

Times are challenging.  
We are sure you have some questions.



## **2020 Virtual Town Hall Meeting**

CEO and General Manager David L. Gadis



**welcome**

**customers!**

# agenda

## **Welcome**

CEO and General Manager David L. Gadis

## **Remarks**

Council Chair Phil Mendelson

## **Overview**

CEO and General Manager David L. Gadis

## **Proposed Rates**

CFO and Executive Vice President Matthew T. Brown

## **Q&A**

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# Overview

DC Water 2020  
Virtual Town Hall Meeting



# overview

**Not for profit**

**Ratepayer funded**

**Governed by a 22 member regional  
Board of Directors**

**1,100 employees**

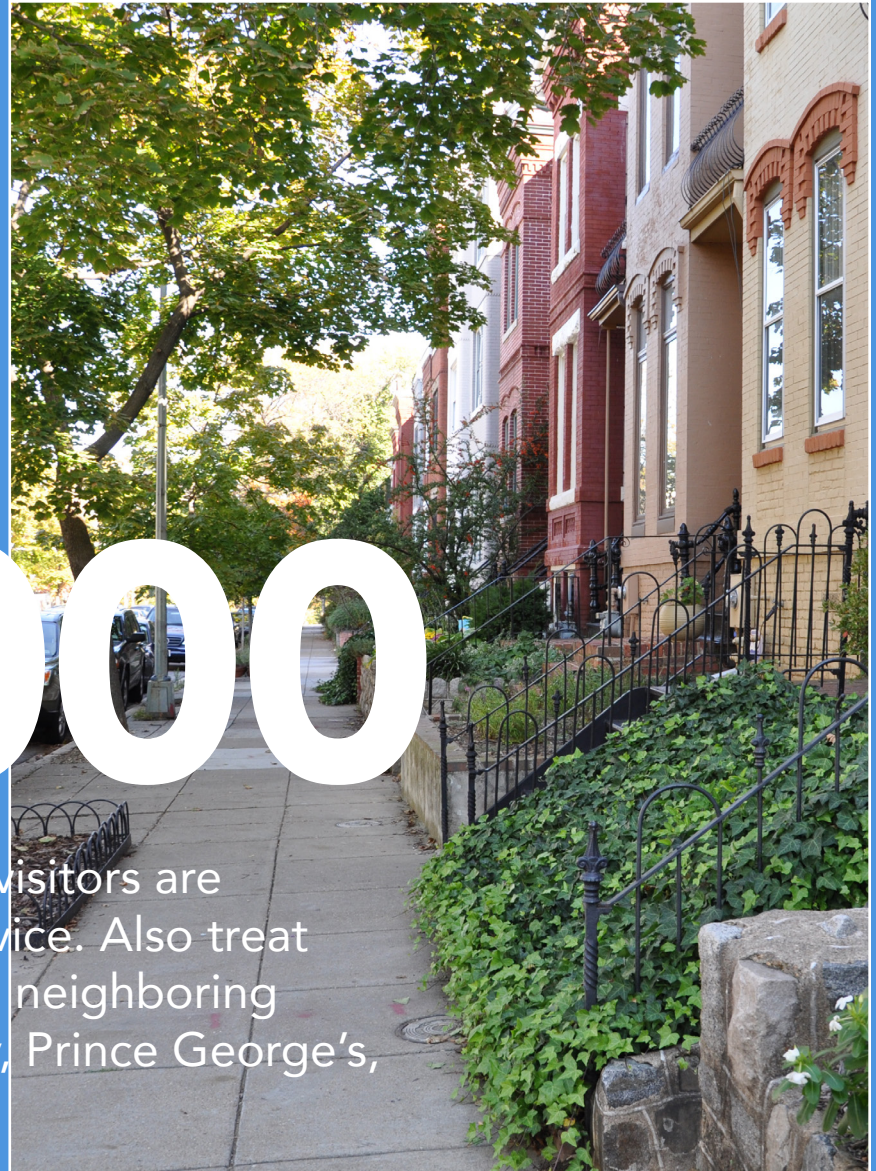
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Service Area

700,000

DC residents and 21 million annual visitors are provided water and wastewater service. Also treat wastewater for 1.6 million people in neighboring jurisdictions, including Montgomery, Prince George's, Fairfax and Loudoun Counties.



