



FY 2023 Approved Budget & Two-Year Rate Proposal

Adopted by the Board of Directors on March 3, 2022

District of Columbia Water and Sewer Authority



Blue Plains

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Executive Budget Summary

DC Water Budget Overview

FY 2022 - FY 2031 Capital Investments of \$6.4 billion

\$1.2 billion



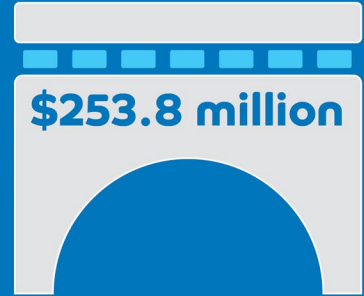
Fully funds DC Clean Rivers and other CSO projects to meet Consent Decree requirements



\$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

Continues investment in Water & Sewer infrastructure

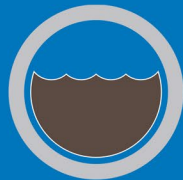


\$629.3M to remove all lead service lines by 2030



\$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

\$102.2 million



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



\$65 million

Improves stormwater pump stations to relieve local flooding

\$1.2 billion

Funds rehabilitation and upgrades at Blue Plains

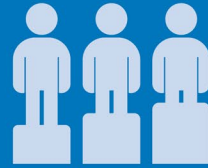


DC Water Budget Overview

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 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

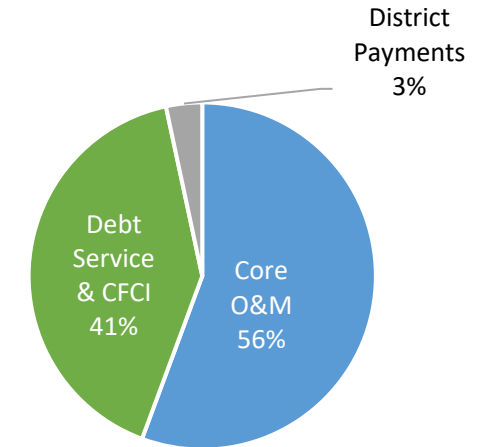
Operating Budget of \$686.4 million

- Operations and Maintenance (O&M) budget of \$382.0 million for personnel and non personnel
- Debt Service budget of \$234.7 million and Cash Financed Capital Improvements budget of \$46.7 million
- PILOT & ROW payments to the District of \$23.1 million

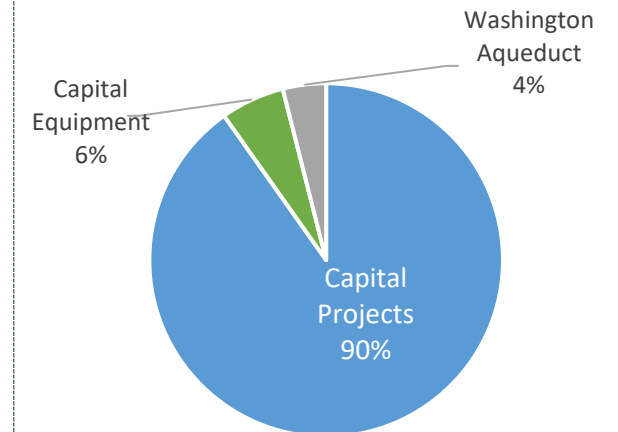
10-year Capital Budget of \$6.4 billion

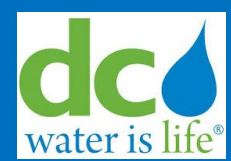
- Capital Projects – \$5.8 billion for mandated projects, equipment upgrades and rehabilitation at Blue Plains, and continues investments in the aging water and sewer infrastructure
- Capital Equipment – \$375.3 million for equipment including pumps, motors, meters, backhoes, jet-vacs, catch basin trucks and other aged vehicles to meet operational needs and information technology projects
- Washington Aqueduct (WAD) – \$253.8 million for DC Water’s share of WAD’s capital program improvements

FY 2023 Operating Budget



10-year CIP





Multi-Year Rate Proposal for FY 2023 and FY 2024

💧 Rates and charges that remain the same:

- Customer Metering Fee remains at \$7.75 for 5/8” meters
- Water System Replacement Fee (WSRF) at \$6.30 for 5/8” meters
- Right-of-Way Fee at \$0.19 per Ccf

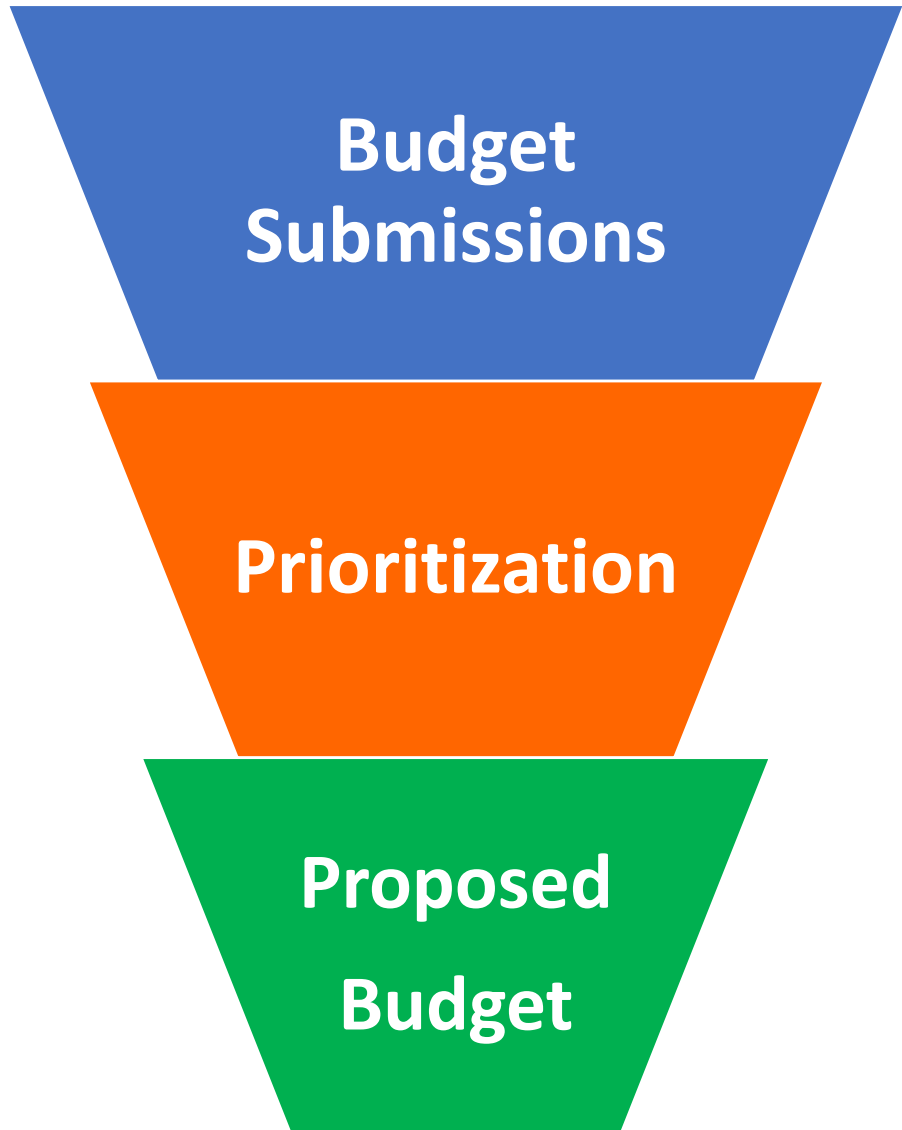
💧 Proposed rate changes:

- Water and sewer rates increase 9.50% for FY 2023 and 3.25% for FY 2024
- Proposed CRIAC of \$18.14 per ERU in FY 2023 and \$21.86 per ERU in FY 2024
- PILOT Fee for FY 2023 and FY 2024 will increase by \$0.03 and \$0.02 per Ccf respectively
- Proposed Groundwater Rate of \$3.42 for FY 2023 and \$3.50 for FY 2024
- Proposed High Flow Filter Backwash Sewer Rate of \$3.21 for FY 2023 and \$3.30 for FY 2024

💧 Cost of Service Study aligned with rate proposal

💧 Combined rate increases lower than last year’s forecast

Change in Average Household Charge	Fiscal Year	
	2023	2024
Recommendation	6.0%	5.4%
Previous Forecast	6.7%	8.8%



- DC Water's collaborative budget process helps ensure a decentralized approach that encourages ideas to be brought forward
- The process is guided by the themes and imperatives in Blueprint 2.0, our strategic plan
- Alternative operating and capital budget scenarios, risks and opportunities, and related rate impacts were evaluated by management
- Proposed budgets and rates are prioritized to balance what we ask from our customers with needs to deliver high quality water services in a safe, environmentally friendly, and efficient manner



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

Lifeline Rate

- Provides a discount to residential customers on the first 2,992 gallons used each month

CAP

- Provides monthly discounts to residential customers with household incomes less than \$129,000 (family of four)

One-Time Assistance

- SPLASH provides one-time emergency assistance to customers
- New programs for residential and multi-family customers

Payment Terms

- DC Water provides flexible payment terms for customers to get back on track



Seniors with incomes up to \$90,300 can qualify for discounts
(single family household)

CAP

60% SMI

\$82,538 (family of 4)

Discount on the first 400 cubic ft. of water and sewer services + 75% reduction in the monthly CRIAC fee + WSRF waiver

\$80/month discount

CAP2

80% AMI

\$103,200 (family of 4)

Discount on the first 300 cubic ft. of water and sewer services + 50% reduction in the monthly CRIAC fee

\$52/month discount

CAP3

100% AMI

\$129,000 (family of 4)

Discount of 75% off the monthly CRIAC fee

\$14/month discount

CRIAC Non-Profit Relief

District-funded program to assist Non-profit organizations with Clean Rivers Impervious Area Charge (CRIAC)

Emergency Assistance

- Up to \$2,000 per household
- District Funded

Residential Assistance

- Up to \$2,000 per household
- DC Water Funded

Multi-Family Assistance

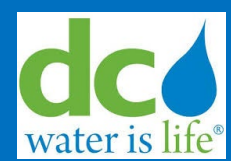
- Up to \$2,000 per household, 90% to tenant
- DC Water Funded

StayDC

- Additional assistance with utility bills
- DC Funded

Low-Income Household Water Assistance (LIHWAP)

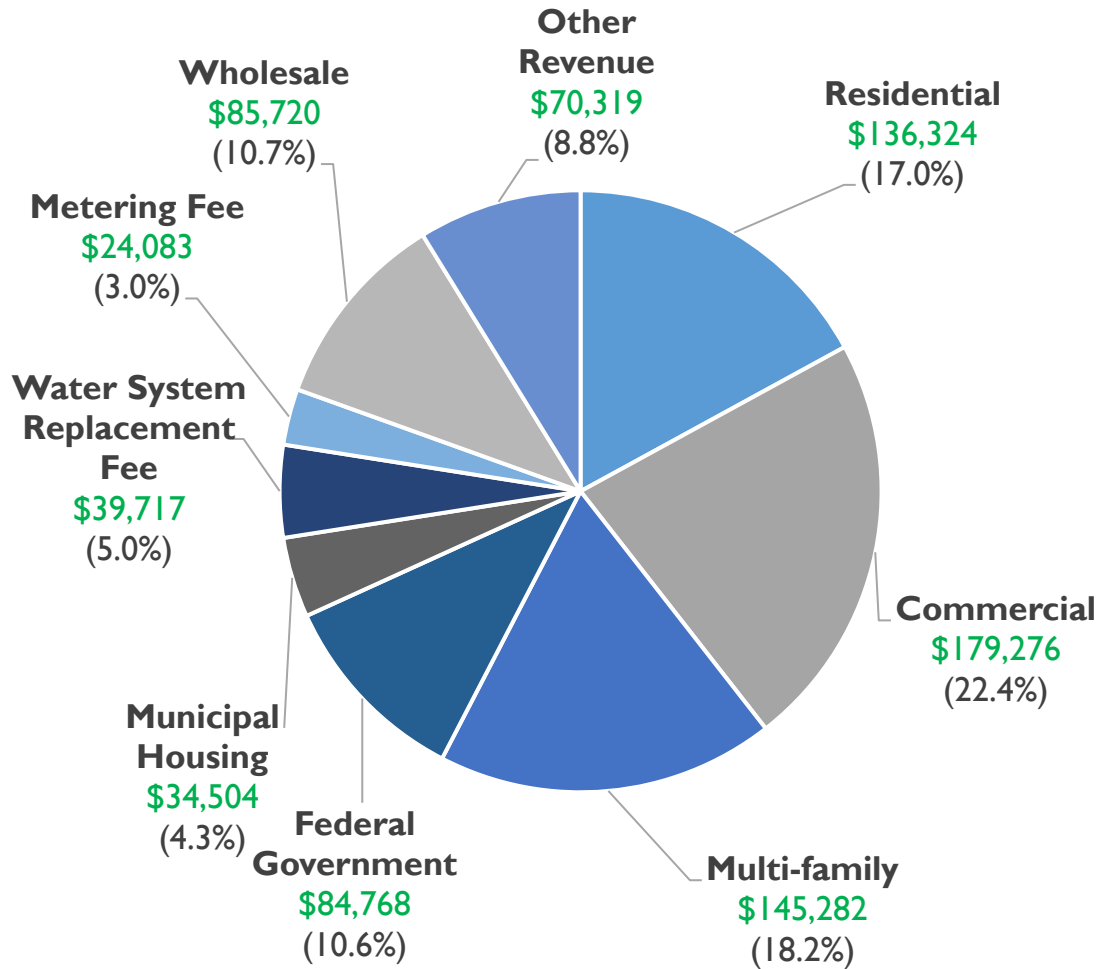
- Provides funds to assist households with water and sewer bills
- Federally Funded



