



DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY

Board of Directors

1385 Canal Street SE, Washington, DC 20003

Wednesday, May 11, 2022
6:30 p.m.

Microsoft Teams meeting

Join on your computer or mobile app

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Or call in (audio only)

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Phone Conference ID: 148 564 073#

PUBLIC HEARING ON
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

AGENDA

- 1. Call to Order.....Rachna Bhatt, Vice Chairperson
- 2. Roll Call.....Linda Manley, Board Secretary
- 3. Opening Statement.....Rachna Bhatt, Vice Chairperson
- 4. CEO's TestimonyDavid Gadis, CEO/General Manager
- 5. DC Water Management PresentationMatthew Brown, CFO
 - 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
- 6. Presentation by Independent Consultant..... Amawalk Consulting
 - Independent Review of the Proposed Rates, Charges and Fees for FY 2023 and FY 2024
- 7. Public Witnesses
 - Pre-registered Speakers
 - Other comments (time permitting)
- 8. Closing Remarks.....Rachna Bhatt, Vice Chairperson
- 9. Adjournment.....Rachna Bhatt, Vice Chairperson



**STATEMENT OF RACHNA BATT
BOARD OF DIRECTORS
DISTRICT OF COLUMBIA WATER AND SEWER
AUTHORITY**

**MAY 11, 2022 6:30 P.M. (VIRTUAL)
1385 CANAL STREET, SE
WASHINGTON, DC 20003**

Good evening, my name is Rachna Bhatt and I am the Vice Chairperson of the DC Water Board and Chair of the DC Retail Water and Sewer Rates Committee. I have served as a member of the DC Water Board of Directors since 2012 and I am delighted to chair this evening's public hearing on the proposed fiscal years 2023-2024 rate adjustments.

I believe strongly in full transparency of the processes at DC Water and my fellow board members were heartened to learn that despite the pandemic, DC Water staff were able to still engage hundreds of District of Columbia residents and customers through the recent series of town hall meetings, rate adjustment briefings and community outreach events throughout the District.

Moreover, DC Water staff organized special online briefings for the business community, our nonprofit partners who assist us and the constituent services representatives of the DC Council and the Mayor's Office.

Those town halls and targeted outreach display a sincere level of participation and speaks well to the determined movement to engage District residents and businesses in our rate setting process.

While the pandemic has impacted the global economy, we have not escaped its impacts closer to home. Water consumption and revenue at DC Water is down, a result of people

staying home and so many businesses, hotels, offices, restaurants, and sports arenas not being at full capacity. As a result, DC Water has worked diligently to contain costs.

Yet the needs of the system are great. We have an obligation to provide the District with reliable water and wastewater services and unless we make critical investments in the infrastructure, failure is the likely outcome.

Our hearing tonight is to review comments on the proposed FY 2023 and FY 2024 retail customer rates, charges, and fees and then to make a recommendation to the full Board on any changes.

Our Board undertakes this process every two years, or whenever we adjust rates.

Following this hearing, the board will vote in July on this proposal amending rates, which will take effect starting October 1, 2022, and the following year on October 1, 2023. Once complete, the full schedule will be posted on the DC Water website and shared broadly with the community.

Joining me this evening are Board members XXXX.

Board Secretary will you please call the roll to establish the required quorum for tonight's hearing.

(Ms. Manley calls roll)

For the record, DC Water was established by the Council of the District of Columbia in 1996 as an independent authority with a separate legal existence apart from the District Government. DC Water operates the world's largest advanced wastewater treatment plant at Blue Plains and provides water and sewer services to all residents, visitors, institutions and businesses in the District of Columbia. 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. Our drinking water comes from the Potomac River.

All of the proposed changes to our rates were published in the D.C. Register, were announced via social media and traditional media and shared broadly with community groups and other stakeholders, including all ANCs and of course shared with the mayor and the DC Council.

I want to commend the staff at DC Water for working hard to share these rates proposals with the general public.

And I want to take this moment to remind the public that among our many goals for the environment of the District of Columbia is making the Anacostia River safe once again for swimming.

Reducing combined sewer overflows as part of the Clean Rivers project is the single most important set of steps in that direction and I'm proud to be involved with it. The legacy of our work protecting the District's waterways will be enjoyed by our children and their children.

