste
- Provide continuous training of procurement staff and Contracting Officer's Technical Representative (COTRs) to improve vendor relationships and performance

FY 2023 MAJOR PLANNED ACTIVITIES AND CHANGES

- Enhance and optimize the procurement process by integrating Oracle ERP and business processes
- Improve Procurement Regulations and Manual to improve procurement process, results, participation, integrity, compliance, fair competition, and transparency
- Increase the capital procurement resources and enhance the capital procurement process and integration with Engineering
- Improve business diversity and inclusion through the implementation of the new business development program
- Generate cost savings and avoidance through competitive procurement and negotiation processes and inventory optimization to avoid the waste
- Provide continuous training of procurement staff and Contracting Officer's Technical Representative (COTRs) to improve vendor relationships and performance

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- None

CLUSTER: FINANCE AND PROCUREMENT

FUND: Non-Ratepayer Revenue Fund

PURPOSE: The Non-Ratepayer Revenue Fund (NRRF) was established as part of the Authority's total operating budget which started within the FY 2021 budget cycle. This fund is used to budget for additional operating funds in the Authority's appropriation that are not specifically budgeted or allocated to individual departments. This provides the flexibility for departments to undertake projects using new revenues to be generated from non-ratepayer sources. This includes rental of DC Water facilities, fleet equipment maintenance for non-DC Water agencies, etc.

MISSION: NRRF is budgeted under contractual services and captured in a designated cost center under the Finance and Procurement Cluster. Funding from this account is reprogrammed to offset costs in other user departments once the specific requirements are met. The associated revenues must be realistic and obtainable from new non-ratepayer sources and are not factored into the development of the retail water and sewer rates

BUDGET

The \$0.485 million increase in FY 2023 compared to the FY 2022 budget is to further provide support for departments based on costs incurred in revenue generation from non-ratepayer sources

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	0	0	0	-	0	-
Headcount: Filled	0	0	0	-	0	-
Personnel Services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Chemicals	-	-	-	-	-	-
Utilities and Rent	-	-	-	-	-	-
Contractual Services	-	-	515	1,000	(485)	(94)%
Water Purchases	-	-	-	-	-	-
Biosolid	-	-	-	-	-	-
Small Equipment	-	-	-	-	-	-
Non Personnel Services ALL	-	-	515	1,000	(485)	(94)%
Department Total	-	-	\$ 515	\$ 1,000	\$ (485)	(94)%
Capital Equipment	-	-	-	-	-	-

CLUSTER: MARKETING AND COMMUNICATIONS

DEPARTMENT: Marketing and Communications

PURPOSE: To promote and enhance the value of our services by listening to and engaging with our customers

MISSION: To provide information about DC Water services and programs and to raise awareness about DC Water's efforts and achievements to improve the quality of life in the region by protecting the environment in which it operates and supporting the community it serves



FUNCTIONS

Production and Operations	Communications	Public Outreach
Produce graphics, collateral and videos that support a wide range of trainings and programs across the Authority. Compose script for the Authority's Stars of Water Event	Prepare speeches, testimony, editorials, special reports, and stakeholder presentations. Produce content for and manage Authority's social media accounts. Respond to customer and stakeholder inquiries	Maximize partnerships with local agencies, organizations, and other critical community stakeholders; Manage the Authority's participation in a host of community outreach activities and initiatives; coordinate annual town hall meetings and special media events; Manage Speakers Bureau
Manage the production of the Annual Report, Water Quality Report, newsletters, Leadership Updates, exhibits, marketing materials and the content of specific segment of the DC Water website	Produce reports, newsletters, brochures, DC Water exhibits and materials. Provide editing support for other departmental communication projects and produce special high-profile project communications materials	Manage outreach program to engage community stakeholders such as Mayor's Office of Community Relations and Services (MOCRS), DC Council, Advisory Neighborhood Commissioners (ANCs), civic associations, residents and businesses about upcoming and ongoing construction projects, increase their understanding of the condition of our aged Infrastructure, and better understand their needs and concerns relating to projects affecting quality of life
Produce Public Service Announcements, commercials, videos as well as produce live and archived webcasts of Board meetings and manage stakeholder presentations. Manage Plant tours and develop departmental budget	Respond to local and national media inquiries, manage website content; track and strategically influence relevant policy proposals.	Coordinate stakeholder presentations and community events; conduct Sewer Science and other public school programs

Department: Marketing and Communications

BUDGET

The \$0.4 million increase in FY 2023 compared to the FY 2022 budget is primarily for personnel services cost adjustments, partly offset by reductions in contractual services costs

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	13	14	13	14	(1)	(8)%
Headcount: Filled	11	12	11	13	(2)	(18)%
Personnel Services	\$ 1,970	\$ 2,232	\$ 2,048	\$ 2,594	\$ (546)	(27)%
Supplies	8	3	14	10	4	29%
Chemicals	-	-	-	-	-	-
Utilities and Rent	32	19	25	21	4	17%
Contractual Services	816	512	733	606	127	17%
Water Purchases	-	-	-	-	-	-
Biosolid	-	-	-	-	-	-
Small Equipment	0	11	12	12	0	0%
Non Personnel Services ALL	856	545	784	649	135	17%
Department Total	\$ 2,826	\$ 2,778	\$ 2,832	\$ 3,243	\$ (411)	(15)%
Capital Equipment	-	-	-	-	-	-

	FY 2020	FY 2021	FY 2022	FY 2023	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Publication of DC Water's Annual Report	1	1	1	1	Sustainable
Publication of Customer Newsletter	4	4	4	4	Reliable
Publication of Clean Rivers' Update	2	2	2	2	Reliable
Publication of Employee Newsletter	11	11	11	11	Reliable
Publication of Water Quality Report	1	1	1	1	Healthy, Safe, and Well
Community meetings outreach re: lead, rates, CSO CIP projects, etc.	100	114	100	100	Sustainable

Department: Marketing and Communications

FY 2022 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue to implement a Strategic Communications Plan to support Blueprint 2.0, DC Water’s strategic plan
- Continue to expand our customer engagement and crisis communications capabilities, utilizing the additional support of an outside public relations firm
- Continue campaign efforts to demonstrate the value of DC Water’s services and build support for needed investments in infrastructure
- Work with the DC Clean Rivers Project team to engage with residents, businesses and commuters impacted by construction on the Northeast Boundary Tunnel Project
- Expand DC Water’s internal (employee) engagement, working closely with People and Talent, the Office of the CEO and other departments
- Unified planning calendar for all marketing and communications activities

FY 2023 MAJOR PLANNED ACTIVITIES AND CHANGES

- No major changes anticipated

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- No direct impact

CLUSTER: STRATEGY AND PERFORMANCE

DEPARTMENT: Strategy and Performance

PURPOSE:	Provide the framework for the development and execution of the Blueprint which includes Strategic Management, Enterprise Program Management, Sustainability, Innovation and Resilience Program development, and Enterprise Risk Management
MISSION:	To enable the Senior Leadership Team to effectively develop, manage, monitor, and execute the Authority's Blueprint

Authorized Position 10
FY 2023 Budget = \$2.9 million

FUNCTIONS

Strategic Management	Enterprise Program Management Office	Sustainability, Innovation and Resilience
Develop, publish, and socialize the Authority's Blueprint. Continuously monitor the Blueprint and provide quarterly status updates.	Provide an Enterprise Performance Plan and an Enterprise Accountability Report. Oversee the program management of the EPMO and Enterprise Risk. Creates an operational environment whereby programs and projects are managed in a consistent manner to obtain predictable results and delivers strategic programs established by the Blueprint. Applies management policies, procedures and industry best practices to all activities associated with the Blueprint; monitoring, reviewing, and analyzing risk alignment.	Oversee Sustainability, Innovations and Resilience program activities, policies, and procedure administration. Leverages a multi-programmatic approach to ensure the long-term provisions of DC Water's services to achieve the vision of the Blueprint, to include enterprise resilience to address physical and IT infrastructure; financial resilience from economic disruption; and Human Capital resilience due to social and public health disruptions. In addition, to establish an enterprise-wide innovation program to provide: <ul style="list-style-type: none"> • Mechanism to promote, collect, evaluate and test innovation ideas • Break-down organizational silos Build internal capabilities in data analytics and design

Department: Strategy and Performance

BUDGET

The approved FY 2023 budget is higher than the approved FY 2022 budget by \$0.8 million primarily due to the addition three new positions and a new initiative within contractual services cost category

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	0	9	7	10	(3)	(43)%
Headcount: Filled	0	8	5	7	(2)	(40)%
Personnel Services	-	\$ 48	\$ 1,577	\$ 2,112	\$ (535)	(34)%
Supplies	-	7	6	6	0	0%
Chemicals	-	-	-	-	-	-
Utilities and Rent	-	-	13	0	13	100%
Contractual Services	-	847	435	738	(303)	(70)%
Water Purchases	-	-	-	-	-	-
Biosolid	-	-	-	-	-	-
Small Equipment	-	-	-	-	-	-
Non Personnel Services ALL	-	855	454	744	(290)	(64)%
Department Total	-	\$ 902	\$ 2,031	\$ 2,856	\$ (825)	(41)%
Capital Equipment	-	-	-	-	-	-

TARGET PERFORMANCE MEASURES	FY 2020 Results	FY 2021 Results	FY 2022 Results	FY 2023 Results	Blueprint 2.0 (Strategic Plan) Imperatives
Implement all policies and directives of the Board of Directors	100%	100%	100%	100%	Reliable

Department: Strategy and Performance

FY 2022 MAJOR PLANNED ACTIVITIES AND CHANGES

Strategic Management

- Publish the new strategic plan, The Blueprint 2.0
- Monitor the Blueprint 2.0 and publish quarterly status updates of progress on the five strategic imperatives
- Prepare and submit the Enterprise Performance Accountability Report for FY 2021
- Prepare the Enterprise Performance Plan for FY 2022 and monitor enterprise performance with quarterly updates

Enterprise Program Management Office

- Advance the function of the Enterprise Program Management Office to ensure the delivery of mission critical, enterprise programs in a consistent and cost-effective manner
- Establish and promote the Program Management Office Center of Excellence
- Monitor the function associated with the enterprise executive dashboard

Enterprise Risk Management

- Maintain DC Water Enterprise Risk Register
- Maintain DC Water Enterprise Risk Management Action Plans
- Provide leadership and execution of the enterprise compliance function
- Direct and manage the internal audit function

Sustainability

- Roll out the innovation program policy and strategy model. Monitor innovation program performance
- Refine the indices leveraged to monitor reliability, resilience and sustainability
- Maintain relationships in support of the watershed management strategy
- Implement an integrated planning function bundled with efforts to advance the organization's sustainability imperative

FY 2023 MAJOR PLANNED ACTIVITIES AND CHANGES

Strategic Management

- Continue to monitor the Blueprint 2.0 and publish quarterly status updates of progress on the five strategic imperatives
- Prepare the Enterprise Performance Plan for FY 2023 and monitor enterprise performance with quarterly updates

Enterprise Program Management Office

- Continue to promote the Program Management Office Center of Excellence
- Continue to monitor the function associated with the enterprise executive dashboard