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# Water Infrastructure

Half installed before 1940  
Median age is 80 years old

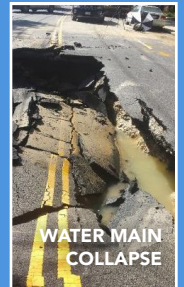
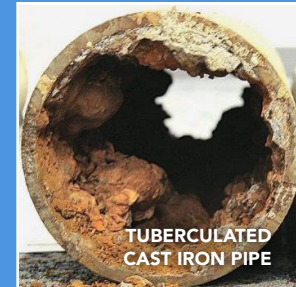


Expected service life is 100-120 years



# 1,300

miles of interconnected pipes

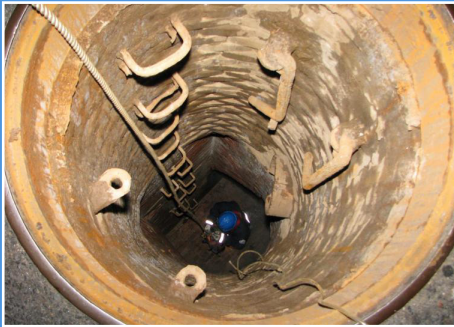


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# Sewer Infrastructure

Median age is 90 years old

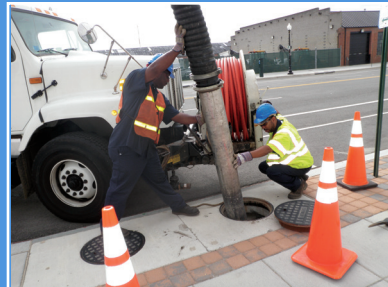


Expected service life is 110-120 years



# 2,000

miles of sewers





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# Highlights

DC Water 2020  
Virtual Town Hall Meeting



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## Highlights



35

billion gallons of  
water purchased  
and pumped

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# Highlights

# 474

lead service lines  
replaced and launched  
Lead Free DC program



# 441

water main breaks repaired



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# Highlights

# 117

billion gallons of  
wastewater treated  
at Blue Plains



# 67

million KWH of clean, sustainable energy  
produced, enough to satisfy ¼ of the  
demand at Blue Plains



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## Highlights

# 7.7B

gallons (90%) of combined sewage and 3,800 tons of trash and debris captured that otherwise would have overflowed into the Anacostia River



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# Highlights

# 3,599

customers were provided with financial assistance



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# Highlights

# 14



apprentices selected for the new Apprenticeship Program, which prepares District residents for careers at DC Water

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# Highlights

(Bottom) Celebrated the first anniversary of the CEO's Stakeholder Alliance



(Right) Worked closely with the Office of the People's Counsel (OPC)



# \$30M

awarded in contracts to certified businesses in the District



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# COVID-19

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# COVID-19



## **1. Water Plays a Critical Role in Protecting Public Health**

## **2. Wanted to Ensure Everyone had Access to Clean Water**

- First local utility to suspend disconnections for non-payment.
- Also suspended late payments.
- Restored service for customers previously disconnected.

## **3. Partnered with the District to Offer More Financial Relief to Customers**

## **4. Essential Service – Continue to Serve Our Customers**

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# COVID-19



## 5. Concern for the Safety of Our Staff

- Expanded telework for everyone who could work from home.
- Switched to rotating shifts for work crews.
- Suspended non-emergency in-home visits.

## 6. Significant Financial Impact

- Water consumption is down 9% overall.
- Decrease in customer payments.
- Impact estimated at 5% of FY2020 revenues.
- Continue to assess impact on future revenues.

## 7. Belt Tightening – Immediate Steps to Curtail Spending

- Restricted hiring except for critical vacancies.
- Worked with departments to prioritize expenditures where possible.
- Prioritizing capital program to pause projects if necessary to align with revenue.