D.C. Water is a non-profit, essentially an agency of the DC government. Unlike for-profit utilities, we raise only the amount of money we need to carry out our mission – not a penny more. We are proposing in this new budget to continue and in fact expand our customer assistance programs and we're proud of the various ways we help customers afford water service.

Before we begin and hear from the public and DC Water's management, I will review the ground rules for this hearing:

- Individuals presenting testimony have up to five (5) minutes to speak.

- Representatives of an organization or group have a total of ten (10) minutes to address this committee.
- Those testifying should clearly state their name, name of organization (if any) and their address.
- Witnesses representing an organization should give a brief description of the organization, its services, and its location.

Please keep in mind that we are here to listen to comments only on new rates. If there are individual questions or concerns about a particular service or billing matter, management and staff are here to talk with you after the public hearing.

The Board gives equal consideration and weight to written comments that will be reviewed as we receive them. Written comments can be submitted to the Office of the Board Secretary, DC Water, 1385 Canal Street, SE, Washington, DC 20003. You may also e-mail comments to lmanley@dcwater.com.

The Board will accept and consider comments until May 16, 2022.

A final decision on the proposed rate increases will be made by only the members of the Board who represent the District of Columbia at the Board's regularly scheduled meeting.

DC Water CEO David Gadis will provide his testimony. Matthew Brown, the Authority's Chief Financial Officer, will give his presentation on the proposed rate adjustments and then we will hear a presentation from our independent financial consultant regarding the FY 2023 and FY 2024 rates. Afterward, we will hear public comments on the proposal. Individuals who pre-registered will speak first and time permitting we will hear from others here tonight who wish to testify.

CLOSING:

Everyone on this virtual meeting is aware of how challenging it is to discuss rate increases in the context of an ongoing pandemic. This board does not take any changes to rates or customer assistance lightly. As always, this Board will weigh the pros and cons of any changes carefully and deliberatively before taking any action.

At the end of the day, we are making decision about funding the authority for the next 24 months and without regular investment DC Water will not be able to deliver the best possible level of service to the residents and visitors of the District of Columbia.

Thank you for attending tonight's public hearing.



**STATEMENT BY DAVID L. GADIS
CHIEF EXECUTIVE OFFICER AND
GENERAL MANAGER
DISTRICT OF COLUMBIA WATER AND
SEWER AUTHORITY**

**MAY 11, 2022 6:30 P.M. (VIRTUAL)
1385 CANAL STREET, SE
WASHINGTON, DC 20003**

Good evening, Board members and members of the community who are joining us virtually tonight. My name is David L. Gadis and I have spent almost four years leading DC Water, one of the finest and most innovative water authorities in the world.

At DC Water, our values of Accountability, Trust, Teamwork, Customer Focus, Safety, and Well-being guide our decision making and reflect our culture. These values are what enable us to deliver on our vision and mission for the communities we serve to exceed expectations by providing high quality water services in a safe, environmentally just, and efficient manner.

Providing safe drinking water and cleaning our city's wastewater is no minor undertaking. Our team manages a range of challenges beyond simply treating and delivering water. One of the most significant of which is addressing our city's aging infrastructure.

DC Water is keeping your water safe and protecting you and your family, and we also go the extra mile to safeguard public health during the pandemic and protect the environment, all while trying to keep water affordable.

Since early 2022, DC Water has held more than 20 meetings including Board, Committees and town hall gatherings on virtual platforms. While there is still a pandemic outside, inside we are committed to working with complete transparency and in a way where the public can still observe and participate in every aspect of our deliberations.

Our proposal to the Board tonight seeks to increase rates by 6 percent in Fiscal Year 2023 and by 5.4 percent in Fiscal Year 2024. That is about a \$7 increase in a DC resident's average monthly bill.

As you will hear throughout the presentations this evening, DC Water is doing as much as we possibly can to ensure we are providing safe, affordable water to you and your families. While these efforts are absolutely necessary to foster a safe and healthy community, they are also very expensive.

We understand that we are predominantly customer-financed, and that the bill payments you provide us represent money that is coming out of your pocket. For that reason, we do everything within our power to maximize efficiency, and keep our rates as low as possible, without ever compromising on safety.