Sustainability

- Effectively execute the innovation program policy and strategy model. Monitor innovation program performance
- Continue to maintain relationships in support of the watershed management strategy

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- No major items identified

CLUSTER: PEOPLE AND TALENT

DEPARTMENT: People and Talent

PURPOSE: Support the Authority and Executive Team by creating organizational alignment and line of sight; work collaboratively with all Departments to improve the employee experience; recruit talent who will embrace DC Water, and focus on employee strengths

MISSION: To deliver high quality, innovative, valued and timely labor resources that are responsive to the needs of DC Water employees and departments, in order to help facilitate employees to achieve their individual and organizational goals



FUNCTIONS

Talent and Development	Operations	Labor Relations	Executive Vice President's Office
Recruitment, onboarding, training and development	Market analysis, Performance pay, job evaluation and position control	Oversee labor relations, arbitration, and grievance resolution	Strategic initiatives
Performance management, succession planning and employee engagement	Administration of Benefits, Wellness, American with Disabilities Act, Drug and Alcohol testing, Workers Compensation, and Employee Assistance Programs	Manage employee relations	Change management
Education assistance, internship, rewards and recognition	Systems, data integrity, records management and predictive analytics	Oversee equal employment Opportunity and Workplace Violence	Management of resources and operations

DEPARTMENT: People and Talent

BUDGET

The increase of \$0.2 million in the approved FY 2023 budget compared to the approved FY 2022 budget is for increases in personnel services costs mainly for new potions and an offsetting decrease in contractual services

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	29	33	31	34	(3)	(10)%
Headcount: Filled	29	28	29	25	4	14%
Personnel Services	\$ 4,755	\$ 4,734	\$ 5,612	\$ 5,779	\$ (167)	(3)%
Supplies	1	1	29	28	1	3%
Chemicals	-	-	-	-	-	-
Utilities and Rent	30	23	27	28	(1)	(4)%
Contractual Services	3,885	1,927	4,428	4,093	335	8%
Water Purchases	-	-	-	-	-	-
Biosolid	-	-	-	-	-	-
Small Equipment	-	-	-	-	-	-
Non Personnel Services ALL	3,916	1,952	4,484	4,148	335	7%
Department Total	\$ 8,671	\$ 6,686	\$ 10,096	\$ 9,928	\$ 168	2%
Capital Equipment	-	\$ 441	-	-	-	-

	FY 2020	FY 2021	FY 2022	FY 2023	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
120 days from job posting to hire	112	111	107	107	Equitable
Under the CBA we have 45 days to initiate disciplinary action	45	45	45	45	Healthy, Safe, and Well
14 days new hire benefit set-up	13	10	10	10	Healthy, Safe, and Well
22.5 Average number training hours per FTE	22.7	22.7	25	25	Sustainable
Comparison DC Water Employees Compensation (100%) vs Market 50th-percentile	100%	100%	100%	100%	Equitable

DEPARTMENT: People and Talent

FY 2022 MAJOR PLANNED ACTIVITIES AND CHANGES

- Implement Enterprise Resource Planning (ERP) application as the core HR, Payroll, Benefits, Self Service, and Applicant Tracking enterprise system
- Coordinate management and team building trainings for DC Water employees
- Expand wellness program for Employees of DC Water
- Extend research capabilities for compensation with the purpose of addressing grade and salary structure across the organization
- Incorporate professional development assessments focused on Diversity and Inclusion across the Authority
- Develop and launch a Developing Leaders Program
- Continue to review and update DC Water policies and procedures with the Unions after impacts and effects of collective bargaining agreement
- Negotiate two Working Conditions Agreements for the American Federation of Government Employees (AFGE) Locals 631 and 872
- Continue impact and effects bargaining with the Unions over 24 DC Water Safety Policies and procedures
- Explore using the ERP system to receive and record beneficiary designations
- Explore using the ERP system to implement Annual Non-Union Merit and Bonus programs
- Build an internal and external inclusion communication platform, branding DC Water as an employer of choice
- Build a council of senior leaders and strategic partner from each division to connect inclusion activities to a broader business drive, results-oriented strategy, foster teamwork, and drive accountability
- Explore and review best practices related to Market-Based pricing. Begin the process of creating Market-Based pricing for each DC Water position

FY 2023 MAJOR PLANNED ACTIVITIES AND CHANGES

- Create Market-Based pricing for each DC Water position
- Expand DC Water's Career Ladder Program
- Streamline DC Water's position reclassification process
- Expand Non-Union Merit-Bonus program to also include Salary Equity Review
- Develop DC Water's Market Pricing Initiative
- Expand Wellness Programs focused on Healthy, Safe, and Well imperative
- Expand open season benefit fairs and site visits
- Implement an Enterprise Resource Program with systems integration across DC Water
- Develop robust analytics, diversity, and performance management scorecards

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- No direct impact

DEPARTMENT: People and Talent

FY 2022 AND FY 2023 TALENT DEVELOPMENT PLAN

TALENT DEVELOPMENT OVERVIEW

At DC Water, our talent is our people, Team Blue. Talent Development consists of acquiring, training, and development strategies. We provide solutions and programs that motivate, engage, and educate our employees to cultivate a high performing workforce. Our ability to meet demands, realize our vision, and fulfill our mission relies on the character and competence of our talent.

The vision of DC Water states that "we will be known for superior service, ingenuity, and stewardship to advance the health and well-being of our diverse workforce and communities". The Talent Management Team supports this vision by leading the Healthy, Safe, and Well imperative of the Blueprint 2.0. Healthy, Safe, and Well imperative of the Blueprint 2.0 indicates that water is the life source of our community, and the essential services we provide at DC Water must be world-class. Our fundamental priority has to be ensuring DC Water is safe for all – for our customers, our communities, our employees, and our contractors. To achieve this, we are connecting the strategies of leadership and employee development with tools and activities that build and support a culture of “coaching” based performance management. Effective coaching provides specific, timely, and actionable feedback to employees. We believe the role of the management team is much deeper than simply providing direction. We aim to provide our leaders with the tools that they need to achieve the following goals:

- Optimize the employee experience by consistently engaging the employee throughout their lifecycle at DC Water
- Improved individual performance through coaching
- Increased trust and accountability by creating new possibilities for team members
- Accountability for self and employees by removing obstacles in the way of success
- Leading the ongoing development of the employees under their supervision

At DC Water, our management team leads by managing performance. On-going coaching-based performance management unleashes the full array of talent and ingenuity our team possesses that would otherwise be untapped.

Other forms of talent development at DC Water include:

In-house training – classes and programs designed in-house. In-house training may focus on non-technical courses, skills development, or new processes

eLearning/on-demand training – online courses housed within our learning management system (LMS), Cornerstone. The content for this site is developed in-house and by external vendors

DEPARTMENT: People and Talent

FY 2022 AND FY 2023 TALENT DEVELOPMENT PLAN

External Training – classes and programs developed by external vendors that support individual employee development needs and requirements, not designed by an external vendor. This is an effective means of providing highly specialized or special focus training to individuals or a small group of employees. DC Water's education assistance and tuition reimbursement program is included in this category

Learning Events - conferences, retreats, and virtual programs. These events boost employee morale and help to increase productivity

Engagement Activities- events held virtually or in-person, that allow DC Water employees the opportunity to get to know each other through collaboration and fun.

FY 2021 ACCOMPLISHMENTS

In FY 2021 our organizational structure allowed us to have a comprehensive approach to managing the Authority's talent. We continued with **Leading Blue** Cohort V participants in 2021 as well as the piloting of the **DIRECT Program** and **Mentoring Circles**. The feedback thus far has been very positive.

The LEAD and LEARN series provided opportunities for interactive leadership and career development. Sessions were facilitated to forge connections across the authority, building essential career development skills for our employees. The program created creative ways for different departments to inform, share and educate employees across the authority.

The Authority continued to leverage colleges and universities relationships through the Tuition Assistance Program. We started a year long journey creating our College Vendor Partner Program. The goal is to reduce tuition costs and establish paths to pay the schools directly. This reduces paperwork and streamlines the payment process for all. In FY 2021, our employees continued to pursue critical infrastructure certifications in the areas of Professional Engineering and Program Management. Lastly, in FY 2021, a total of 133 employees participated in the Education and Tuition Assistance Reimbursement benefit programs. DC Water provided \$498,000 to assist employees with their continued education programs.

FY 2022 AND FY 2023 TALENT DEVELOPMENT BUDGET

The approved FY 2023 training budget totals \$1.7 million, which is approximately \$0.1 million lower than the FY 2022 level. The Talent Development branch of People & Talent Department is positioned to help the Authority transform and will continue to focus on the need to develop our workforce beyond the initial job qualifications. In the future, we envision providing DC Water employees the ability to maximize training and development funding through one budget managed by the Talent Development branch. Leading the charge in the creation of a high performing organization.

CLUSTER: GOVERNMENT AND LEGAL AFFAIRS

DEPARTMENT: Government and Legal Affairs

PURPOSE: To provide legal advice and services to the Board of Directors, CEO and General Manager and the DC Water departments

MISSION: To provide professional, timely, and useful legal advice and services, manage the services of outside counsel as needed, and to minimize liability exposure by recommending and implementing appropriate policies, practices, and procedures

Authorized Position 14
FY 2023 Budget = \$8.4 million

FUNCTIONS

Litigation	Administrative Law
Appellate	Board of Directors Support
Bankruptcy	Organize, plan and direct all operations of the Authority
Contract	Ensure development and implementation of improvement processes to increase operational efficiencies
Construction	Construction Claims
Environmental	Safe Drinking Water Act & Regulatory Compliance
Procurement	Employment Law Matters
Tort	Intra-Governmental & Inter Jurisdictional Agreements
Receivership	Municipal Law & Real Property Matters
Employment	Pretreatment Enforcement Support
Foreclosures	Procurement Protests, Claims & Internal Appeals

DEPARTMENT: Government and Legal Affairs

BUDGET

The approved FY 2023 budget is higher than the approved FY 2022 budget by \$0.9 million primarily in contractual services for new strategic program and legal contingency slightly offset by adjustments in personnel services due to reallocation of positions to other departments

\$000's	FY 2020	FY 2021	FY 2022	FY 2023	Change from FY 2022	
Description	Actual	Actual	Approved	Approved	Variance	%
Headcount: Authorized	15	14	18	14	4	22%
Headcount: Filled	12	13	13	13	0	0%
Personnel Services	\$ 2,004	\$ 2,794	\$ 3,097	\$ 2,754	\$ 343	11%
Supplies	(1)	3	3	3	0	0%
Chemicals	-	-	-	-	-	-
Utilities and Rent	26	15	30	27	3	9%
Contractual Services	3,611	3,024	4,325	5,567	(1,243)	(29)%
Water Purchases	-	-	-	-	-	-
Biosolid	-	-	-	0	0	-
Small Equipment	-	5	-	-	-	-
Non Personnel Services ALL	3,635	3,047	4,357	5,597	(1,240)	(28)%
Department Total	\$ 5,639	\$ 5,841	\$ 7,454	\$ 8,351	\$ (897)	(12)%
Capital Equipment	-	-	-	-	-	-

	FY 2020	FY 2021	FY 2022	FY 2023	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Hours of employee time spent on direct work 1,700	1700	1700	1700	1700	Sustainable