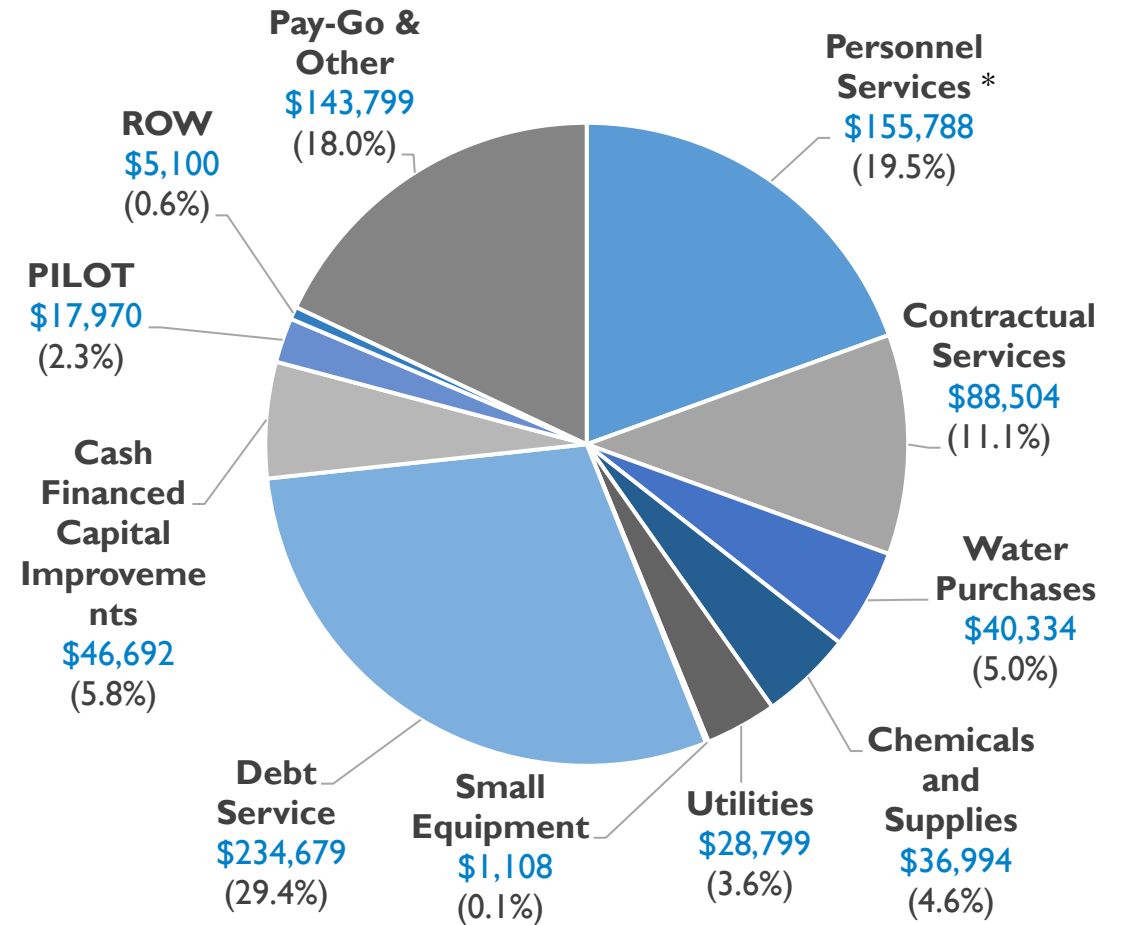
FY 2023 Operating: Sources and Uses of Funds