We only select projects that are absolutely necessary to meet this standard, and we find every possible way to reduce costs before ground is broken.

Further, we work to secure funding for projects at the lowest possible interest rates, and pursue grants instead of loans wherever available and we refinance our debt whenever possible to reduce the amount of money we are paying in interest.

The 6 percent rate increase that I have proposed for the average household to our Board was not a decision that I made lightly.

This entire city and region is laboring under the economic and social impacts of the pandemic, and asking the 700,000 residents of the District to pay more for services this fall is not something I relish doing.

But, I am proud to provide our residents with some of the most expansive and progressive range of customer assistance programs in the country. Our wide range of assistance options includes: one-time emergency assistance, payment plans for past due balances, and ongoing discounted rates.

We even have discounts for renters whose water bills are not in their name - something that very few utilities around the country are able to provide. In fact, this past year we provided over \$9.4 million in customer assistance to over 12,050 residential, multi-family and

commercial accounts, offering much-needed relief to our residents with the greatest level of need, and ensuring that residents have the tools they need to access our high quality water services.

DC Water remains committed to supporting the economic prosperity and resilience of the District by investing in our priorities of ensuring customers have access to assistance for water and sewer utilities, replacing lead service lines, completing the DC Clean Rivers program in 2030, and modernizing the water, wastewater, and stormwater systems in the District.

Thank you for your time and I look forward to hearing from our witnesses. I'm now turning the presentation over to Matthew Brown, our Chief Financial Officer, who will provide more details of the proposed rates.



Proposed FY 2023 and FY 2024 Rates, Charges and Fees

Public Hearing, May 11, 2022

District of Columbia Water and Sewer Authority





Purpose

💧 Present proposed rate adjustments





DC Water

💧 The proposed rate adjustments support and are consistent with DC Water's:

- Values
- Strategic Plan
- Mission to deliver safe and affordable service





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%



Healthy, Safe, and Well

Is everybody we impact healthy, safe and well?



Healthy Safe, and Well

- Our mission is to exceed expectations by providing high quality water services in a safe, environmentally friendly, and efficient manner
- Rates support personnel, non-personnel, and infrastructure costs to deliver water to customers and to treat wastewater
 - \$186.2 million to support salary and benefits for employees
- Plan includes:
 - removal of all lead lines by 2030
 - completion of the mandated Clean Rivers program in 2030



Reliable

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



Reliable

- Rates support efforts to deliver reliable service that is safe and affordable
- Projects prioritized with an asset management approach that considers consequence and likelihood of failure
- Plan includes
 - ramp up to 1.5% replacement rate for small diameter water mains in 2028, and 1% rehabilitation for small sewer lines in 2024
 - \$1.2 billion investments in Blue Plains for upgrades and rehabilitation of major process equipment to comply with permit requirements
 - \$253.8 million investments for DC Water's share of critical infrastructure needs at the Washington Aqueduct



Resilient

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



Resilient

- 💧 Plan includes projects that improve resilience like rehabilitation of stormwater pumping stations
- 💧 Financial targets and conservative budgeting to maintain high bond ratings that are, in part, recognition of DC Water's ability to confront and respond to challenges
 - Board-approved financial metrics establish minimum coverage and days of cash requirements that help ensure DC Water can confront challenges as we deliver safe and affordable service
 - Despite \$24.2 million revenue loss in FY 2022 and the more than 136% increase in customer delinquencies, DC Water maintained its bonds ratings and completed \$400 million bond transaction
 - Upcoming challenges include rising interest rates and chemical and energy cost pressures
- 💧 Management target of limiting percent of revenue spent on debt service helps ensure that there is financial capacity to deal with unforeseen challenges



Financial Metrics

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)	—	—	—	





Sustainable

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



Sustainable

💧 Plan includes:

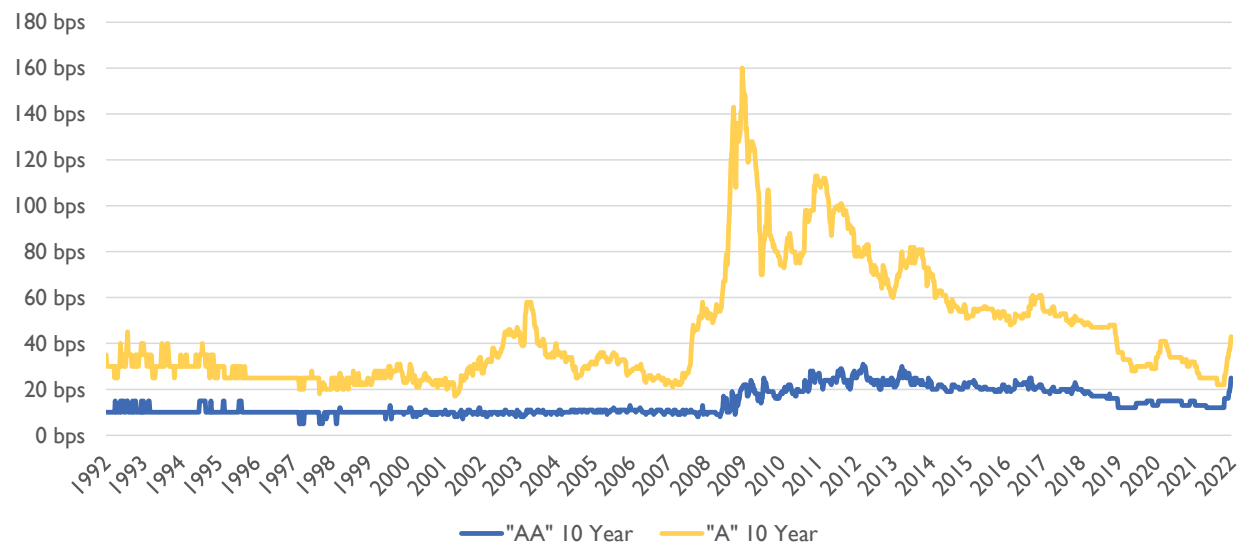
- Investing in solar projects that will generate revenue and provide power
 - Marketing of Bloom
 - Investing in the professional development of our workforce
 - Expanding partnerships for the removal of all lead service lines by 2030 by leveraging funds in the bi-partisan infrastructure package
- 💧 Limiting the use of debt helps ensure that there is capacity to address unknown future challenges and ask less of future generations for today's investments
- 💧 Board Rates Policy – rates that yield a predictable stream of revenues and a rate structure that is legally defensible, based on objective criteria, and transparently designed



Sustainable

- As interest rate rise, the spreads between high ratings are widening
- Maintaining our high bond rating will be even more important to providing safe and affordable service going forward
- Tax-exempt credit spreads increase during financial distress

30 Year History of "AA" and "A" Credit Spreads to "AAA" Benchmark in Tax-Exempt Market





Equitable



Equitable

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

- 💧 Plan includes DC Water's continued commitment to a thriving community
 - Expansion of the apprenticeship program to train and hire local residents
 - Opportunities for local small businesses as part of the LeadFree DC program to remove all lead lines by 2030
 - Revitalization of the Anacostia and Potomac Rivers by reducing the discharge of combined stormwater and sewage during heavy rainfalls
- 💧 Plan supports affordable and equitable rates:
 - Rates are lower than previous forecasted rates of 6.7% (6% proposed) in FY 2023 and 8.8% (5.4% proposed) in FY 2024
 - Expands budget for CAP



Caring for Our Customers

- 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)