DEPARTMENT: Government and Legal Affairs

FY 2022 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue to manage and support litigation to include complex matters
- Continue to provide support to Clean Rivers Project and other long term capital Improvement Program (CIP) Projects
- Provide legal support for Green Infrastructure activities
- Support Innovative initiatives
- Support environmental permits – National Pollutant Discharge Elimination System (NPDES), Total Maximum Daily Limit (TMDL), Municipal Separate Storm Sewer System (MS4)
- Continue to review and revise regulations
- Provide support to Anacostia Sediment Cicla action
- Enforcement actions to collect delinquent revenues

FY 2023 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue to manage and support litigation to include complex matters
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- Continue to review and revise regulations
- Continue to provide support to Anacostia Sediment Cicla action
- Continue to enforce actions to collect delinquent revenues

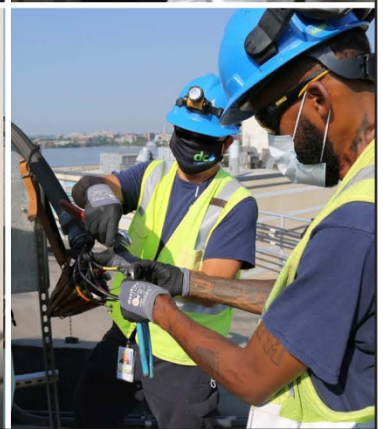
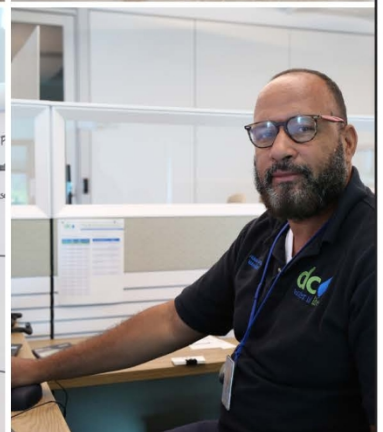
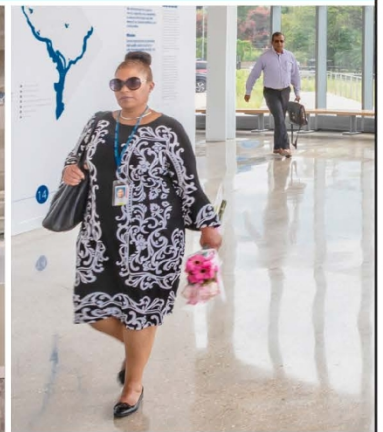
IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Provide legal support in environmental and financial issues affecting DC Water CIP Projects and on-going operations
- Provide legal support to ongoing Long Term Control Plan (LTCP), Green Infrastructure, and TMDL litigation activities



Approved FY 2023 Budgets

Section VIII: GLOSSARY AND ACRONYMS



GLOSSARY

ACCRUAL BASIS: The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time) and expenditures are recorded when goods and services are received (whether or not cash disbursements are made at that time).

ADVANCED METERING INFRASTRUCTURE (AMI): Also known as Smart meters, are updated, digital versions of the traditional electrical meter attached to the outside of your home. Smart meters are also designed to transmit pricing and energy information from the utility company to the consumer (two-way communication).

ADVANCED RESEARCH & TESTING PROGRAM: Specialized wastewater treatment services to outside entities.

A/E CONTRACT: Architectural and Engineering Contracts.

AERATION: The process that forces compressed air into wastewater. The oxygen keeps the microorganisms alive and sets off a chain reaction; live, eat, and work. Oxygen is an essential ingredient in “activating” sludge.

ALTERNATIVE FUELED VEHICLE: An alternative fuel vehicle is a vehicle that runs on a fuel other than traditional petroleum fuels (petrol or Diesel fuel); and refers to any technology of powering an engine that does not involve solely petroleum.

AMERICAN RECOVERY AND REINVESTMENT ACT: Is an economic stimulus package enacted by the 111th United States Congress in February 2009. The stimulus was intended to create jobs and promote investment and consumer spending during the recession.

ANAEROBIC DIGESTION: A biological process that uses microorganisms to reduce the volume of biosolids.

ANAMMOX: An abbreviation for ANaerobic AMMonium OXidation, is a globally important microbial process of the nitrogen cycle.

APPROPRIATION: An authorization by Congress, which permits officials to incur obligations and expend Authority resources. Appropriations are usually made for fixed amounts, which extend for a fiscal year. Appropriations for capital improvement projects, however, extend until completion, usually beyond the current fiscal year.

ARBITRAGE: The simultaneous purchase and selling of an asset in order to profit from a differential in the price. This usually takes place on different exchanges or marketplaces. Also known as “riskless profit”.

AS-BUILT: A revised set of drawings submitted by a contractor upon completion of a construction project. As-built drawings show the dimensions, geometry, and location of all components of the project.

ASSETS: Property with monetary value owned by the Authority.

AUDIT: An independent systematic examination of resource utilization concluding in a written report. It is a test of management’s internal accounting records. It also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements.

AUTOMATED METER READING (AMR): System that automatically read customers' meters using radio frequencies, allowing for more accurate and frequent meter readings and transfer of data to a central database for billing and analysis. It is an older technology that only collects electrical energy consumption and transfers that data from the electric meter on the home to the utility (one-way communication).

BALANCED BUDGET: A budget in which the income equals expenditure.

BIOCHEMICAL OXYGEN DEMAND (BOD): An indicator of the amount of biodegradable contaminants in wastewater.

BIOSOLIDS: Sludge that has been treated to reduce pathogens, organics, and odors, forming a reusable agricultural product.

BLUE PLAINS ADVANCED WASTEWATER TREATMENT PLANT: Located in Washington, DC, Blue Plains is the world's largest advanced wastewater treatment plant and has a permitted capacity of 370 million gallons per day.

BOARD OF DIRECTORS: DC Water's governing board (the Board), which includes 11 primary and 11 alternate members; six members from the District of Columbia, two members each from Montgomery and Prince George's Counties in Maryland, and one member from Fairfax County, Virginia.

BLOOM: a soil conditioner made from Class A biosolids.

BOND: An obligation issued by DC Water promising to pay a specified sum of money (called principal or face value) at a specified future date (called the maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically issued to fund specific capital improvement expenditures.

BUDGET: A plan of financial operations including an estimate of proposed expenditures and revenues for a fiscal period. The budget establishes funding levels for continuing service programs, operation and maintenance of public facilities, and principal and interest payments on bonded indebtedness. Recurring replacement of capital outlay and minor new capital outlay items are included.

CA PPM: Represents a single platform that enables management of the entire innovation lifecycle and make more informed strategic investments.

CLASS A BIOSOLIDS: Class A Biosolids is a designation for dewatered and heated sewage sludge that meets U.S. EPA guidelines for land application with no restrictions. Thus, class A biosolids can be legally used as fertilizer on farms, vegetable gardens, and can be sold to home gardeners as compost or fertilizer.

CAPACITY MANAGEMENT OPERATION and MAINTENANCE (CMOM): A standard framework for municipal sewer collection systems to identify and incorporate widely-accepted wastewater industry practices to meet regulatory compliance.

CAPITAL BUDGET: A plan for investment in long-term assets such as buildings, plant, and equipment. DC Water's capital budget includes project schedules and funding needed to acquire, improve or construct properties or facilities to enhance water and sewer services to our customers.

CAPITAL EQUIPMENT: A capital asset with a useful life of at least 3 years, a cost exceeding \$5,000 and is

financed with short-term debt or cash. Examples include rolling stock and computer equipment.

CAPITAL IMPROVEMENT PROGRAM (CIP): A plan, which identifies the nature, schedule, and cost of long-term improvements to DC Water’s infrastructure.

CCF (Ccf): Hundred cubic feet or 748 gallons.

CERIDIAN: DC Water’s fully integrated payroll and personnel system designed to accommodate a variety of pay, leave, and work rules and to provide a comprehensive set of human resource applications.

CHLORAMINATION: The process of adding chloramines to drinking water. Chloramine, a form of chlorine and ammonia, is used as a disinfectant by the Washington Aqueduct.

CLEAN RIVERS IMPERVIOUS AREA CHARGE (CRIAC): DC Water uses information contained in the District of Columbia’s GIS plainmetric database, which includes tax and property records to determine impervious surface areas. (All surfaces are classified as either pervious or impervious). An impervious charge is billed to DC Water customers based on Equivalent Residential Unit (ERU). This is the amount of impervious surface area measured in square feet based on a statistical median for a single family residential property.

CLEAN WATER ACT (CWA): Act passed by the U.S. Congress in 1972 to control water pollution.

COMBINED DEBT SERVICE COVERAGE: The ratio of net revenues available annually to pay debt service to meet the annual debt service requirement including all senior and subordinate debt.

COMBINED HEAT AND POWER FACILITY (CHP): The facility provides steam necessary for the thermal hydrolysis process that uses intense heat and pressure to treat wastewater solids, producing a much cleaner biosolids, and onsite generation of up to one third of Blue Plains’ electricity needs.

COMBINED SEWER OVERFLOWS (CSO): Discharge of untreated wastewater (a mixture of stormwater and sanitary waste) directly to waterways during periods of significant rainfall.

COMBINED SEWER OVERFLOW LONG-TERM CONTROL PLAN (CSO LTCP): This Program encompasses projects designed to reduce overflows into the local waterways by 98% and is now known as the Clean Rivers Project.

COMBINED SEWER SYSTEM LONG-TERM CONTROL PLAN (CSS LTCP): Final plan submitted by DC Water in July 2002 and approved by EPA in March 2005 to control Combined Sewer Overflow (CSO’s) to the Districts waterways.

COMMERCIAL PAPER: Short-term (less than 270 days) notes issued by DC Water to provide interim financing of its capital improvement program. Commercial paper typically carries lower interest rates than long-term debt and is issued on a subordinate basis.

CRIAC NON-PROFITS RELIEF PROGRAM: District funded program to provide CRIAC credits to non-profit organizations as determined by the District Department of the Environment (DDOE).

CUSTOMER ASSISTANCE PROGRAM (CAP): Existing program that uses LIHEAP (Low Income Home Energy Assistance Program) criteria to provide DC Water-funded discounts to low-income residential customers with incomes up to 60 percent of the State Median Income (SMI from Health and Human Services (HHS)).

CUSTOMER ASSISTANCE PROGRAM II (CAP2): DC Water’s proposed expanded program for low-income

residential customers who do not qualify for CAP with household income up to 80% Area Median Income (AMI).

CUSTOMER ASSISTANCE PROGRAM III (CAP3): District-funded program to provide benefits to DC Water customers with household income greater than 80% and up to 100% Area Median Income (AMI) who do not qualify for CAP or CAP2.

CUSTOMER CLASS-BASED VOLUMETRIC RATES: Rate differentiation based on the peaking demands of each customer class (residential, multi-family and non-residential).

CUSTOMER INFORMATION SYSTEM (CIS): System which DC Water utilizes for customer billing, information and other related services.

DAYS OF CASH ON HAND: The reserve established by the Board of Directors October 2021, states DC Water is required to have cash reserves equivalent to 250 days of projected operating expenses calculated on an average daily balance basis in the budget and all years of the financial plan.