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# Rates and Fees

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# Rates and Fees



## Overview of Rate and Fees Proposals

- The average household increase will be about 6.6% this October (FY2021) and 6.7% in a year (FY2022). That is about a \$7 monthly increase on the average residential bill.
- DC Water had previously estimated that these increases would be higher (8.1% in FY2021 and 6.9% in FY2022).
- We refinanced some debt and controlled the growth of operating costs.

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# Rates and Fees



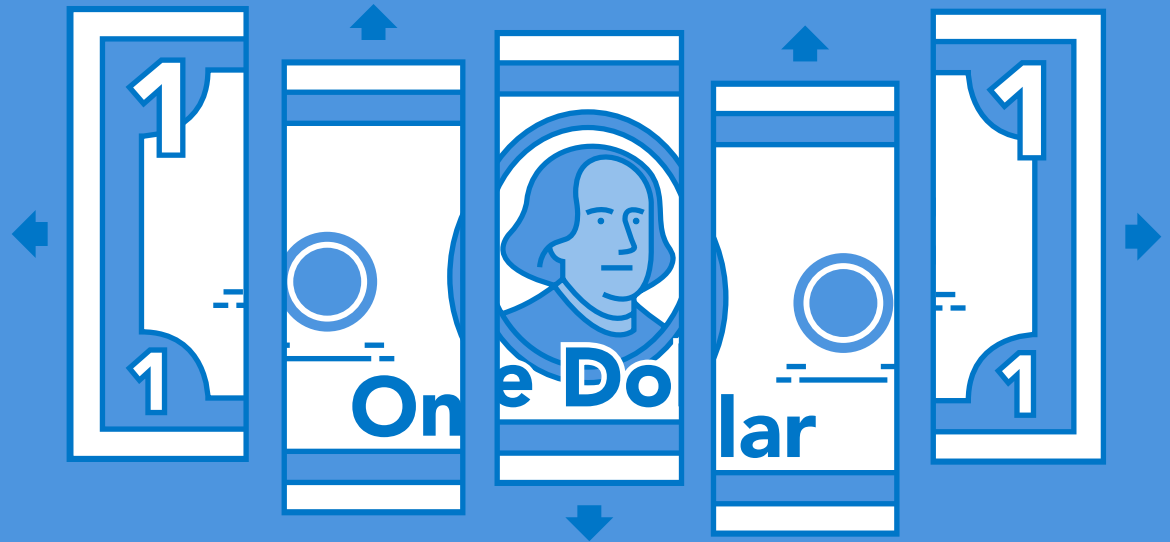
## Overview of Rate and Fees Proposals

- We also plan to make withdrawals from the Rate Stabilization Fund over the next two years to benefit customers.
- Continue the “shift” of Clean Rivers program costs from the impervious area charge to the volumetric rate that began this year.
- There is also a proposed adjustment to the metering fee.

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# Rates and Fees



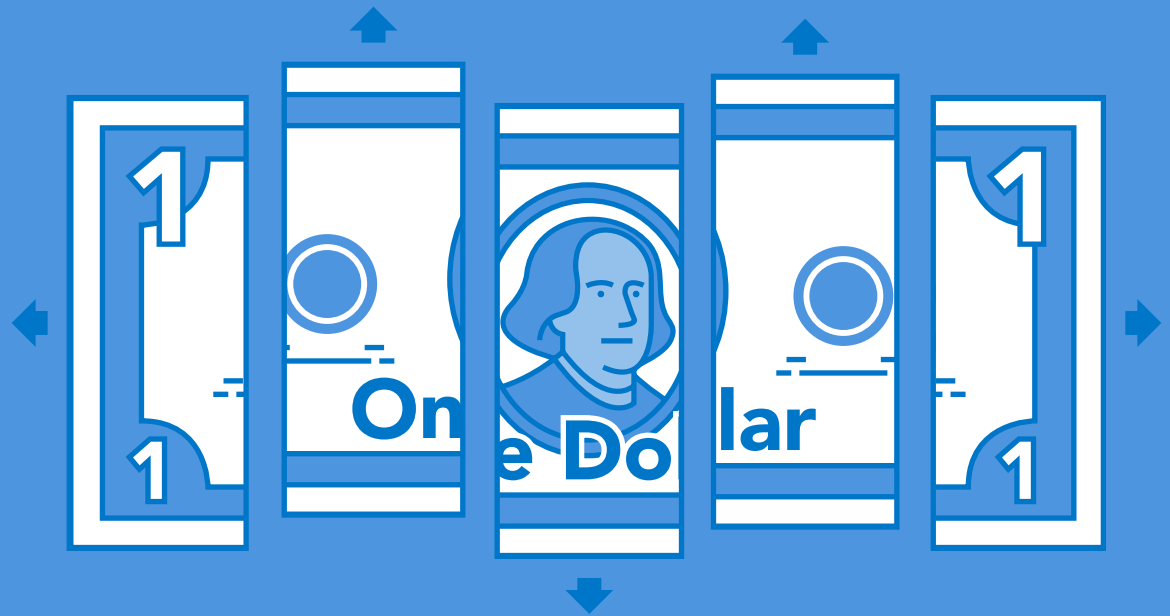
## Where will the Money Go?