For more information see: dcwater.com/customer-assistance



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

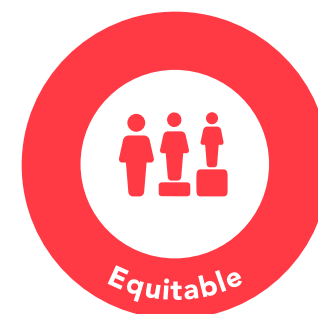
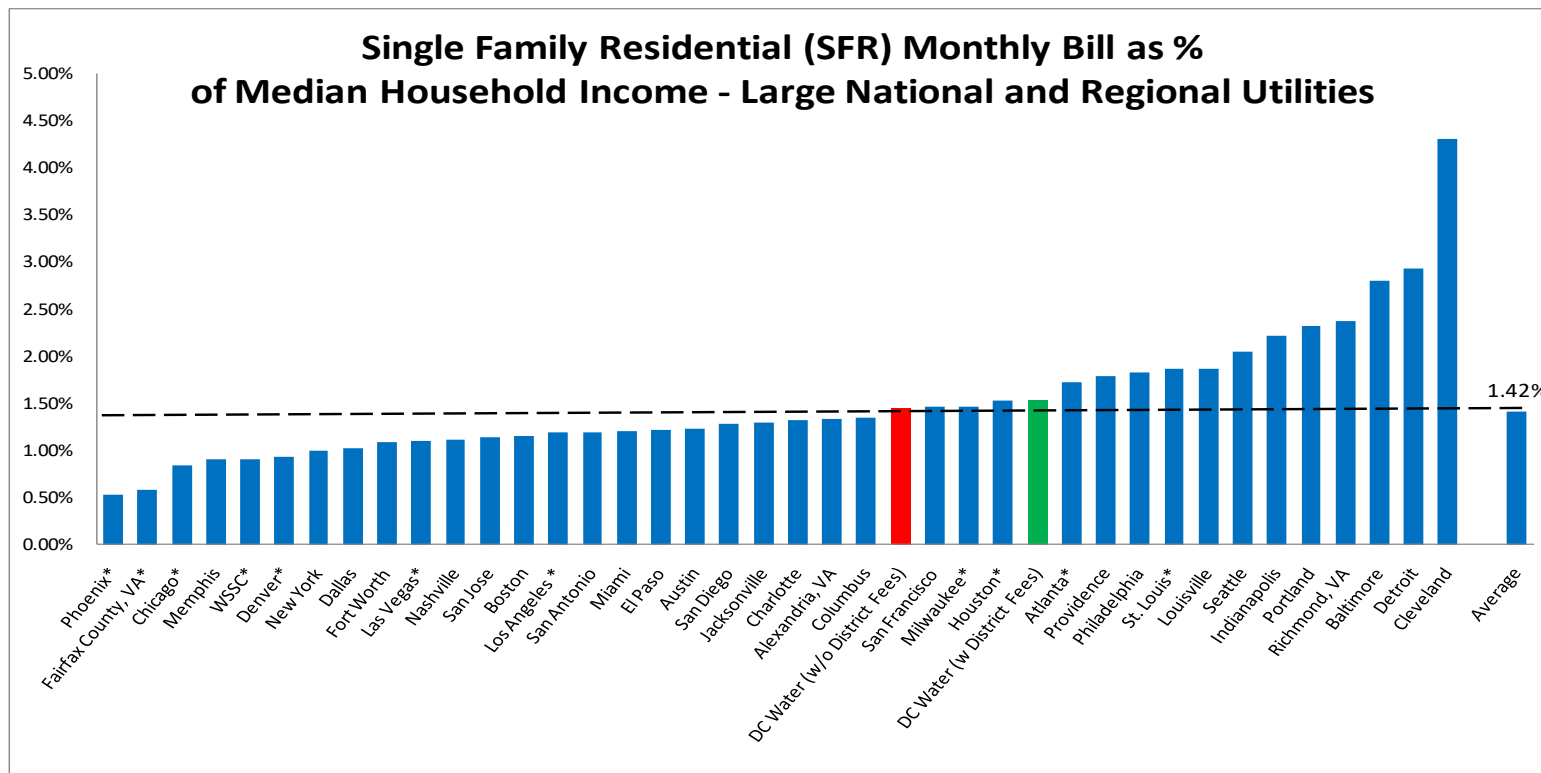
- Additional assistance with utility bills
- DC Funded

Low-Income Household Water Assistance (LIHWAP)

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



Comparative User Charges as % of Median Household Income – Large National & Regional Utilities