DC CLEAN RIVERS PROJECT: New name for the COMBINED SEWER OVERFLOW LONG TERM CONTROL PLAN (CSO LTCP), which is a program that encompasses projects designed to reduce overflows into the local waterways by 98%.

DC WATER WORKS: local hiring initiatives for DC Water projects.

DEAMMONIFICATION: This involves Anammox bacteria working synergistically with Ammonia Oxidizing Bacteria to oxidize ammonia without organic carbon to produce nitrogen gas.

DEBT RATING: An independent opinion, based on a comprehensive quantitative and qualitative evaluation, of a company's financial position, operating performance, business profile and management. Specifically, the debt rating reflects a company's ability to meet its obligations to repay interest and principal on outstanding obligations to investors.

DEBT SERVICE: Amount of money necessary to pay principal and interest on senior outstanding notes and bonds in any given fiscal year.

DEBT SERVICE COVERAGE: Requirement of DC Water's master indenture and Board policy that provides that annual revenue available to pay debt service must exceed annual debt service by a certain percentage. DC Water's master indenture requires 120 percent senior debt service coverage; DC Water Board policy requires 140 percent senior debt service coverage and 160 percent combined debt service coverage.

EFFLUENT: Treated wastewater discharged from the Blue Plains Advanced Wastewater Treatment Plant.

ENABLING ACT: Legislation which established DC Water and defined its purpose and authority. DC Water's enabling legislation was initially enacted in 1996.

ENCUMBRANCES: Obligations in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when an actual liability is released.

ENHANCED CLARIFICATION FACILITY (ECF): This facility is part of DC Water's proposed Total Nitrogen-Wet Weather plan, which addresses the requirements of the Long Term Control Plan, as well as the Chesapeake

Bay Tributary Strategies for reducing nitrogen discharged in the Chesapeake Bay.

ENHANCED NITROGEN REMOVAL FACILITY: This Program Area represents the new name for the Total Nitrogen Program (BTN) which includes projects for new facilities and upgrades to existing facilities needed at Blue Plains to meet the total nitrogen discharge limit that has been included in DC Water’s 2010 NPDES permit.

ENTERPRISE FUND: A fund established to finance and account for the acquisition, operation, and maintenance of governmental facilities and services, which are entirely or predominantly self-supporting by user charges. This type of fund uses the accrual basis of accounting. DC Water is responsible for two enterprise funds:

- 1) Water and Sewer Enterprise Fund
- 2) The District of Columbia Stormwater Enterprise Fund

ENVIRONMENTAL PROTECTION AGENCY (EPA): Federal agency responsible for environmental regulations and enforcement.

EXPENDITURES: Payment for goods and services received.

EXTENDABLE MUNICIPAL COMMERCIAL PAPER PROGRAM (EMCP): A money-market security issued by large organizations to obtain funds to meet short-term debt obligations and is backed only by an issuing bank or corporation’s promise to pay the face amount on the maturity date specified on the note.

EXTRACT, TRANSFORM and LOAD (ETL) refers to a process in database usage and especially in data warehousing that:

- Extracts data from homogeneous or heterogeneous data sources
- Transforms the data for storing it in proper format or structure for querying and analysis purpose
- Loads it into the final target (database, more specifically, operational data store, data mart, or data warehouse)

FABRIDAM: A dynamic weir (or dam) that inflates and deflates depending on the structure set point. Set points vary from structure to structure.

FILTRATE TREATMENT FACILITY (FTF): Also known as the Centrate Treatment Facility and is a part of the Total Nitrogen Removal Wet Weather plan, provides a new treatment system that will remove nitrogen from the recycle stream of solids processing at Blue Plains. The facility uses six sequencing batch reactors to treat a nitrogen-rich system from the Final Dewatering Facility’s belt filter presses.

FISCAL YEAR: The twelve-month period used by DC Water, which begins October 1 and ends September 30 of the following calendar year.

FIXED ASSET: Long-lived property owned by an entity used by an entity in the production of its income. Tangible fixed assets include real estate, plant, and equipment.

GENERAL OBLIGATION DEBT: This is money that DC Water still owes the District of Columbia for bond issuance prior to the enabling act that created DC Water.

HYBRID PLUG-IN VEHICLE: A hybrid electric vehicle that utilizes rechargeable batteries, or another energy storage device, that can be restored to full charge by connecting a plug to an external electric power source (usually a normal electric wall socket).

IMPERVIOUS SURFACE: an area that impedes or retards the percolation of water into the subsoil and impedes plant growth. Impervious surfaces include but are not limited to the following: roofprints, footprints of patios, driveways, private streets, other paved areas, tennis courts, and swimming pools, and any path or walkway that is covered by impervious material.

INFRASTRUCTURE: DC Water’s facilities, services, and installations needed for its functioning, such as its water, sewer and customer delivery systems.

INTER-MUNICIPAL AGREEMENT OF 1985 (IMA): This agreement outlines the operating and financial responsibilities for wholesale wastewater treatment services at Blue Plains. Signatories to the IMA include the District of Columbia, Montgomery and Prince George’s Counties in Maryland, Fairfax County, Virginia, and the Washington Suburban Sanitary Commission.

INTERCEPTORS: The large pipes that convey wastewater from the collection system to DC Water’s wastewater treatment plant, Blue Plains.

INTERNAL IMPROVEMENT PLAN (IIP): Operational improvement plans for various operating departments across DC Water that will result in improved service and cost savings to DC Water’s customers. Proposed improvements are a function of new capital projects, investments in technology, and new business processes. IIP’s have been developed for the Departments of Wastewater Treatment, Maintenance Services, and Customer Service, and are in process for the Departments of Water and Sewer Services.

INVERTED BLOCK RATE STRUCTURES: Is a schedule of rates applicable to blocks of increasing usage in which the usage in each succeeding block is charged at a higher unit rate than in the previous blocks. Generally, each successive block rate may be applicable to a greater volume of water delivery than the preceding block(s).

JOINT USE SEWERAGE FACILITIES: A list of specific facilities identified in the DC Official Code, Section #34-2202.01(4).

LIFELINE RATE: A lifeline rate for the first 4 Ccf of Single Family Residential (SFR) water use to reflect baseline usage by residential customers without peaking cost.

LOCAL SMALL DISADVANTAGED BUSINESS ENTERPRISE (LSDBE): Business entities that are encouraged to do business in the District through supportive legislation, business development programs, and agency and public/private contract compliance.

LOW IMPACT DEVELOPMENT (LID): Integrates ecological and environmental considerations into all phases of urban planning, design, and construction in order to avoid encroaching on environmentally fragile or valuable lands, and to decrease runoff volumes and peak flow impacts.

MASTER INDENTURE OF TRUST (MASTER INDENTURE): The Master Indenture of Trust dated as of April 1, 1998, between DC Water and the Trustee, including all amendments.

MASTER FACILITIES PLAN: A twenty-year plan that outlines proposed capital improvements across DC Water. This plan is updated every three to five years.

MUNICIPAL SEPARATE STORM SEWER SYSTEM (MS4): A regulatory program for controlling stormwater pollution.

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES): A permit issued by the EPA that

governs effluent discharges into various rivers and waterways by Blue Plains and DC Water’s sewer system.

NINE MINIMUM CONTROLS (NMC): Nine EPA-designated activities that DC Water must undertake to reduce Combined Sewer Overflow (CSO) while implementing its Long Term Control Plan (LTCP).

NITRIFICATION: An aerobic process in which bacteria changes the ammonia and organic nitrogen in wastewater into oxidized nitrogen.

OPERATING BUDGET: The budget that encompasses the day-to-day activities for DC Water. The operating budget includes employee salaries, supplies, and other non-personnel items related to current activities. The operating budget also includes other costs including debt service and payment in lieu of taxes/right of way fees.

OPERATING RESERVE: This is the cash balance and includes the reserve funds established and required by the Master Indenture where DC Water must maintain a balance of at least 60 days of operating and maintenance expenses of the prior year (Renewal and Replacement Reserve, and the Operating Reserve Fund). The Operating Cash Reserve does not include the Rate Stabilization Fund, DC Insurance Reserve Fund, bond funds, or debt service reserve funds

OPERATIONS & MAINTENANCE (O&M): The activities related to the performance of routine, preventive, and predictive, actions aimed at preventing DC Water’s equipment and infrastructure from failure or decline, with the goal of increasing efficiency, reliability, and safety.

OUTFALL: The place or structure where effluent is discharged into receiving waters.

PAYMENT IN LIEU of TAXES (PILOT): Amounts which DC Water pays each fiscal year to the District and institutions in which its facilities are located. Consistent with the provisions of DC Water’s Enabling Act, these payments are to be based on services received and certified from the District of Columbia.

PLANT RESIDUALS: In 2003, the EPA issued a revised NPDES permit to the Washington Aqueduct (WAD) and entered into a Federal Facilities Compliance Agreement (the federal agency equivalent of an Administrative Order) requiring WAD, to have in operation, by Dec 31, 2009, a new process, which dewater the residuals on site and trucks them off-site for disposal.

PLUG-IN ELECTRIC VEHICLE: Any motor vehicle that can be recharged from an external source of electricity, such as wall sockets, and the electricity stored in the rechargeable battery packs drives or contributes to drive the wheels.

POTOMAC INTERCEPTOR: Fifty-mile interceptor that carries wastewater from Loudoun and Fairfax Counties in Virginia and Montgomery County in Maryland to Blue Plains.

PRIMARY TREATMENT: A wastewater treatment process that allows those substances in wastewater that readily settles or floats to be separated from the water being treated.

PRINCIPAL: The total amount of money being borrowed or lent.

PROCESS COMPUTER CONTROL SYSTEM (PCCS): Electronically monitors and controls all treatment processes and facilities.

RATE STABILIZATION FUND: A fund established by the Board of Directors, which is used to implement rate increases on a gradual and predictable basis.

RESERVES: An accounting entry that properly reflects contingent liabilities.

REVENUE: An increase in (sources of) fund financial resources other than from inter-fund transfers and debt issue proceeds. Revenues should be classified by fund and source.

REVENUE BONDS: Bonds payable from specific source of revenue and which do not pledge the full faith and credit of the issuer.

RIGHT-OF-WAY FEE (ROW): A permit fee that the District of Columbia Government charges DC Water for water and sewer conduits that it occupies within the District of Columbia.

SAFE DRINKING WATER ACT (SDWA): Act passed by the U.S. Congress (most recently amended in 1996) to control drinking water quality.

SECONDARY TREATMENT: Usually following primary treatment, secondary treatment employs microorganisms to reduce the level of biochemical oxygen demand (BOD) in wastewater.

SENIOR DEBT: Debt whose terms in the event of bankruptcy require it to be repaid before subordinated debt receives any payment.

SLUDGE: Solid residue from wastewater treatment, also known as Biosolids.

SUBORDINATED DEBT: Debt over which senior debt takes priority. In the event of bankruptcy, subordinated debtholders receive payment only after senior debt claims are paid in full.

SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA): Equipment and computer technology used to monitor and control the water distribution and wastewater conveyance systems.