- To fully fund the Clean Rivers Program.
- Make the Customer Assistance Program Two (CAP2) permanent and expand CAP benefits (Customers who are eligible for CAP could see their bills decrease next year).
- Invest in the Apprenticeship Program to support fifteen entry level positions for DC residents.

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# Rates and Fees



## Where will the Money Go?

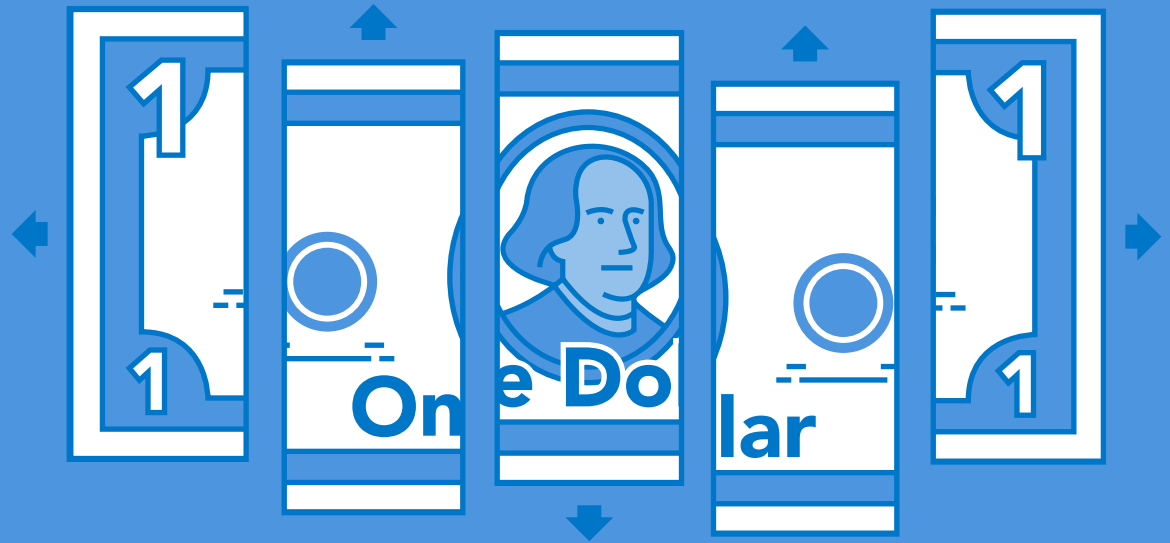
- Double our investment in water and sewer infrastructure by FY 2027.
- Water: increasing replacement of small diameter water mains from 11 miles per year to 16.5 miles per year. Will help reduce water main breaks and improve water quality and fire protection.
- Sewer: increasing rehabilitation of local sewers from 6 miles per year to 26 miles per year. Will help reduce sewer overflows and basement backups.



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# Rates and Fees



## Where will the Money Go?

- Continue to operate the world's largest advanced wastewater treatment plant and meet permit requirements, improving water quality and protecting our environment.
- Increase funds for fleet purchases to ensure crews have the equipment they need.