\$ in thousands

Sources - \$800.0 Million



Uses - \$800.0 Million

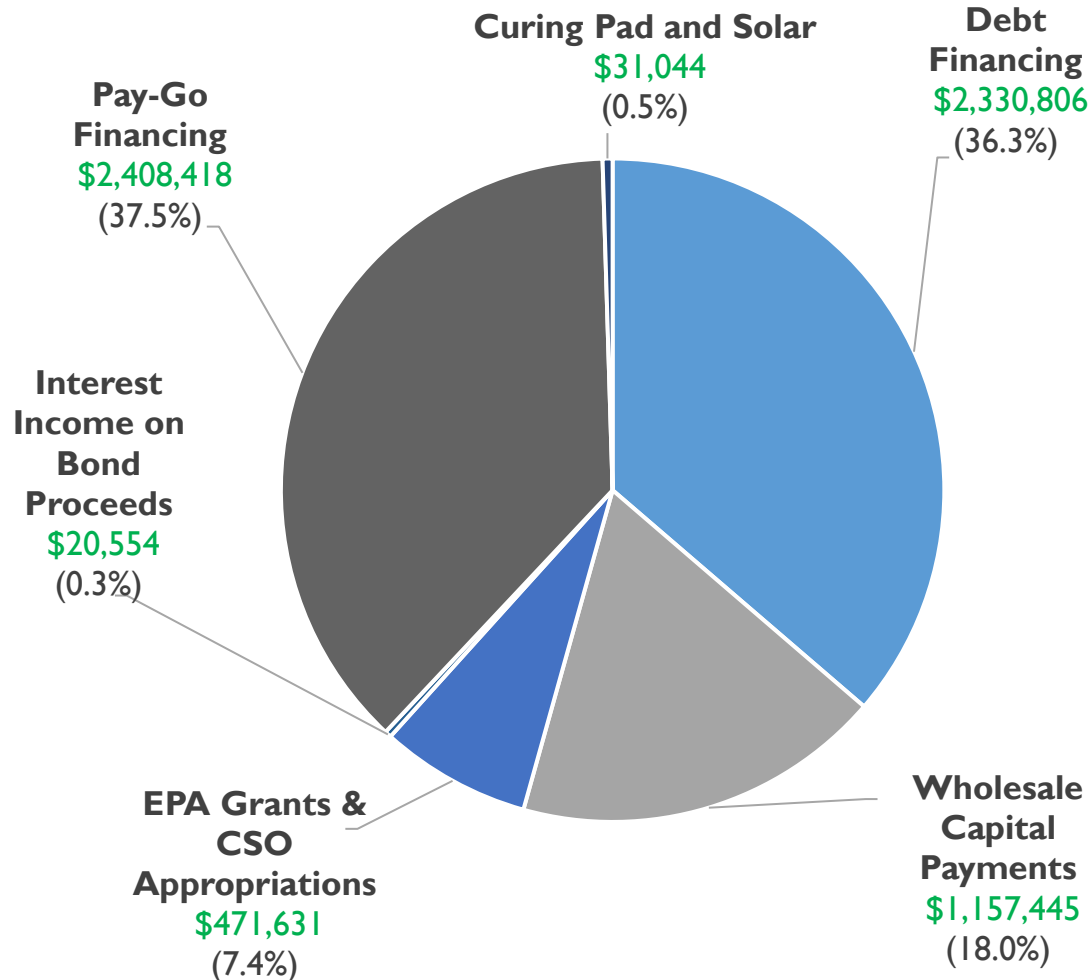


* Personnel Services excludes capital labor charges

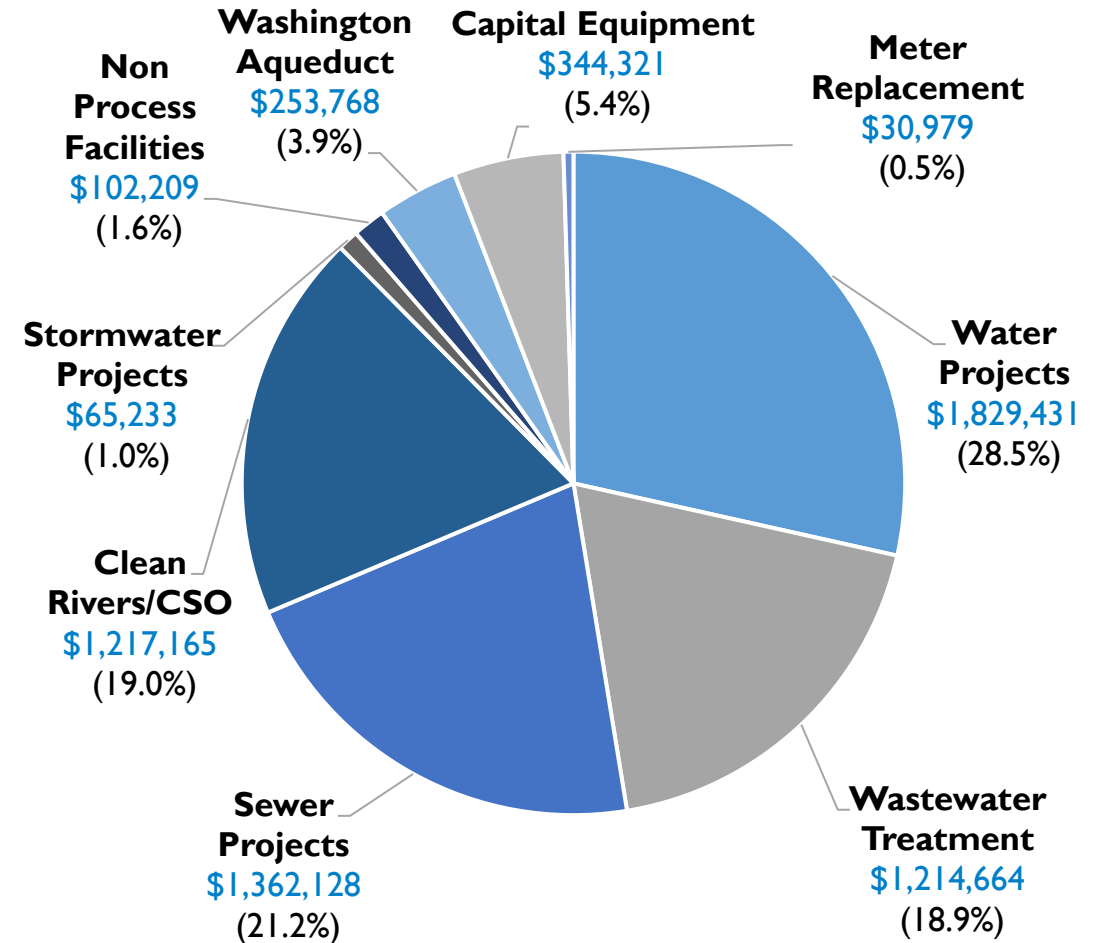
Ten Year CIP: Sources and Uses of Funds

\$ in thousands

Sources - \$6.42 Billion



Uses - \$6.42 Billion



Capital Improvement Program

\$6.4 BILLION ALLOCATED OVER THE TEN-YEAR PERIOD FOR INFRASTRUCTURE IMPROVEMENTS

- Budgets (\$629 million) for the removal of all lead service lines by 2030 by leveraging funds in the bi-partisan infrastructure package
- Aligns Clean Rivers program (\$232 million increase) to the consent decree modification for green and gray infrastructure
- Ramps up to 1.5% replacement for small diameter water mains per year, starting FY 2028
- Continues ramp up to 1.0% rehabilitation for small sewer lines per year in FY 2024 and beyond
- Invests \$1.2 billion over ten years for major rehabilitation and upgrades at Blue Plains
- Allocates \$102 million for non process facilities and Main & O redevelopment efforts
- Funds \$254 million for DC Water's share of the Washington Aqueduct's critical infrastructure needs with a \$22 million increase for 2023
- Advances funding (\$29 million) for innovation program initiatives to continue to improve operational efficiencies and/or generate new revenues
- Funds the purchase of vehicles and heavy-duty equipment, for a total of \$18 million over three years
- Provides funds (\$341 million) for the purchase/replacement of mechanical equipment, operational facilities, meters, office renovations, and IT projects



The Capital Improvement Program

- 💧 The **approved ten-year CIP budget of \$6.4 billion** includes previous amendments to the FY 2022 budget for the Lead Free DC program, carry-over of funds for the purchase of vehicles and projected increase in the Aqueduct's capital projects
- 💧 The **approved lifetime budget is \$13.4 billion** and covers total commitments, including labor, for active projects prior to, during, and beyond the ten-year window

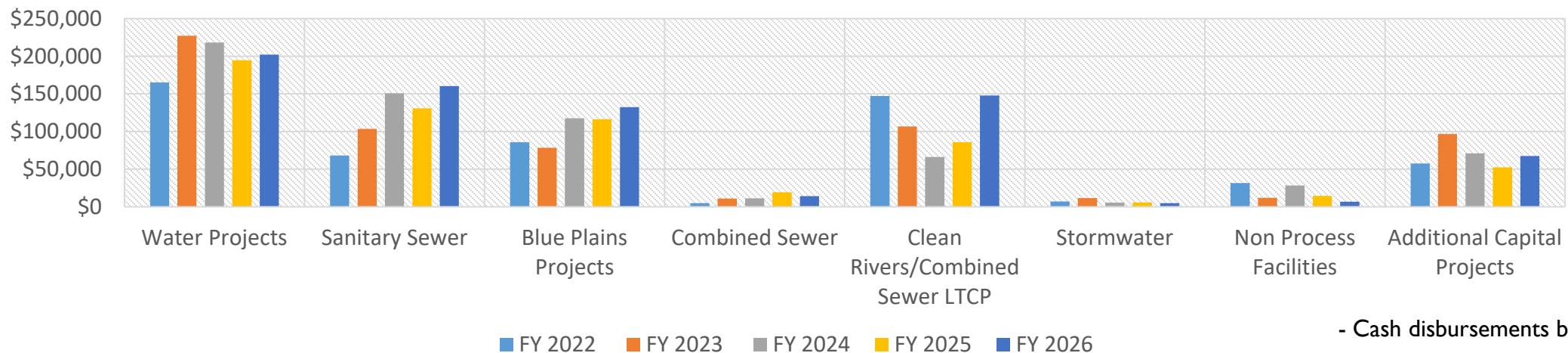
\$ in 000's	FY 2022 - 2031 CIP Disbursement Plan											Last Years 10-yr	(Increase)/ Decrease	Lifetime Budget
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-yr Total			
NON PROCESS FACILITIES	31,439	12,051	28,160	14,422	6,620	3,351	1,778	387	2,000	2,000	102,208	109,776	7,568	215,847
WASTEWATER TREATMENT	85,978	78,574	117,545	116,402	132,436	165,310	129,249	121,373	126,710	141,086	1,214,664	1,158,991	(55,673)	3,445,105
COMBINED SEWER OVERFLOW	152,267	117,704	77,304	105,185	161,941	171,760	220,123	153,173	51,403	6,306	1,217,166	1,122,976	(94,190)	3,216,072
STORMWATER	7,031	11,527	5,553	5,813	4,985	6,158	4,620	4,499	6,330	8,722	65,236	63,894	(1,342)	120,933
SANITARY SEWER	68,084	103,383	150,828	130,967	160,400	205,946	183,824	149,256	129,368	80,069	1,362,125	1,312,973	(49,152)	2,166,442
WATER	165,313	227,116	218,339	194,652	202,046	191,451	192,665	192,324	124,683	120,842	1,829,430	1,147,717	(681,713)	3,167,891
CAPITAL PROJECTS	510,112	550,355	597,728	567,442	668,428	743,975	732,259	621,011	440,494	359,025	5,790,828	4,916,327	(874,501)	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	336,036	(39,266)	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	180,125	(73,643)	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	516,161	(112,909)	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	5,432,489	(987,410)	13,377,458

	FY 2021	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
Prior Year Board Approved CIP	471,267	476,140	540,585	500,427	499,918	681,280	632,075	568,067	572,262	490,468	-	5,432,489	12,133,115
Delta (inc)/dec	471,267	(91,367)	(106,419)	(168,206)	(119,995)	(54,644)	(190,836)	(215,119)	(96,892)	(6,060)	(409,140)	(987,410)	(1,244,343)

- DC Water is proceeding with the increased investment in water and sewer projects over the next five years as we advance the LeadFree DC Program and approach the completion of the Clean Rivers tunneling program
 - Significant growth in water projects from \$165 million in FY 2022 to \$202 million by FY 2026
 - Spending on Lead Free DC Program will increase from \$57 million in FY 2022 to \$101 million by FY 2025
 - LeadFree DC Program accounts for 34% in FY 2022 and grows to 52% in FY 2025 of overall spending on water projects
 - Spending on sewer projects will more than double from \$68 million in FY 2022 to \$160 million by FY 2026
 - Clean Rivers program is anticipated at 26% of the overall CIP in FY 2022, but only 8% by FY 2030
 - Spending on an additional capital projects in FY 2023 is mainly for infrastructure improvements at the Aqueduct

\$ in thousands

Historical & Projected Capital Disbursements (FY 2022 - FY 2026)