SUPPLEMENTAL ENVIRONMENTAL PROJECT (SEP): A project DC Water is funding as part of its nine minimum control (NMC) CSO consent order.

SYSTEM AVAILABILITY FEE (SAF): Fee assessed to new development (or redevelopment) to recover the investment in available system capacity, based on meter size.

THE BLUEPRINT: DC Water's Strategic Plan.

TUNNEL DEWATERING PUMP STATION (TDPS)/ENHANCED CLARIFICATION FACILITY (ECF): The TDPS facility starts where the DC Clean Rivers Project tunnels end at Blue Plains. The TDPS will pump millions of gallons of combined sewer overflows and the ECF will treat the captured wet-weather flows, previously flowed into the District's waterways during heavy rain storms.

WASHINGTON AQUEDUCT: A division of the U.S. Army Corps of Engineers which owns and operates the water treatment facilities for DC Water, Arlington and Falls Church, Virginia. DC Water purchases treated drinking water on a wholesale basis from the Washington Aqueduct and is responsible for approximately 73 percent of the Aqueduct's costs.

WATER SYSTEM REPLACEMENT FEE (WSRF): A fixed monthly fee designed to fund the 1 percent renewal and replacement of aging water infrastructure for residential, multi-family and non-residential customers.

WET WEATHER TREATMENT FACILITY: A wet weather event is deemed to start when plant influent is greater than a rate of 511 mgd and deemed to stop four hours after plant influent drops to a rate of 511 mgd or a period of 4 hours has elapsed since the start of a wet weather event, whichever occurs last.

ACRONYMS

3PP: Third Party Portal	CCTV: Closed Circuit TV
ACFR: Annual Comprehensive Financial Report	CFCI: Cash Financed Capital Improvements
ADA: Americans with Disability Act	CHP: Combined Heat and Power
AED: Automated External Defibrillator	CIP: Capital Improvement Program
AFV: Alternative Fueled Vehicle	CIPP: Critical Infrastructure Protection Plan
AMI: Advanced Metering Infrastructure	CIS: Customer Information System
AMR: Automatic Meter Reading	CMF: Central Maintenance Facility
AMSA: Association of Metropolitan Sewerage Agencies	CMOM: Capacity Management Operation and Maintenance
ANC: Advisory Neighborhood Commission	COBRA: The Consolidated Omnibus Budget Reconciliation Act Of 1985
ART: Advanced Research Testing	COF: Central Operations Facility
ASA: American Shotcrete Association	COG: Metropolitan Washington Council of Governments
AWWTP: Advanced Waste Water Treatment Plant	COOP: Continuity of Operations Plan
BABs: Build America Bonds	COTR: Contracting Officer's Technical Representative
BOD: Biochemical Oxygen Demand	CRIAC: Clean Rivers Impervious Area Charge
BP: Blue Plains	CSO LTCP: Combined Sewer Overflow Long-Term Control Plan
CAP: Customer Assisted Program	CSO: Combined Sewer Overflows
CC&O: Customer Care & Operations	CSP: Comprehensive Safety Program

ACRONYMS

CSRS: Civil Service Retirement System	EA: Environmental Assessment
CSS LTCP: Combined Sewer System Long-Term Control Plan	EBU: Equivalent Billing Unit
CWA: Clean Water Act	ECF: Enhanced Clarification Facility
CWSFR: Clean Water State Revolving Fund	EDMC: Engineering Document Management and Control
DCFEMS: DC Fire and Emergency Medical Services	EEOC: Equal Employment Opportunity Commission
DCRA: District of Columbia Department of Consumer and Regulatory Affairs	EIS: Environmental Impact Statement
DDOT: District of Columbia Department of Transportation	EMA: Emergency Management Agency
DEI: Diversity, Equity and Inclusion	EMAP: Emergency Management Accreditation Program
DEMON: Deammonification Process	EMCP: Extendable Municipal Commercial Paper Program
DETS: Department of Engineering and Technical Services	ENRF: Enhanced Nitrogen Removal Facilities
DMRQA: Discharge Monitoring Report Quality Assurance	EOC: Emergency Operations Center
DOEE: District of Columbia Department of Energy & Environment	EPA: Environmental Protection Agency
DRBCP: Disaster Recovery and Business Continuity Plan	ERDMS: Enterprise Records and Document Management System
DSLIF: Dewatered Sludge Loading Facility	ERP: Enterprise Resource Planning System
DSS: Department of Sewer Services	ERU: Equivalent Residential Unit
DWE: Department of Wastewater Engineer	ESC: Executive Steering Committee
DWS: Department of Water Services	ESF: Emergency Support Function

ACRONYMS

ETL: Extract, Tool, Load	HVAC: Heating Ventilation and Air Conditioning
FCPA: Foreign Corruption Practices Act	I&C: Instrumentation and Controls
FEMA: Federal Emergency Management Agency	I&I: Infiltration and Inflow
FOC: Fiber Optic Cable	IAC: Impervious Area Charge
FOG: Fats, Oil, and Grease	IFB: Invitation for Bid
FONSI: Finding of No Significant Impact	IIP: Internal Improvement Plan
FTE: Full Time Employee	IMA: Inter-Municipal Agreement
FTF: Filtrate Treatment Facility	IOT: Internet of Things
GFOA: Government Finance Officers Association	IR&R: Infrastructure Repair & Replacement
GHG: Green House Gas	IT: Information Technology
GICD: Green Infrastructure Consent Decree	ITA: International Tunnelling Association
GIS: Geographical Information System	IVR: Interactive Voice Response
GMP: Guaranteed Maximum Price	JBAB: Joint Base Anacostia-Bolling
HPEV: Hybrid Plug-In Vehicle	JUDD: Joint Utility Discount Day
HPRP: High Priority Rehabilitation Program	KPI: Key Performance Indicators
HQO: Head Quarters Office	LDWMR: Large Diameter Water Main Rehabilitation
HUNA: High Usage Notification Application	LID: Low Impact Development

ACRONYMS

LIDAR: Light Detection and Ranging

NEB: North East Boundary

LOTO: Log Out Tag-Out

NEBT: North East Boundary Tunnel

LSC: Local Steering Committee

NEPA: National Environmental Policy Act

LSDBE: Local Small Disadvantaged Business Enterprise

NFPA: National Fire Protection Agency

LSR: Lead Service Replacement

NHPA: National Historic Preservation Act

LTCP: Long Term Control Plan

NMC: Nine Minimum Controls

MBE: Minority Business Enterprise

NPDES: National Pollutant Discharge Elimination System

MGD: Million Gallons Per Day

NPFMP: Non-Process Facilities Master Plan

MJUF: Multi-Jurisdictional Use Facility

NWBSO: Northwest Boundary Sewer Overflow

MOCRS: Mayor's Office of Community Relations and Services

O&M: Operations & Maintenance

MOU: Memorandum of Understanding

OCIP: Owner Controlled Insurance Program

MPT: Main Process Train

OEM: Original Equipment Manufacturer

MS4: Municipal Separate Storm Sewer System

OMAC: Office of Marketing and Communications

MTA: Messtechnik Associates

OMB: Office of Management and Budget

MTBF: Meantime Between Failures

OSHA: Occupational Safety and Health Administration

MTTR: Meantime to Repair

PBS: Public Broadcasting Service

MW: Mega Watt

PCA: Pipe Condition Assessment

ACRONYMS

PCCS: Process Computer Control System	QMS: Quality Management System
PCS: Process Control System	RCM: Reliability Centered Maintenance
PDMS: Payables Document Management Systems	RFE: Reclaimed Final Effluent
PEV: Plug-In Electric Vehicle	RFP: Request for Proposal
PILOT: Payment In Lieu of Taxes	RFQ: Request for Quotation
PLC: Program Logic Control	RSF: Rate Stabilization Fund
PM: Preventive Maintenance	RWWP: Raw Wastewater Pump Station
PPA: Power Purchase Agreement	SAF: System Availability Fee
PPM: Parts Per Million	SCADA: Supervisory Control and Data Acquisition
PRT: Potomac River Tunnel	SDWA: Safe Drinking Water Act
PRV: Pressure Release Valve	SDWMR: Small Diameter Water Main Replacement
PS: Pumping Station	SEP: Supplemental Environmental Project
PSA: Public Service Announcement	SFR: Single Family Residence
PSIM: Physical Security Information Management	SOP: Standard Operating Procedure
PSSDB: Primary Scum Screening Degrating Building	SOX: Sarbanes Oxley Act
PSW: Process Service Water System	SPLASH: Serving People by Lending a Supporting Hand
PZIP: Pressure Zone Increase Project	SSO: Sanitary Sewer Overflow

ACRONYMS

TDPS: Tunnel Dewatering Pump Station

TEAMS: Total Enterprise Asset Management System

TMDL: Total Maximum Daily Pollutant Loads

TN: Total Nitrogen

UAMI: Upper Anacostia Main Interceptor

ULSD: Ultra-Low Sulfur Diesel

USACE: U.S. Army Corps of Engineers

VAV: Variable Air Volume

VEP: Valve Exercise Program

VIT: Vehicle Information Transmitter

WAD: Washington Aqueduct

WaSSP: Water and Sewer Sensor Program

WBE: Women Business Enterprise

WSRF: Water System Replacement Fee

WSSC: Washington Suburban Sanitary Commission

WWTP: Wastewater Treatment Plant

Presented and Adopted: March 3, 2022
Subject: Approval of Proposed Fiscal Year 2023 Operating Budget

#22-20
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("DC Water") at the Board meeting on March 3, 2022, upon consideration of a joint-use matter, decided by a vote of eleven (11) in favor and none (0) opposed, to take the following action with respect to the Fiscal Year 2023 Proposed Operating Budget.

WHEREAS, on January 6, 2022, during the Fiscal Year 2023 Budget Workshop, the Chief Executive Officer and General Manager, Chief Financial Officer and Executive Vice President, Finance and Procurement, and members of the Senior Executive Team (SET) briefed Board members on the Proposed FY 2023 Operating Budget that totaled \$686,403,165; and

WHEREAS, on January 25, 2022, the Finance and Budget Committee in a joint session with the DC Retail Water and Sewer Rates Committee reviewed the budget proposals and discussed in detail, the budget drivers, strategic budget decisions, budget assumptions, risks and customer impact; and

WHEREAS, on February 24, 2022, the Finance and Budget Committee further reviewed the budget proposals, alternative budget and rate scenarios, and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, risks and customer impact, and recommended that the Board adopt the FY 2023 Operating Budget that totals \$686,403,165, including \$15,000 for representation and \$9,000 for official meetings.

NOW THEREFORE BE IT RESOLVED THAT:

The Board hereby approves and adopts DC Water's Proposed Fiscal Year 2023 Operating Budget totaling \$686,403,165, including \$15,000 for representation and \$9,000 for official meetings, and as further detailed in the Chief Executive Officer and General Manager's Proposed Fiscal Year 2023 Budget and accompanying materials presented on January 6, 2022.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: March 3, 2022
Subject: Approval of Proposed Fiscal Year 2022 - 2031 Capital Improvement Program

#22-18
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("DC Water") at its meeting on March 3, 2022 upon consideration of a joint-use matter, decided by a vote of eleven (11) in favor and none (0) opposed, to take the following action with respect to the Fiscal Year 2022 - 2031 Capital Improvement Program.