# FY 2020 – FY 2022 Retail Rates and Fees

per 1 Ccf (748 gallons)

Approved  
(FY 2020)

Proposed  
(FY 2021)

Proposed  
(FY 2022)

## Water Rate

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Residential (0-4Ccf <b>Lifeline Rate</b> )	\$3.06	\$3.49	\$3.63
Residential (greater than 4Ccf)	\$4.10	\$4.50	\$4.74
Multi-Family / DC Housing	\$3.54	\$3.96	\$4.15
Non-Residential	\$4.25	\$4.65	\$4.91

## Sewer Rate

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Residential, Multi-Family, Non-Residential	\$8.89	\$9.77	\$10.64
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## **PILOT Fee** (Payment-in-Lieu of Taxes)

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Residential, Multi-Family, Non-Residential	\$0.51	\$0.54	\$0.56
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## **Right-of-Way Fee** (ROW)

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Residential, Multi-Family, Non-Residential	\$0.19	\$0.19	\$0.19
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# FY 2020 – FY 2022 Retail Rates and Fees

<b>per ERU (Equivalent Residential Unit)</b>	Approved (FY 2020)	Proposed (FY 2021)	Proposed (FY 2022)
<b>dc</b> <b>Clean Rivers Impervious Area Charge (IAC)</b>			
Residential, Multi-Family, Non-Residential	\$20.94	\$19.52	\$18.40
<b>***</b> <b>Stormwater Fee</b>			
Residential, Multi-Family, Non-Residential	\$2.67	\$2.67	\$2.67
<b>by meter size</b>			
<b>dc</b> <b>Customer Metering Fee</b>			
Residential (based on 5/8" meter)	\$3.86	\$4.96	\$7.75
Multi-Family, Non-Residential	varies by meter size		
<b>dc</b> <b>Water System Replacement Fee</b>			
Residential (based on 5/8" meter)	\$6.30	\$6.30	\$6.30
Multi-Family, Non-Residential	varies by meter size		

# Proposed Average Monthly Residential Water and Sewer Bill

(based on 5.42 Ccf consumption or 4,054 gallons)

	Current (FY 2020)	Proposed (FY 2021)	Proposed (FY 2022)	
 <b>DC Water Rates, Fees and Charges</b>	Water / Sewer Retail Rates	\$66.25	\$73.30	\$78.92
	Clean Rivers IAC	\$20.94	\$19.52	\$18.40
	Customer Metering Fee	\$3.86	\$4.96	\$7.75
	Water System Replacement Fee	\$6.30	\$6.30	\$6.30
	<b>DC Water Subtotal</b>	<b>\$97.35</b>	<b>\$104.08</b>	<b>\$111.37</b>
 <b>District of Columbia Charges</b>	PILOT	\$2.76	\$2.93	\$3.04
	Right-of-Way Fee	\$1.03	\$1.03	\$1.03
	Stormwater Fee	\$2.67	\$2.67	\$2.67
	<b>District Subtotal</b>	<b>\$6.46</b>	<b>\$6.63</b>	<b>\$6.74</b>
	<b>Total Bill</b>	<b>\$103.81</b>	<b>\$110.71</b>	<b>\$118.11</b>
Total Bill Percent Increase	<b>5.2%</b>	<b>6.6%</b>	<b>6.7%</b>	

Or, by taking full advantage of the **Lifeline Rate** and reducing consumption to 4 Ccfs, this Total Bill would decrease by approximately **19%**

# Customer Assistance Programs (CAP)

## **CAP**

Provides a discount on the first 400 cubic feet (3,000 gallons) of water, sewer, PILOT and ROW services used each month. Eligible households will receive a 75 percent reduction in the monthly CRIAC fee and a Water Service Replacement Fee waiver. The monthly discount is approximately \$77 a month.

## **CAP 2**

Provides a discount on the first 300 cubic feet (2,250 gallons) of water and sewer services used each month (with the exception of PILOT and ROW fees) and a 50 percent reduction in the monthly CRIAC fee. The monthly discount is approximately \$50 a month.