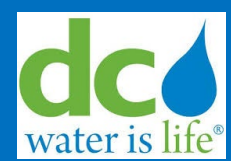
- Cash disbursements basis

Operating Expenditure Budget

APPROVED FY 2023 OPERATING BUDGET OF \$686.4 MILLION

- Adds 73 new positions to achieve greater efficiencies to support compliance, safety, data analysis, and other programs
 - Engineering and IT position insourcing costs are offset by reduced reliance on consultants
- Continues to invest \$0.5 million in the community by providing 14 jobs through the Apprentice program
- Allocates \$1.2 million to implement a new customer assistance program to repair property side leaks impacting water bills
- Achieves \$2.7 million in contractual services savings in FY 2023 compared to the forecast in the financial plan
- Continues \$0.7 million for the Backwater Valve Program for the installation of backwater valves on private properties in response to the September 10, 2020, storm event
- Funds \$1.3 million for the maintenance of the Green Infrastructure (GI) facilities to manage stormwater
- Adds \$3.3 million to expand various strategic programs such as government affairs coverage, Enterprise Risk Management, Diversity, Equity & Inclusion, organizational assessment and leadership programs
- Expands the budget for the Customer Assistance Program by \$0.5 million

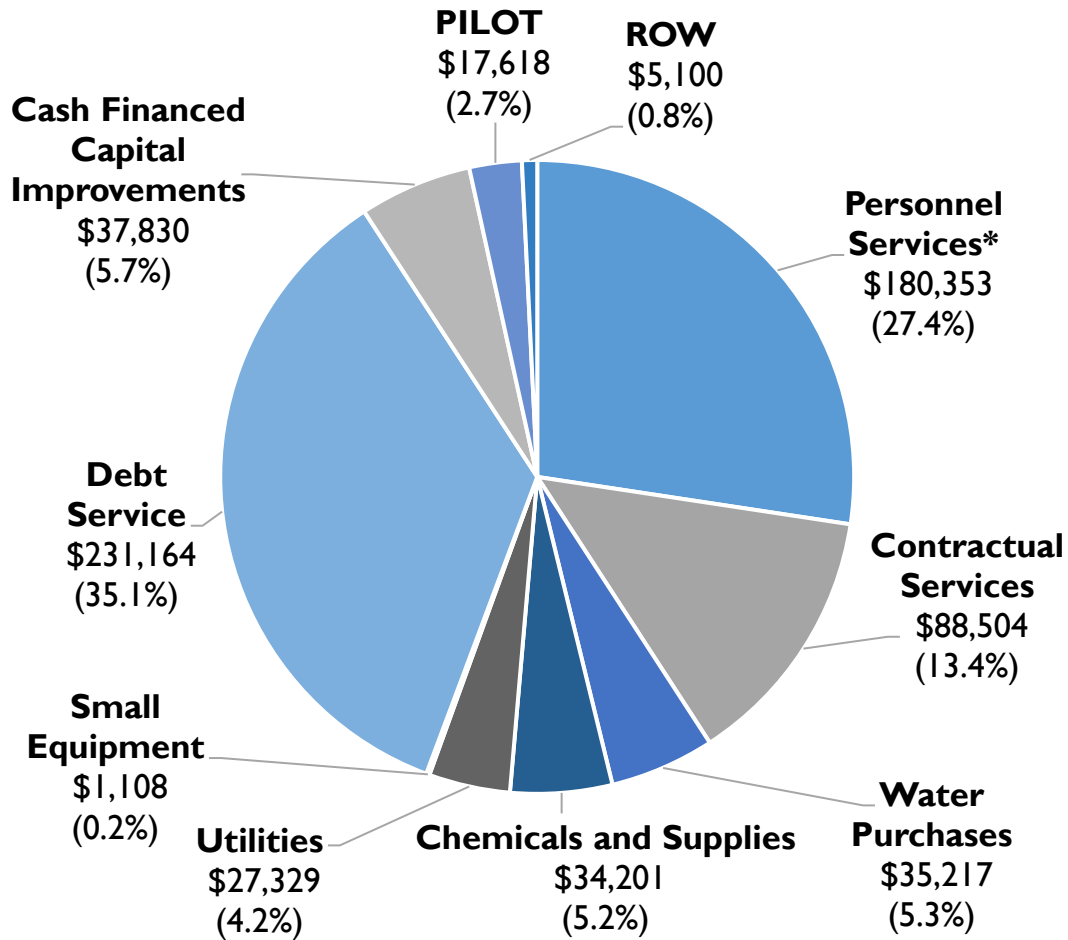




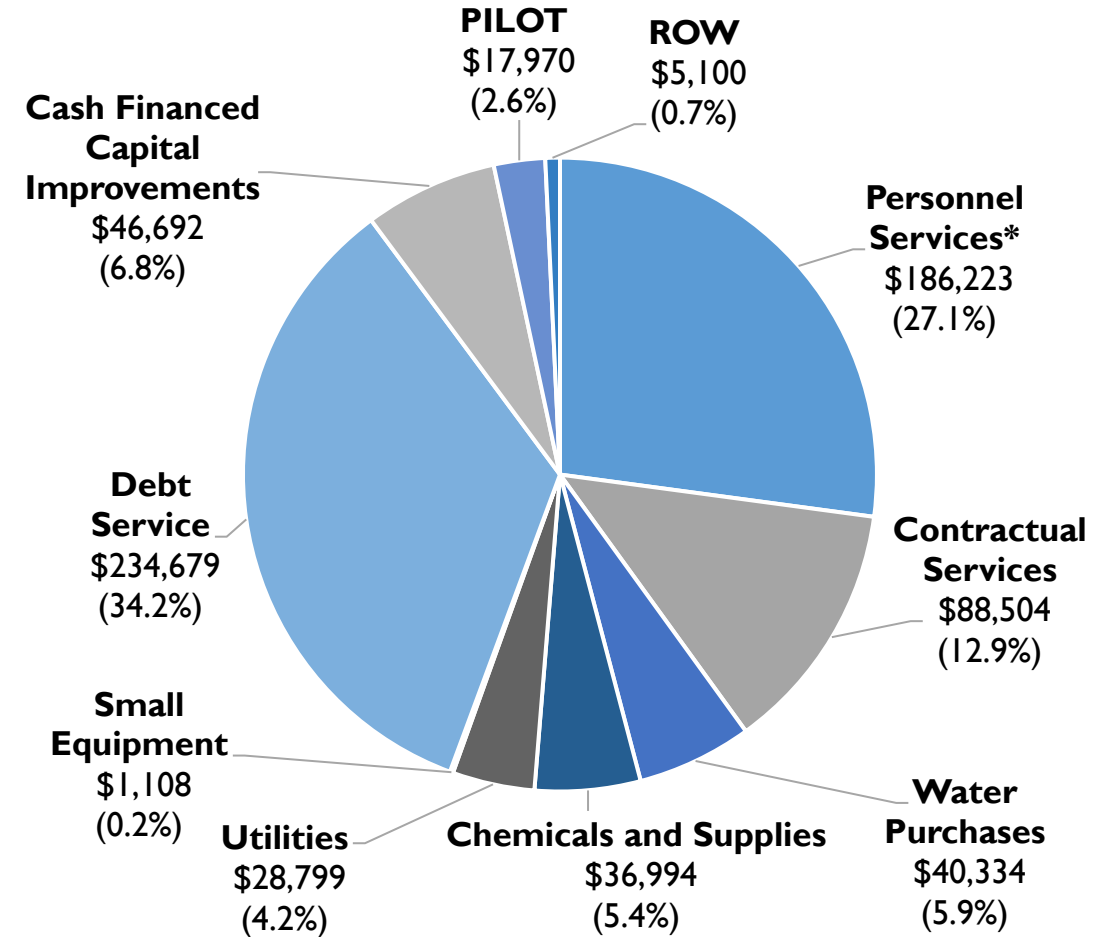
FY 2022 vs. FY 2023 Expenditure Budgets

\$ in thousands

Approved FY 2022 \$658,423



Approved FY 2023 \$686,403



* Personnel Services includes capital labor charges

- Total Operations & Maintenance expenditure is projected to increase by \$15.3 million or 4%
- Overall Operating Expenditure is projected to increase by \$28 million or 4%