WHEREAS, pursuant to Resolution #10-76, dated July 1, 2010, the Board's Rate Stabilization Fund Policy requires an annually updated 10-Year Financial Plan, which includes a 10-Year Capital Disbursement Plan; and

WHEREAS, on April 1, 2021, through Resolution #21-29, the Board approved the Proposed Fiscal Year (FY) 2021 - 2030 Capital Improvement Program, which includes the FY 2021 - 2030 Capital Disbursement Plan and related Lifetime Budget; and

WHEREAS, on January 6, 2022, during the FY 2023 Budget Workshop, the Chief Executive Officer and General Manager, Chief Financial Officer and Executive Vice President, Finance and Procurement, and Chief Operating Officer and Executive Vice President, briefed Board members on the FY 2022 - 2031 Capital Improvement Program, which includes the proposed Revised FY 2022 CIP Disbursement Budget of \$567,507,000, the proposed 10-Year Disbursement Plan totaling \$6,419,899,000 and the proposed Lifetime Budget of \$13,377,458,000; and

WHEREAS, on January 20, 2022, the Environmental Quality and Operations Committee reviewed the budget proposals and discussed in detail the budget scenarios, budget drivers, strategic budget decisions, budget assumptions and risks; and

WHEREAS, on January 25, 2022, the Finance & Budget Committee and the DC Retail Water and Sewer Rates Committee, in a joint meeting, reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, risks, and customer impacts; and

WHEREAS, on February 17, 2022, the Environmental Quality and Operations Committee, reviewed the budget proposals, alternative budget and rate scenarios and discussed in detail the budget drivers, budget assumptions, and risks, and recommended that the Board adopt the FY 2022 - 2031 Capital Improvement Program, which includes

the proposed Revised FY 2022 CIP Disbursement Budget of \$567,507,000, proposed 10-Year Capital Disbursement Plan totaling \$6,419,899,000, and related Lifetime Budget, totaling \$13,377,458,000; and

WHEREAS, on February 22, 2022, the DC Retail Water and Sewer Rates Committee reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, risks, and customer impacts; and

WHEREAS, on February 24, 2022, the Finance & Budget Committee, reviewed the budget proposals, alternative budget and rate scenarios and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, and customer impacts, and recommended that the Board adopt the FY 2022 - 2031 Capital Improvement Program, which includes the proposed Revised FY 2022 CIP Disbursement Budget of \$567,507,000, proposed 10-Year Capital Disbursement Plan totaling \$6,419,899,000, and related Lifetime Budget, totaling \$13,377,458,000.

NOW THEREFORE, BE IT RESOLVED THAT:

The Board hereby approves and adopts DC Water's FY 2022 - 2031 Capital Improvement Program, which includes the Revised FY 2022 CIP Disbursement Budget of \$567,507,000, Fiscal Year 2022 – 2031 Capital Improvement Program Disbursement Plan totaling \$6,419,899,000, and related Lifetime Budget totaling \$13,377,458,000 provided in Attachment A-1 and as further detailed in the Chief Executive Officer and General Manager's Proposed Fiscal Year 2023 Budget and accompanying materials presented on January 6, 2022.

This resolution is effective immediately.


Secretary to the Board of Directors

Capital Improvement Program

(\$ in thousands)	FY 2022 - 2031 CIP Disbursement Plan											Lifetime Budget
	Revised Budget											
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-yr Total	
NON PROCESS FACILITIES												
Facility Land Use	31,439	12,051	28,160	14,422	6,620	3,351	1,778	387	2,000	2,000	102,208	215,847
Subtotal	31,439	12,051	28,160	14,422	6,620	3,351	1,778	387	2,000	2,000	102,208	215,847
WASTEWATER TREATMENT												
Liquid Processing	38,445	38,619	48,123	55,524	72,091	103,072	93,670	68,370	47,909	91,689	657,512	1,241,281
Plantwide	16,672	18,017	35,092	39,270	48,087	47,586	18,673	25,240	23,834	10,018	282,489	502,039
Solids Processing	22,422	19,722	32,546	21,534	12,258	12,445	15,045	16,099	31,675	30,414	214,160	893,604
Enhanced Nitrogen Removal Facilities	8,438	2,216	1,784	74	-	2,206	1,861	11,664	23,293	8,965	60,502	808,182
Subtotal	85,978	78,574	117,545	116,402	132,436	165,310	129,249	121,373	126,710	141,086	1,214,664	3,445,105
COMBINED SEWER OVERFLOW												
DC Clean Rivers Program	147,347	106,774	66,064	85,968	147,762	165,363	214,664	143,867	39,054	-	1,116,863	2,992,358
Combined Sewer Overflow Program	4,919	10,929	11,240	19,218	14,179	6,396	5,459	9,306	12,350	6,306	100,303	223,714
Subtotal	152,267	117,704	77,304	105,185	161,941	171,760	220,123	153,173	51,403	6,306	1,217,166	3,216,072
STORMWATER												
Storm Local Drainage Program	22	197	1,511	2,496	1,072	1,612	1,773	1,357	234	180	10,455	18,025
Storm On-Going Program	1,572	899	866	519	876	842	1,084	1,287	935	900	9,780	9,994
Storm Pumping Facilities	5,232	10,296	3,063	2,584	2,741	3,417	1,417	1,579	4,948	7,642	42,918	64,227
Stormwater Program Managemet	23	35	35	40	230	286	346	275	212	-	1,483	13,178
Stormwater Trunk/Force Sewers	182	99	78	174	67	-	-	-	-	-	600	15,510
Subtotal	7,031	11,527	5,553	5,813	4,985	6,158	4,620	4,499	6,330	8,722	65,236	120,933
SANITARY SEWER												
Sanitary Collection System	1,948	8,147	27,697	34,534	46,713	50,712	47,945	46,871	31,138	30,057	325,762	506,422
Sanitary On-Going Projects	15,617	13,035	14,452	13,200	13,577	13,988	14,395	14,851	15,297	15,289	143,702	215,932
Sanitary Pumping Facilities	2,496	10,895	13,566	8,153	10,959	12,288	25,186	30,469	35,772	20,565	170,349	251,957
Sanitary Program Management	8,471	10,316	9,538	7,897	8,880	9,915	8,887	9,034	7,028	3,497	83,462	191,840
Interceptor/Trunk Force Sewers	39,553	60,990	85,574	67,184	80,271	119,043	87,412	48,030	40,133	10,662	638,851	1,000,291
Subtotal	68,084	103,383	150,828	130,967	160,400	205,946	183,824	149,256	129,368	80,069	1,362,125	2,166,442
WATER												
Water Distribution Systems	82,276	102,848	77,198	65,128	89,029	92,136	91,572	100,969	87,062	91,501	879,719	1,771,888
Lead Free DC Program	56,987	94,377	101,955	100,624	82,147	62,407	62,749	62,550	5,155	-	628,951	812,516
Water On-Going Projects	14,917	15,454	15,870	15,769	15,390	17,669	18,819	20,500	21,500	20,781	176,668	231,960
Water Pumping Facilities	3,581	4,765	12,016	5,559	5,484	2,171	3,297	527	3,084	1,229	41,711	73,904
DDOT Water Projects	-	-	-	-	-	-	-	-	-	-	-	-
Water Storage Facilities	2,645	4,813	8,229	3,651	4,876	9,526	9,147	3,136	3,241	2,211	51,475	156,199
Water Service Program Management	4,907	4,859	3,072	3,921	5,120	7,542	7,080	4,641	4,641	5,120	50,904	121,424
Subtotal	165,313	227,116	218,339	194,652	202,046	191,451	192,665	192,324	124,683	120,842	1,829,430	3,167,891
CAPITAL PROJECTS	510,112	550,355	597,728	567,442	668,428	743,975	732,759	621,011	440,494	359,025	5,790,828	12,332,290
CAPITAL EQUIPMENT	40,519	37,021	36,156	35,307	39,671	41,813	36,203	36,203	36,203	36,203	375,302	375,302
WASHINGTON AQUEDUCT	16,875	59,628	34,749	17,164	27,825	37,122	14,723	11,940	19,831	13,911	253,768	253,768
ADDITIONAL CAPITAL PROJECTS	57,394	96,649	70,905	52,471	67,496	78,935	50,926	48,143	56,034	50,114	629,070	629,070
LABOR												416,097
TOTAL CAPITAL BUDGETS	567,507	647,004	668,633	619,913	735,924	822,910	783,185	669,154	496,528	409,140	6,419,899	13,377,458

Presented and Adopted: March 3, 2022

SUBJECT: Approval of Fiscal Year 2022 - 2031 Ten-Year Financial Plan

**#22-19
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("DC Water") at the Board meeting held on March 3, 2022, upon consideration of a joint-use matter decided by a vote of eleven (11) in favor and none (0) opposed, to take the following action with respect to the Fiscal Year 2022 - 2031 Ten Year Financial Plan.

WHEREAS, prudent utility financial management requires a long-term financial plan that integrates common elements of the ten-year capital improvement program, future capital financing plans, projected operating and maintenance budgets, revenue requirements and projected rate increases to support long-term capital and operating needs; and

WHEREAS, the Board, in Resolutions 11-10, dated January 6, 2011 and 21-84, dated October 7, 2021, adopted a series of financial policies in the areas of capital financing, long-term financial planning, and rate-setting to assure the short-term and long-term financial health of DC Water; and

WHEREAS, adherence to these financial policies has allowed the DC Water to receive strong bond ratings that will reduce debt service costs over the ten-year planning period; and

WHEREAS, consistent with the Board policies and management financial targets, the General Manager has prepared a ten-year financial plan in conjunction with the proposed FY 2023 operating and capital budgets; and

WHEREAS, the ten-year financial plan is based on assumptions detailed in the proposed Fiscal Year 2023 Operating and Capital Budgets; and

WHEREAS, the proposed Fiscal Year 2022 - 2031 Ten Year Financial Plan is consistent with projections appearing in the attached Schedules A, B and C of this Resolution; and

WHEREAS, on January 25, 2022, the DC Retail Water and Sewer Rates and Finance and Budget Committees met jointly and reviewed the proposed Fiscal Year 2022 - 2031 Ten Year Financial Plan, and

WHEREAS, on February 22, 2022 and February 24, 2022, the DC Retail Water and Sewer Rates Committee and the Finance and Budget Committee, respectively, met, reviewed and recommended that the Board adopt the Fiscal Year 2022 - 2031 Ten Year Financial Plan as recommended by the General Manager.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board hereby accepts and approves the proposed Fiscal Year 2022 - 2031 Ten Year Financial Plan that is supported by the attached Schedule A, B and C and the proposed Fiscal Year 2023 Operating and Capital Budgets.

This resolution is effective immediately.