## **CAP 3**

Provides a discount of 75 percent off of the monthly CRIAC. The monthly discount is approximately \$15 a month.

# Customer Assistance Programs (CAP)

## **Emergency Residential Relief Program**

Eligible households may receive bill assistance up to \$2,000 as a one-time emergency benefit.

## **S.P.L.A.S.H. (Serving People By Lending A Supporting Hand)**

Provides one-time assistance. Administered by Greater Washington Urban League. Funded by donations from customers, community and DC Water employees.

## **Nonprofit Relief Program**

Assists eligible organizations with Clean Rivers Impervious Area Charge (CRIAC). Participants can receive credits of up to 90 percent of the CRIAC portion of their water bill.

For more information and to apply, visit [\*\*dcwater.com/CAP\*\*](https://dcwater.com/CAP)

# Proposed Average Monthly Residential Water and Sewer Bill

(based on 5.42 Ccf consumption or 4,054 gallons)

## Customer Assistance Program

	Current (FY 2020)	Proposed (FY 2021)	Proposed (FY 2022)
Less: CAP Discount (4 Ccf per month)	(\$50.60)	(\$55.96)	(\$60.08)
Water System Replacement Fee (WSRF)	(\$6.30)	(\$6.30)	(\$6.30)
Clean Rivers (IAC)	(\$10.47)	(\$14.64)	(\$13.80)
<b>Total Amount Appearing on Bill</b>	<b>\$36.44</b>	<b>\$33.81</b>	<b>\$37.93</b>
Increase / Decrease over prior year	\$0.90	(\$2.63)	\$4.12
<b>CAP Discount Percent of Total</b>	<b>-64.9%</b>	<b>-69.5%</b>	<b>-67.9%</b>

# Proposed Average Monthly Residential Water and Sewer Bill

(based on 5.42 Ccf consumption or 4,054 gallons)

## Customer Assistance Program 2

	Current (FY 2020)	Proposed (FY 2021)	Proposed (FY 2022 )
Less: CAP2 Discount (3 Ccf per month)	(\$35.85)	(\$39.78)	(\$42.81)
Clean Rivers (IAC) - 50% discount on CRIAC	(\$10.47)	(\$9.76)	(\$9.20)
<b>Total Amount Appearing on Bill</b>	<b>\$57.49</b>	<b>\$61.17</b>	<b>\$66.10</b>
Increase / Decrease over prior year	\$2.27	\$3.68	\$4.93
<b>CAP Discount Percent of Total</b>	<b>-44.6%</b>	<b>-44.7%</b>	<b>-44.0%</b>



# Proposed Average Monthly Residential Water and Sewer Bill

(based on 5.42 Ccf consumption or 4,054 gallons)

## Customer Assistance Program 3

	Current (FY 2020)	Proposed (FY 2021)	Proposed (FY 2022)
Less: CAP3 Discount Clean Rivers (IAC) 75% discount on CRIAC	(\$15.71)	(\$14.64)	(\$13.80)
<b>Total Amount Appearing on Bill</b>	<b>\$88.10</b>	<b>\$96.07</b>	<b>\$104.31</b>
Increase / Decrease over prior year	\$6.65	\$7.97	\$8.24
<b>CAP Discount Percent of Total</b>	<b>-15.1%</b>	<b>-13.2%</b>	<b>-11.7%</b>

# More Resources

Go to **[serviceinfo.dewater.com/comparison](https://serviceinfo.dewater.com/comparison)** to estimate the impact the proposed rates will have on your bill.

DC Water continues to work to increase transparency in ratemaking.

For more information, please see **[www.dewater.com/ratemaking-process](https://www.dewater.com/ratemaking-process)**.



**questions?**



**answers!**



# next steps

## Board of Directors Public Hearing

**Wednesday, August 5, 2020 at 6:30 p.m.**

**DC Water Headquarters**

**2nd Floor Board Room**

**1385 Canal Street, SE • Washington, DC 20003**

If you are not able to participate, you can submit comments  
on the rate proposals at **[Lmanley@dcwater.com](mailto:Lmanley@dcwater.com)**



**thank**

**you!**