(\$000's)	FY 2019		FY 2020		FY 2021		FY 2022		FY 2023		(Increase)/ Decrease		
		Actual		Actual		Actual	Approved	Approved	\$	%			
Regular Pay	\$	115,735	\$	116,494	\$	120,589	\$	132,173	\$	137,044	\$	(4,872)	-4%
Benefits		34,073		35,930		36,838		40,038		40,960		(923)	-2%
Overtime		8,171		6,820		7,606		8,143		8,218		(75)	-1%
Total Personnel Services		157,979		159,244		165,032		180,353		186,223		(5,869)	-3%
Chemical and Supplies		34,979		28,659		34,244		34,201		36,994		(2,793)	-8%
Utilities		25,778		24,705		27,329		27,328		28,799		(1,470)	-5%
Contractual Services		76,206		74,503		73,576		88,504		88,504		(0)	0%
Water Purchases		32,430		31,696		33,135		35,217		40,334		(5,117)	-15%
Small Equipment		731		806		617		1,108		1,108		(0)	0%
Total Non-Personnel Services		170,124		160,369		168,901		186,359		195,739		(9,381)	-5%
Total Operations & Maintenance		328,103		319,613		333,933		366,711		381,962		(15,251)	-4%
Debt Service		193,035		199,056		204,878		231,164		234,679		(3,515)	-2%
PILOT & ROW		21,702		22,034		22,372		22,718		23,070		(352)	-2%
Cash Financed Capital Improvements		26,999		28,556		30,355		37,830		46,692		(8,862)	-23%
Total Non-O&M		241,736		249,646		257,606		291,712		304,441		(12,729)	-4%
Total Operating Expenditure		569,839		569,259		591,539		658,423		686,403		(27,980)	-4%
Capital Labor Charges		(17,588)		(24,906)		(23,395)		(25,086)		(30,435)		5,349	-21%
Net Operating Expenditure	\$	552,251	\$	544,353	\$	568,144	\$	633,337	\$	655,968	\$	(22,631)	-4%

FY 2023 vs. FY 2022 Operating Budget Changes

- **Personnel Services** – \$5.9 million increase mainly for salaries and employee health benefits costs for 1315 FTEs. Includes partial funding for 73 new positions (to drive efficiency, expand programs and achieve savings) and provides funding for the career workforce advancement program for existing employees, apprenticeship program and Summer Internship Program. Overtime costs are relatively flat compared to the FY 2022 approved level
- **Chemicals & Supplies** – \$2.8 million increase in fixed costs for major chemicals (methanol, sodium bisulfite and ferric chloride) used in the wastewater treatment process and parts and supplies needed for the maintenance of equipment and various facilities
- **Utilities** – \$1.5 million increase mainly in electricity (and includes onsite electric generation of 6.5MW from the CHP) based on prevailing and projected market prices and increased water usage on the Plant
- **Water Purchase** – \$5.1 million increase reflects approximately 75% of the Aqueduct’s projected operating costs, including DC Water’s share of the McMillan Sewer backwash (\$3.3 million) with offsetting revenue opportunity
- **Contracts** – Relatively flat. DC Water continues to hold the line on its overall contractual services budget at \$88.5 million for the third consecutive year since the FY 2021 Board-approved levels
- **Small Equipment** – Budget is flat and is mainly for the purchase of small items such as office equipment, cameras, appliances and tools and rental of postage machines
- **Non O&M** - \$8.9 million increase in debt service costs, \$7.5 million increase in Cash Financed Capital Improvements (CFCI) for PAYGO and \$0.3 million for PILOT consistent with the MOU with the District

Operating Revenues, Rates and Fees

- DC Water recovers only the funds necessary to fund the Operating and Capital Budgets through rates
- One of the fastest growing expenditure category is debt service for the capital program, which has grown an average of 6.5% a year since 2016
- As part of the budget, DC Water presents the rates required to support the CIP and forecasted operating expenditures
 - Rates are reviewed and approved by the DC Water Board every two years
 - The financial plan, including the forecast of rates, is proposed to the Board for consideration
- Customer Assistance Programs provide discounts for residential customers
 - Income requirements for those programs every year
 - In FY 2021 the discount was increased for customers in the CAP program to ensure that rates comprised a lower portion of household income

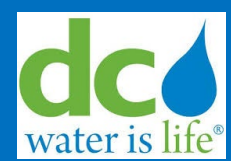


Proposed Operating Revenues, Rates and Fees

- Combined rate increases are lower than forecasted from last year - decrease from 6.7% to 6.0% for FY 2023 and 8.8% to 5.4% for FY 2024
 - *Holding the line on operating costs and achieving debt service costs means we can ask less from our customers*
- Customer Assistance Programs budget enhanced by \$0.5 million to support increased program participation
- DC Water Cares (MAP and RAP) extended into FY 2022
- Customer Metering Fee and Water System Replacement Fee (WSRF) remains the same
- Proposed CRIAC of \$18.14 per ERU in FY 2023 and \$21.86 per ERU in FY 2024
 - Continues the CRIAC “shift” - 37% of Clean Rivers costs are allocated to the sewer volumetric date
- Water and sewer rates increase of 9.50% for FY 2023 and 3.25% for FY 2024

- 💧 DC Water conducts Cost of Service Study every two-years to fully align the study with the multi-year rate proposal
 - Objectives of the COS Study: (i) Revenue Sufficiency, (ii) Cost of Service Recovery, (iii) Simplicity and (iv) Affordability
 - The results of the 2022 COS Study support the multi-year rate, charges and fee proposals for FY2023 and FY2024
- 💧 Independent Review of the Proposed FY2023 and FY2024 Rates was conducted by consultants
 - The review concluded that the rates have been reasonably developed, reflect the anticipated revenue requirements of the System, adhere to Board policy and are comparable to other utilities
 - The affordability assistance provided by DC Water is robust compared to other utilities, providing a meaningful impact on a customer bill
- 💧 Detail information on the Proposed Rates, COS Study, and Independent Review can be found at:

<https://www.dewater.com/ratemaking-process>

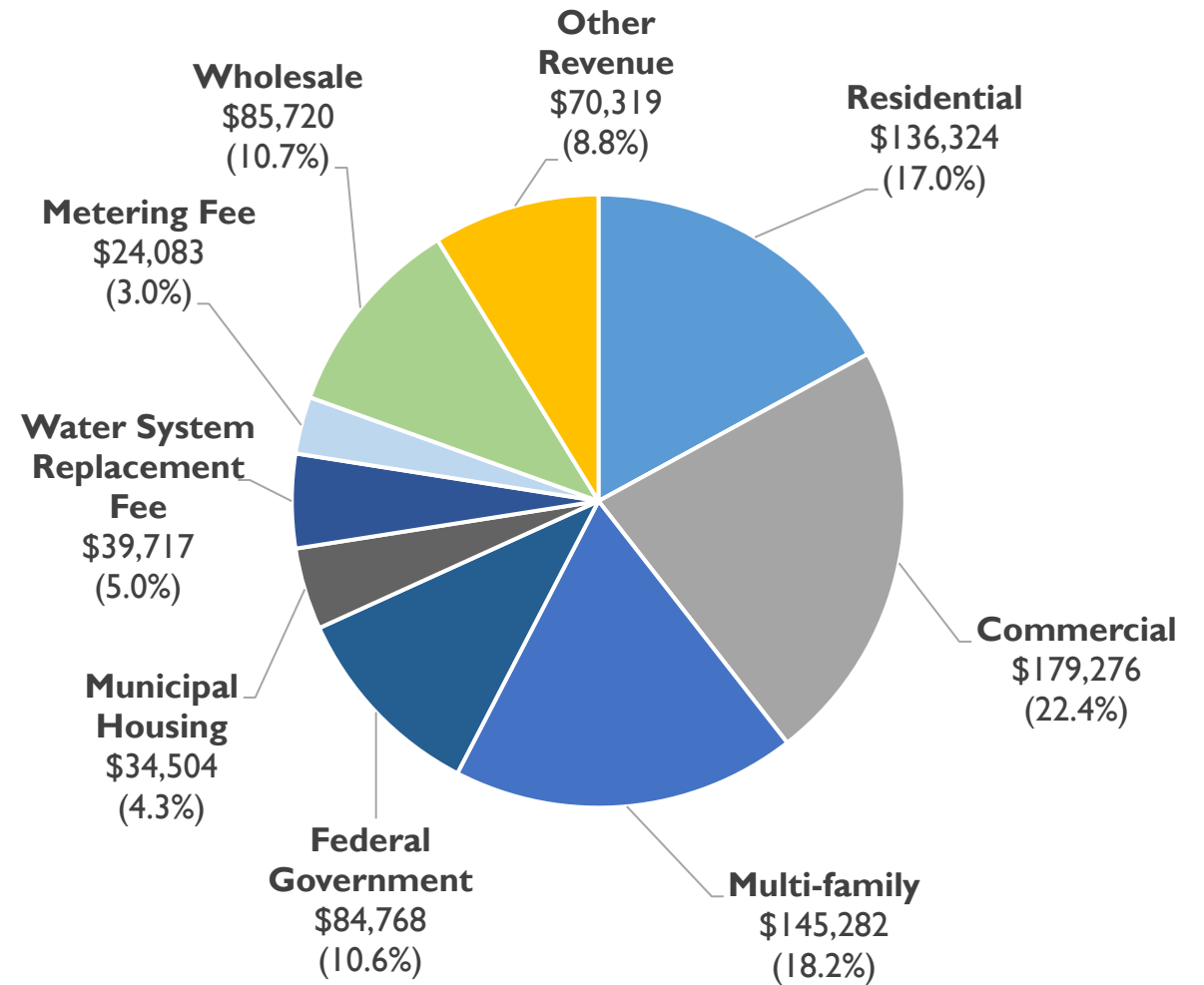
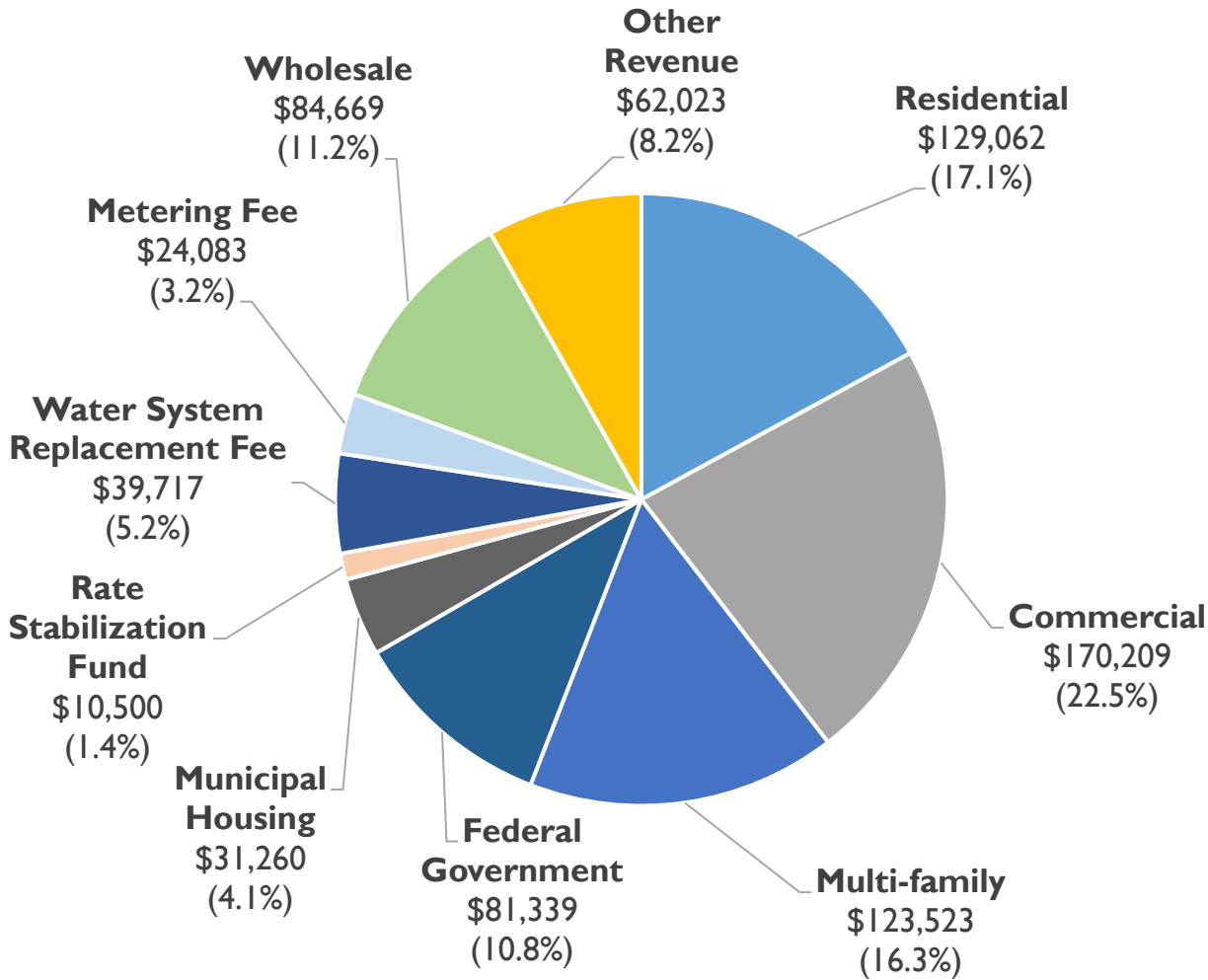


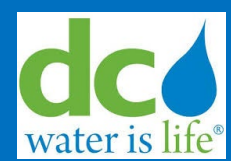
FY 2022 vs. FY 2023 Operating Revenues

\$ in thousands

Adopted FY 2022 \$756.4 million

Proposed FY 2023 \$800.0 million



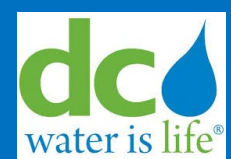


Revenue Comparison by Customer Class

- Total revenue is projected to increase by \$43.6 million or 5.8% for FY 2023 and \$27.7 million or 3.5% for FY 2024 mainly due to rate increases
 - *Retail Revenue* – Increase by \$44.8 million or 7.5% in FY 2023 and \$22.0 million or 3.4% in FY 2024
 - *Wholesale Revenue* – Increase by \$1.1 million or 1.2% in FY 2023 and increase by \$3.4 million or 4.0% for FY 2024 mainly due to 3.0 percent escalation. Revenue estimates are based on most recent flow data