Secretary to the Board of Directors

District of Columbia Water & Sewer Authority

FY 2022 - FY 2031 Financial Plan

(In 000's)

OPERATING	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Retail*	\$ 622,185	\$ 667,024	\$ 689,378	\$ 735,355	\$ 778,670	\$ 830,705	\$ 879,018	\$ 939,516	\$ 991,672	\$ 1,041,654
Wholesale*	84,689	85,720	89,142	91,817	94,571	97,408	100,330	103,340	106,440	109,634
Other	41,153	47,249	49,184	51,608	55,781	60,678	59,678	58,527	58,854	59,995
RSF	52,100	-	-	-	-	-	-	-	-	-
Operating Receipts ⁽¹⁾	\$ 800,087	\$ 799,993	\$ 827,705	\$ 878,779	\$ 929,022	\$ 988,791	\$ 1,039,026	\$ 1,101,383	\$ 1,156,967	\$ 1,211,182
Operating Expenses	(384,345)	(374,597)	(386,094)	(398,023)	(409,935)	(422,213)	(434,869)	(447,914)	(461,361)	(475,221)
Debt Service	(223,513)	(234,679)	(245,482)	(272,262)	(289,036)	(311,322)	(338,312)	(358,587)	(367,280)	(374,011)
Cash Financed Capital Improvement	\$ (37,830)	\$ (46,692)	\$ (48,256)	\$ (58,828)	\$ (70,080)	\$ (74,763)	\$ (79,112)	\$ (84,556)	\$ (89,251)	\$ (93,749)
Net Revenues After Debt Service	\$ 174,400	\$ 144,025	\$ 147,872	\$ 149,666	\$ 159,971	\$ 180,492	\$ 186,733	\$ 210,326	\$ 239,076	\$ 268,202
Operating Reserve-Beg Balance	196,286	235,600	242,600	251,600	261,600	266,600	276,600	284,600	293,600	300,600
Other Misc (Disbursements)/Receipts	(8,460)	(9,188)	(4,500)	-	-	-	-	-	-	-
Wholesale/Federal True Up	-	-	-	-	-	-	-	-	-	-
Project Billing Refunds	-	-	-	-	-	-	-	-	-	-
Transfers To RSF	-	-	-	-	-	-	-	-	-	-
Pay-Go Financing	(126,625)	(127,837)	(134,372)	(139,666)	(154,971)	(170,492)	(178,733)	(201,326)	(232,076)	(259,202)
Operating Reserve - Ending Balance	\$ 235,600	\$ 242,600	\$ 251,600	\$ 261,600	\$ 266,600	\$ 276,600	\$ 284,600	\$ 293,600	\$ 300,600	\$ 309,600
Rate Stabilization Fund Balance RSF ⁽²⁾	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)
Senior Debt Service Coverage	589%	539%	646%	707%	681%	649%	666%	719%	724%	767%
Combined Debt Service Coverage	201%	187%	188%	185%	188%	190%	186%	189%	196%	204%
Actual/Projected Water/Sewer Rate Increases	7.9%	9.5%	3.3%	10.0%	7.5%	8.5%	8.0%	8.0%	7.5%	7.5%
*Operating Receipts \$ Increase/Decrease	37,277	44,859	22,354	45,976	43,315	52,036	48,313	60,498	52,156	49,981
Retail	1,682	1,051	3,422	2,674	2,754	2,837	2,922	3,010	3,100	3,193
Wholesale	-	-	-	-	-	-	-	-	-	-
*Operating Receipts % Increase/Decrease	6.4%	7.2%	3.4%	6.7%	5.9%	6.7%	5.8%	6.9%	5.6%	5.0%
Retail	2.0%	1.2%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Wholesale	-	-	-	-	-	-	-	-	-	-

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

⁽²⁾ FY 2023 planned transfer of \$0.0 million to Rate Stabilization Fund and \$0.0 million utilization will keep the total fund balance at \$35.644 million.

Schedule B

District of Columbia Water & Sewer Authority
FY 2022 - FY 2031 Average Residential Customer Monthly Bill

Units	Current		Proposed		Proposed		Proposed		Proposed		Proposed		Proposed		Proposed		Proposed		Proposed	
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf \$ 78.92	\$ 86.07	\$ 89.03	\$ 97.94	\$ 105.30	\$ 114.27	\$ 123.40	\$ 133.30	\$ 143.27	\$ 154.01										
DC Water Clean Rivers IAC ⁽²⁾	ERU 18.40	18.14	21.86	22.27	23.92	25.83	26.88	29.86	31.15	31.43										
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										
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										
Subtotal DC Water Rates & Charges	\$ 111.37	\$ 118.26	\$ 124.94	\$ 134.26	\$ 143.27	\$ 154.15	\$ 164.33	\$ 177.21	\$ 188.47	\$ 199.49										
Increase / Decrease	\$ 7.29	\$ 6.89	\$ 6.68	\$ 9.32	\$ 9.01	\$ 10.88	\$ 10.18	\$ 12.88	\$ 11.26	\$ 11.02										
District of Columbia PILOT Fee ⁽¹⁾	Ccf \$ 3.04	\$ 3.20	\$ 3.31	\$ 3.36	\$ 3.41	\$ 3.47	\$ 3.52	\$ 3.58	\$ 3.63	\$ 3.69										
District of Columbia Right-of-Way Fee ⁽¹⁾	Ccf 1.03	1.03	1.03	1.03	1.08	1.08	1.08	1.14	1.14	1.14										
District of Columbia Stormwater Fee ⁽²⁾	ERU 2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67										
Subtotal District of Columbia Charges	\$ 6.74	\$ 6.90	\$ 7.01	\$ 7.06	\$ 7.16	\$ 7.22	\$ 7.27	\$ 7.39	\$ 7.44	\$ 7.50										
Total Amount Appearing on DC Water Bill	\$ 118.11	\$ 125.16	\$ 131.95	\$ 141.32	\$ 150.43	\$ 161.37	\$ 171.60	\$ 184.60	\$ 195.91	\$ 206.99										
Increase / Decrease Over Prior Year	\$ 7.40	\$ 7.05	\$ 6.79	\$ 9.37	\$ 9.11	\$ 10.94	\$ 10.23	\$ 13.00	\$ 11.31	\$ 11.08										
Percent Increase in Total Bill	6.7%	6.0%	5.4%	7.1%	6.4%	7.3%	6.3%	7.6%	6.1%	5.7%										

(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

District of Columbia Water & Sewer Authority
Retail Rates, Charges and Fees
FY 2022 – FY 2024

	Units	Current FY 2022	Proposed FY 2023	Proposed FY 2024
DC Water Retail Rates Water (Residential Lifeline 0 - 4 Ccf)	Ccf	\$3.63	\$4.28	\$4.38
DC Water Retail Rates Water (Residential > 4 Ccf)	Ccf	\$4.74	\$5.58	\$5.70
DC Water Retail Rates Water (Multi-Family)	Ccf	\$4.15	\$4.90	\$5.00
DC Water Retail Rates Water (Non-Residential)	Ccf	\$4.91	\$5.78	\$5.89
DC Water Retail Rates Sewer	Ccf	\$10.64	\$11.26	\$11.70
DC Water Clean Rivers IAC	ERU	\$18.40	\$18.14	\$21.86
DC Water Customer Metering Fee	5/8"	\$7.75	\$7.75	\$7.75
DC Water Water System Replacement Fee	5/8"	\$6.30	\$6.30	\$6.30
District of Columbia PILOT Fee	Ccf	\$0.56	\$0.59	\$0.61
District of Columbia Right-of-Way Fee	Ccf	\$0.19	\$0.19	\$0.19
District of Columbia Stormwater Fee	ERU	\$2.67	\$2.67	\$2.67

Presented and Adopted: March 3, 2022
SUBJECT: Fiscal Year 2022-2023 Intent to Reimburse Capital
Expenditures with Proceeds of a Borrowing

#22-21
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("DC Water") at the Board meeting held on March 3, 2022, upon consideration of a joint-use matter, decided by a vote of eleven (11) in favor and none (0) opposed, to take the following action with respect to the Fiscal Year 2022-2023 Reimbursement of Capital Expenditures with Proceeds of a Borrowing.

WHEREAS, DC Water intends to acquire, construct and equip improvements to the "System," which shall be considered "Costs of the System" as both terms are defined in the Master Indenture of Trust between DC Water and Wells Fargo Bank, N.A., dated April 1, 1998, including, but not limited to the items and List of Projects set forth in Exhibit A hereto (collectively, the "Projects"); and

WHEREAS, plans for the Projects have advanced and DC Water expects to advance its own funds to pay expenditures related to the Projects ("Expenditures") prior to incurring indebtedness and to receive reimbursement for such Expenditures from proceeds of tax-exempt bonds or notes or taxable debt, or both.

NOW THEREFORE BE IT RESOLVED THAT:

1. DC Water utilizes the proceeds of tax-exempt bonds, taxable bonds or notes (the "Bonds") or other debt in an amount not currently expected to exceed \$599,000,000 to pay costs of the Projects.
2. DC Water intends to use the proceeds of the Bonds to reimburse itself for Expenditures with respect to the Projects made on or after the date that is 60 days prior to the date of this Resolution. DC Water reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Bonds or other debt.
3. Each Expenditure was or will be, unless otherwise supported by the opinion of bond counsel, either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bonds, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a

grant to a party that is not related to or an agent of DC Water so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of DC Water.

4. DC Water makes a reimbursement allocation, which is a written allocation by DC Water that evidences DC Water's use of proceeds of the Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. DC Water recognizes that exceptions are available for certain "preliminary expenditures," costs of issuance, certain de minimis amounts, expenditures by "small issuers" and expenditures for any construction, the completion of which is expected to require at least five years.
5. The Board adopts this resolution confirming the "official intent" within the meaning of Treasury Regulations 26 CFR § 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended.

This resolution is effective immediately.


Secretary to the Board of Directors

Exhibit A - List of Projects

Blue Plains Plantwide Projects
Blue Plains Enhanced Nitrogen Removal Facilities
Blue Plains Liquid and Solids Processing Projects
Sanitary Sewer System Projects
Combined Sewer System Projects
DC Clean Rivers Project
Stormwater Sewer System Projects
Water Pumping, Distribution and Storage Projects
Metering and Capital Equipment
Washington Aqueduct Projects

Presented and Adopted: March 3, 2022

SUBJECT: Approval of Proposed Fiscal Year 2023 and 2024 Retail Metered Water and Sewer Service Rates, Right-of-Way (ROW), Payment-in-Lieu of Taxes (PILOT) Fee, Clean Rivers Impervious Area Charge (CRIAC), Retail Groundwater Sanitary Sewer Service Rate and High Flow Filter Backwash Sewer Rate

**#22-24
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The District members of the Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("DC Water") at the Board meeting held on March 3, 2022 upon consideration of a non-joint use matter, decided by a vote of six (6) in favor and none (0) opposed, to approve the following action with respect to the proposed Fiscal Year 2023 and Fiscal Year 2024 Retail Metered Water and Sewer Rates, Clean Rivers Impervious Area Charge (IAC), Right-of-Way Occupancy Fee (ROW), Payment In Lieu of Taxes Fee (PILOT), Retail Groundwater Sanitary Sewer Service Rate and High Flow Filter Backwash Sewer Rate.

WHEREAS, pursuant to Resolution 11-10, dated January 6, 2011, the Board has adopted a revised rate setting policy that calls for rates, charges and fees that, together with other revenue sources, yield a reliable and predictable stream of revenues and will generate sufficient revenues to pay for DC Water's projected operating and capital expenses; and

WHEREAS, the Board has adopted various financial policies that require revenues to ensure compliance with Board policies regarding maintenance of senior debt coverage and cash reserves; and

WHEREAS, pursuant to Resolution 13-79, dated July 3, 2013 and Resolution 17-52, dated September 7, 2017, DC Water established three classes of customers: residential, multi-family and non-residential, as promulgated in Section 4104 of Title 21 of the District of Columbia Municipal Regulations (DCMR); and

WHEREAS, on February 22, 2022 the DC Retail Water and Sewer Rates Committee met to consider the proposed rate, charges and fees changes for Fiscal Year ("FY") 2023 and FY 2024; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$1.27 per one hundred cubic feet ("Ccf") (\$1.70 per 1,000 gallons) for the first 4 Ccf of Residential customer's water use (Lifeline) for FY 2023 and \$0.54 per Ccf (\$0.73 per 1,000 gallons) for the first 4 Ccf of Residential customer's water use (Lifeline) for FY 2024; and

WHEREAS, the proposed increase in the Lifeline (Residential customer's first 4 Ccf of water usage) retail metered water and sewer rates will result in a combined water and sewer rate of \$15.54 per Ccf (\$20.77 per 1,000 gallons) of metered water and sewer use for FY 2023 and a combined water and sewer rate of \$16.08 per Ccf (\$21.50 per 1,000 gallons) for FY 2024; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$1.46 per Ccf (\$1.95 per 1,000 gallons) for water usage greater than 4 Ccf for Residential customers for FY 2023 and a combined retail water and sewer rate increase of \$0.56 per Ccf (\$0.75 per 1,000 gallons) for water usage greater than 4 Ccf for Residential customers for FY 2024; and

WHEREAS, the proposed increase for water usage greater than 4 Ccf and the sewer rates for Residential customers will result in a combined water and sewer rate of \$16.84 per Ccf (\$22.51 per 1,000 gallons) of metered water and sewer use for FY 2023 and a combined water and sewer rate of \$17.40 per Ccf (\$23.26 per 1,000 gallons) of metered water and sewer use for FY 2024; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$1.37 per Ccf (\$1.83 per 1,000 gallons) for Multi-family customers for FY 2023 and a combined retail water and sewer rate increase of \$0.54 per Ccf (\$0.72 per 1,000 gallons) for Multi-family customers for FY 2024; and

WHEREAS, the proposed increase in the water and sewer rates for Multi-family customers will result in a combined water and sewer rate of \$16.16 per Ccf (\$21.60 per 1,000 gallons) of metered water and sewer use for FY 2023 and a combined water and sewer rate of \$16.70 per Ccf (\$22.32 per 1,000 gallons) of metered water and sewer use for FY 2024; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$1.49 per Ccf (\$2.00 per 1,000 gallons) for Non-Residential customers for FY 2023 and a combined retail rate increase of \$0.55 per Ccf (\$0.73 per 1,000 gallons) for Non-Residential customers for FY 2024; and

WHEREAS, the proposed increase in the water and sewer rates for Non-Residential customers will result in a combined water and sewer rate of \$17.04 per Ccf (\$22.78 per

1,000 gallons) of metered water and sewer use for FY 2023 and a combined water and sewer rate of \$17.59 per Ccf (\$23.51 per 1,000 gallons) of metered water and sewer use for FY 2024; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment a decrease in the monthly Clean Rivers Impervious Area Charge of \$0.26 per Equivalent Residential Unit ("ERU") for FY 2023 and an increase in the monthly Clean Rivers Impervious Area Charge of \$3.72 per ERU for FY 2024 to recover the \$2.99 Billion costs of the Combined Sewer Overflow Long-Term Control Plan (CSO-LTCP); and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board maintain the ROW fee at the current amount of \$0.19 per Ccf (\$0.25 per 1,000 gallons) of water used for FY 2023 and FY 2024 to recover the full cost of the District of Columbia government charges; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, an increase in the PILOT fee of \$0.03 per Ccf (\$0.04 per 1,000 gallons) for FY 2023 and an increase in the PILOT fee of \$0.02 per Ccf (\$0.03 per 1,000 gallons) for FY 2024 to recover the full cost of the District of Columbia government charges; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, an increase in the retail groundwater sanitary sewer service rate of \$0.59 per Ccf (\$0.79 per 1,000 gallons) for FY 2023 and an increase in the retail groundwater sanitary sewer service rate of \$0.08 per Ccf (\$0.11 per 1,000 gallons) for FY 2024; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, an increase in the high flow filter backwash sewer rate of \$0.18 per Ccf (\$0.24 per 1,000 gallons) for FY 2023 and an increase in the high flow filter backwash sewer rate of \$0.09 per Ccf (\$0.12 per 1,000 gallons) for FY 2024; and

WHEREAS, adoption of these rate and fee changes would increase the monthly bill of the average Residential customer using 5.42 Ccf (or 4,054 gallons) by approximately \$7.05 per month or \$84.60 per year for FY 2023 and by approximately \$6.79 per month or \$81.48 per year for FY 2024; and

WHEREAS, DC Water's retail revenue projections for Fiscal Year 2023 reflects an approximate \$43.9 million increase; and

WHEREAS, DC Water's retail revenue projections for Fiscal Year 2024 reflect an approximate \$30.1 million; and

WHEREAS, on February 22, 2022, the DC Retail Water and Sewer Rates Committee recommended that the Board approve the publication of the Notice of Proposed Rulemaking for the proposed rate and fee increases for public comment.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board finds that DC Water's projected expenditures require that it propose, for public comment, the rate and fee increases described below:

Retail Metered Water Service Rates

- a. An increase in the rate for metered water services:

Metered Water Services										
	FY 2022		FY 2023		FY 2024		FY 2023 vs. FY 2022 Incr. / (Decr.)		FY 2024 vs. FY 2023 Incr. / (Decr.)	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential customers - (0 – 4)	\$3.63	\$4.85	\$4.28	\$5.72	\$4.38	\$5.86	\$0.65	\$0.87	\$0.10	\$0.14
Residential customers – (> 4)	\$4.74	\$6.34	\$5.58	\$7.46	\$5.70	\$7.62	\$0.84	\$1.12	\$0.12	\$0.16
Multi-Family customers	\$4.15	\$5.55	\$4.90	\$6.55	\$5.00	\$6.68	\$0.75	\$1.00	\$0.10	\$0.13
Non-Residential customers	\$4.91	\$6.56	\$5.78	\$7.73	\$5.89	\$7.87	\$0.87	\$1.17	\$0.11	\$0.14

Retail Sewer Service Rates

- b. An increase in the rate for sanitary sewer services:

Sewer Services										
	FY 2022		FY 2023		FY 2024		FY 2023 vs. FY 2022 Incr. / (Decr.)		FY 2024 vs. FY 2023 Incr. / (Decr.)	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential customers	\$10.64	\$14.22	\$11.26	\$15.05	\$11.70	\$15.64	\$0.62	\$0.83	\$0.44	\$0.59
Multi-Family customers	\$10.64	\$14.22	\$11.26	\$15.05	\$11.70	\$15.64	\$0.62	\$0.83	\$0.44	\$0.59
Non-Residential customers	\$10.64	\$14.22	\$11.26	\$15.05	\$11.70	\$15.64	\$0.62	\$0.83	\$0.44	\$0.59

Clean Rivers Impervious Area Charge (CRIAC)

- c. A decrease in the annual Clean Rivers Impervious Area Charge (CRIAC) from \$220.80 to \$217.68 per Equivalent Residential Unit (ERU) in FY 2023 and an increase in the annual Clean Rivers Impervious Area Charge (CRIAC) from \$217.68 to \$262.32 per Equivalent Residential Unit (ERU) in FY 2024.

The charge per ERU will be billed monthly at:

Clean Rivers Impervious Area Charge (CRIAC)

	FY 2022	FY 2023	FY 2024	FY 2023 vs. FY 2022 Incr. / (Decr.)	FY 2024 vs. FY 2023 Incr. / (Decr.)
	ERU	ERU	ERU	ERU	ERU
Residential customers	\$18.40	\$18.14	\$21.86	(\$0.26)	\$3.72
Multi-Family customers	\$18.40	\$18.14	\$21.86	(\$0.26)	\$3.72
Non-Residential customers	\$18.40	\$18.14	\$21.86	(\$0.26)	\$3.72

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

- d. There is no increase in the **Right-of-Way Occupancy Fee** in FY 2023 or FY 2024:

ROW

	FY 2022		FY 2023		FY 2024		FY 2023 vs. FY 2022 Incr. / (Decr.)		FY 2024 vs. FY 2023 Incr. / (Decr.)	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential customers	\$0.19	\$0.25	\$0.19	\$0.25	\$0.19	\$0.25	\$0.00	\$0.00	\$0.00	\$0.00
Multi-Family customers	\$0.19	\$0.25	\$0.19	\$0.25	\$0.19	\$0.25	\$0.00	\$0.00	\$0.00	\$0.00
Non-Residential customers	\$0.19	\$0.25	\$0.19	\$0.25	\$0.19	\$0.25	\$0.00	\$0.00	\$0.00	\$0.00

- e. An increase in the **Payment-in-Lieu of Taxes Fee** for FY 2023 and FY 2024:

PILOT

	FY 2022		FY 2023		FY 2024		FY 2023 vs. FY 2022 Incr. / (Decr.)		FY 2024 vs. FY 2023 Incr. / (Decr.)	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential customers	\$0.56	\$0.75	\$0.59	\$0.79	\$0.61	\$0.82	\$0.03	\$0.04	\$0.02	\$0.03
Multi-Family customers	\$0.56	\$0.75	\$0.59	\$0.79	\$0.61	\$0.82	\$0.03	\$0.04	\$0.02	\$0.03
Non-Residential customers	\$0.56	\$0.75	\$0.59	\$0.79	\$0.61	\$0.82	\$0.03	\$0.04	\$0.02	\$0.03

- f. An increase in the retail groundwater sewer service rate for FY 2023 and FY 2024:

Groundwater

FY 2022		FY 2023		FY 2024		FY 2023 vs. FY 2022 Incr. / (Decr.)		FY 2024 vs. FY 2023 Incr. / (Decr.)	
Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
\$2.83	\$3.78	\$3.42	\$4.57	\$3.50	\$4.68	\$0.59	\$0.79	\$0.08	\$0.11

- g. An increase in the high flow filter backwash sewer rate for FY 2023 and FY 2024:

High Flow Filter Backwash Sewer Rate

FY 2022		FY 2023		FY 2024		FY 2023 vs. FY 2022 Incr. / (Decr.)		FY 2024 vs. FY 2023 Incr. / (Decr.)	
Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
\$3.03	\$4.05	\$3.21	\$4.29	\$3.30	\$4.41	\$0.18	\$0.24	\$0.09	\$0.12

2. The General Manager is authorized to take all steps necessary in his judgment and as otherwise required to publish the Notice of Proposed Rulemaking and Notice of Public Hearing to initiate the public comment process and provide notice of the proposed rate adjustments and fees and the public hearing in accordance with D.C. Official Code § 34-2202.16(b), 21 DCMR Chapter 40, and the District of Columbia's Administrative Procedures.

This resolution is effective immediately.


 Secretary to the Board of Directors