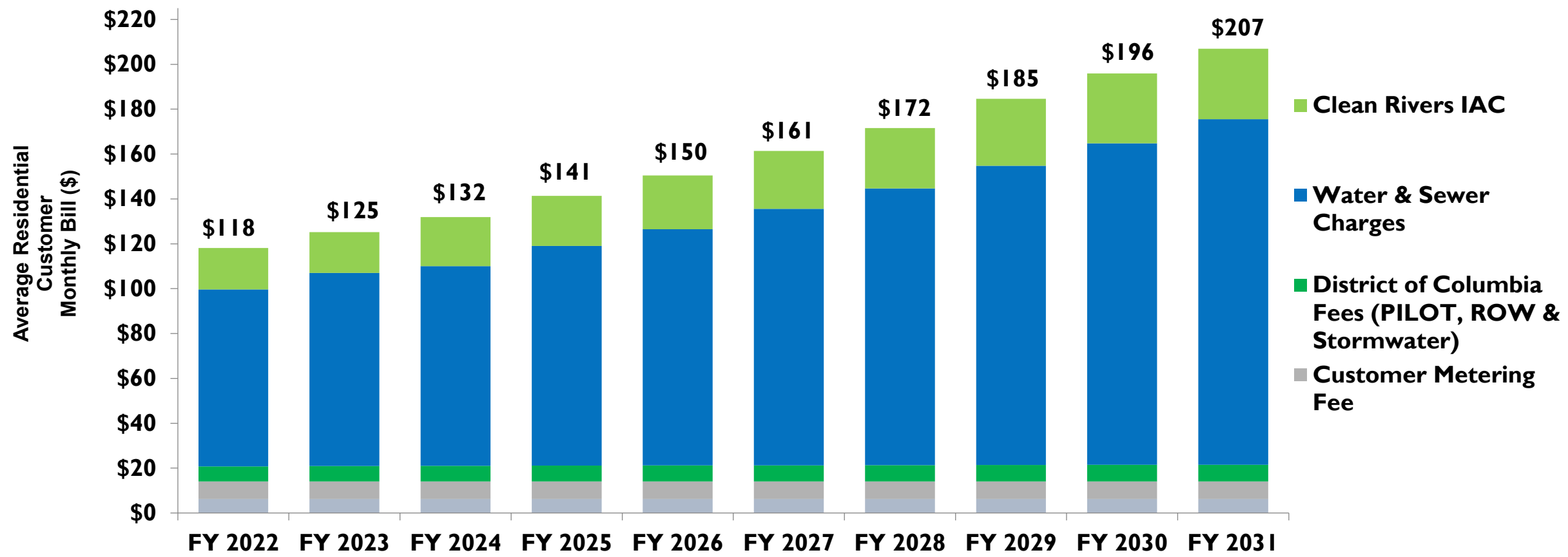
\$ in thousands	Approved FY 2022	Proposed FY 2023	Proposed FY 2024	FY 2023 vs FY 2022		FY 2024 vs FY 2023	
				Incr/(Decr)		Incr/(Decr)	
				\$	%	\$	%
Retail Revenue	\$599,193	\$643,954	\$665,949	\$44,761	7.5%	\$21,995	3.4%
Wholesale Revenue							
Potomac Interceptor (PI)	3,547	3,547	3,547	-	0.0%	-	0.0%
Loudoun County Sanitation Authority (LCSA)	6,897	7,409	7,724	512	7.4%	315	4.3%
Washington Suburban Sanitary Commission (WSSC)	59,049	60,599	63,109	1,550	2.6%	2,510	4.1%
Fairfax County*	15,176	14,165	14,762	(1,011)	-6.7%	597	4.2%
Total Wholesale Revenue	\$84,669	\$85,720	\$89,142	\$1,051	1.2%	\$3,422	4.0%
Other Revenue	62,023	70,319	72,614	8,296	13.4%	2,295	3.3%
Rate Stabilization Fund	10,500	-	-	(10,500)	-100.0%	-	0%
Total Revenues	\$756,385	\$799,993	\$827,705	\$43,608	5.8%	\$27,712	3.5%

* The reduced revenues for Fairfax reflects decrease in percentage flow in 2021 (9.16%) as compared to 9.78% that was used in FY22 approved budget last year. Most recent flow that is available at the time of preparing the projections is used to estimate revenue. However, actual costs will be distributed, and revenues recouped using actual flows for FY 2023 and FY 2024.



Projected Average Residential Customer Bill

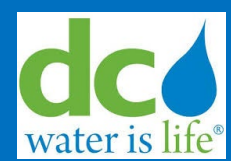
Projected average monthly residential customer bill ranges from \$118 in FY 2022 to \$207 in FY 2031



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

Financial Plan

Metrics	Indenture Requirement	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	—	—	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)	—	—	—	



Ten-Year Financial Plan

\$ in thousands

OPERATING	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Retail*	\$ 622,165	\$ 667,024	\$ 689,378	\$ 735,355	\$ 778,670	\$ 830,705	\$ 879,018	\$ 939,516	\$ 991,672	\$ 1,041,654
Wholesale*	84,669	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	59,895
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	(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)	-	-	-	-	-	-	-
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	7.8%	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 transfer of \$0.0 million to Rate Stabilization Fund and \$0.0 million utilization will keep the total fund balance at \$35.644 million.

Public Outreach and Public Information

- 💧 DC Water will hold multiple virtual Town Hall Meetings in early April, in advance of the public hearing, to:
 - Inform customers about the proposed FY 2023 and FY 2024 rates
 - Discuss the Capital Improvement Program, and
 - Promote all of the existing customer assistance programs

- 💧 The meetings will be widely publicized through numerous channels, including:
 - Councilmember Offices
 - Advisory Neighborhood Commissions (ANCs)
 - DCWater.com website
 - Twitter, Facebook and Instagram
 - Nextdoor
 - Paid digital and print advertising

- Rates and Impervious Area Calculators are available on DC Water website to understand the approximate impact of the Proposed FY2023 and FY2024 rates on your monthly bill

Enter Values from Bill

Customer Type:

Meter Size:

Monthly Consumption:

Premise ERUs:

FY 2022 SAMPLE BILL

Meter Number	Meter Size	Prior Read Date	Current Read Date	Number of Days	Prior Read	Current Read	Usage (CCF)	Usage (Gallons)	Read Type
	5/8"	12/21	1/2/22	31	20,117	20,493	3.76	2812.48	ACT

BILL SUMMARY		CURRENT CHARGES - RESIDENTIAL	
Bill Date	1/4/22	Metering Fee 5/8"	\$7.75
Previous Balance	\$89.00	Water System Replacement Fee 5/8"	\$6.30
Payments as of 1/4/22	\$89.00	Water Services 3.76 CCF X \$3.63	\$13.65
Outstanding Amount Due	\$0.00	Sewer Services 3.76 CCF X \$10.64	\$40.01
Other Charges and Credits	\$0.40	Clean Rivers IAC 1.00 ERU X \$18.40	\$18.40
Current Charges	\$91.60	DC GOVERNMENT FEES	
Total Amount Due by 1/29/22	\$92.00	DC Government PILOT Fee 3.76 CCF X \$0.56	\$2.11
		DC Government ROW Fee 3.76 CCF X \$0.19	\$0.71
		DC Govt Stormwater Fee 1.00 ERU X \$2.67	\$2.67
		Total Current Charges	\$91.80
		OTHER CHARGES AND CREDITS	
		SPLASH One Time	\$0.40
		Total Other Charges and Credits	\$0.40
		TOTAL CURRENT BILL	\$92.00

FY 2022 SAMPLE BILL

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

Complete Budget Briefing available online at <https://www.dewater.com/ratemaking-process>

Ratemaking Process

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

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

IN THIS SECTION

- [FY 2023 Proposed Budget](#) >
- [FY 2022 Adopted Budget](#) >
- [FY 2021 & FY 2022 Approved Rates](#) >
- [Budget and Rate Review Documents](#) >

OTHER LINKS & DOCUMENTS

Online Tools

- [Rate Comparison Tool](#)
- [Impervious Area Calculator](#)

Budget and Rate Review Documents

Date	Title
January 25, 2022	Joint DC Retail Water & Sewer Rates and Finance & Budget Committees Proposed FY 2023 Budget & Two-Year Rates
January 20, 2022	Environmental Quality and Operations Committee Proposed FY 2022 - FY 2031 Capital Improvement Program
January 6, 2022	Budget Workshop with the Board FY 2023 Proposed Budget
December 14, 2021	Finance and Budget Committee Overview of Operating Budget Drivers & Rate Increases