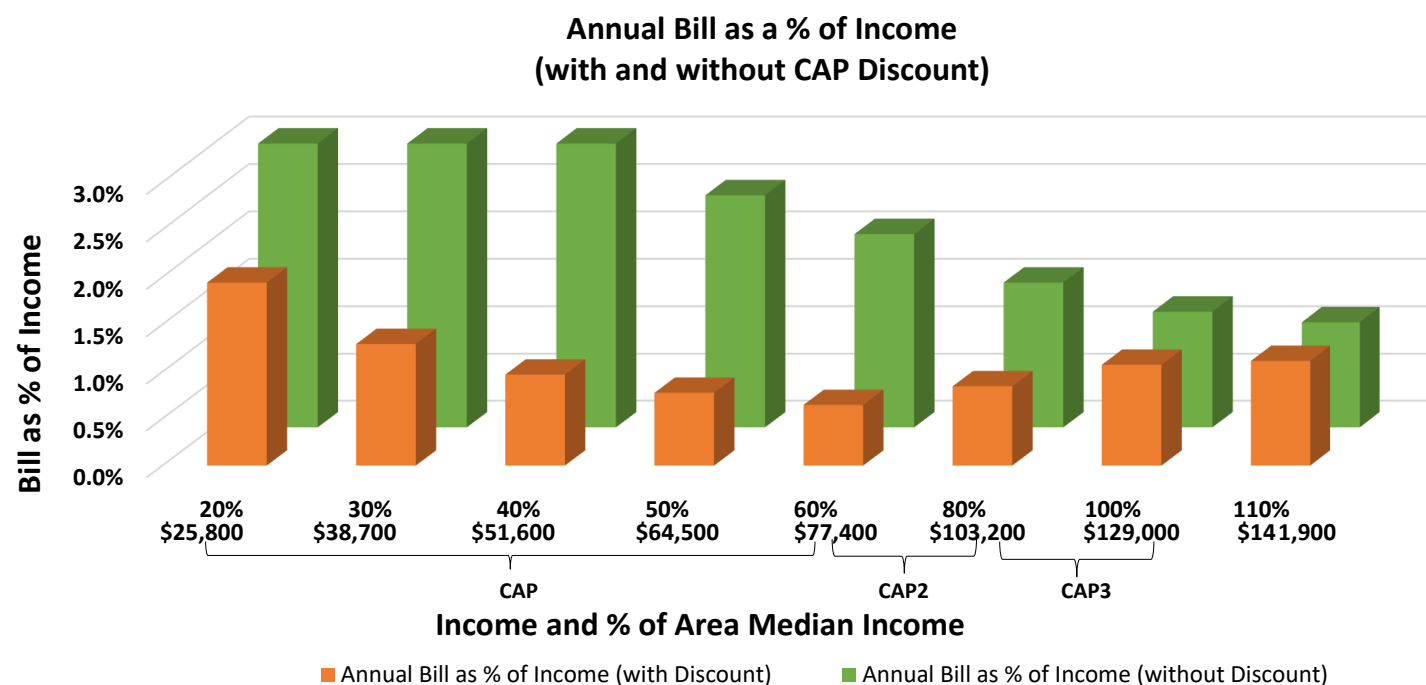


■ Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748 gallons.
 Note: Reflects rates and fees in place as of December 1, 2021. Some cities use property tax revenue or other revenues to pay for part of the cost of water, wastewater, or stormwater 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.



Equitable

💧 CAP provides discounts to households up to 100% Area Median Income





Board Policy in Setting Rates Resolution #11-10

- 💧 DC Water strives to achieve the following, per Board policy:
 - Cover current costs and meet or exceed all bond and other financial requirements as well as goals set by the Board
 - Yield a reliable and predictable stream of revenues
 - Rates are based on annually updated forecasts for operating and capital budgets
 - A rate structure that is legally defensible, based on objective criteria, and transparently designed
 - A rate structure that customers can understand and DC Water can implement efficiently
 - Rate increases that are implemented transparently and predictably
- 💧 To the extent annual revenues exceed costs, the Board will utilize all available options to mitigate future customer impacts and annual rate increases, including transferring excess funds to the Rate Stabilization Fund





Establishment of Rates

Board Committee Review

Operating and Capital Costs to Environmental Quality and Operations, Finance and Budget, and DC Retail Water and Sewer Rates Committee;

Cost of Service Study

Presented to Rates Committee and published on the website; Also submitted to the Mayor and DC Council

Independent Review of Rates

Presented to Rates Committee and published on the website; Also submitted to the Mayor and DC Council

Public Feedback

Publication of the rate proposal in the *D.C. Register* for public comment; Public Hearing to receive comments on the rate proposal; Review of comments received and DC Water's response to comments

Recommendation from the DC Retail Water and Sewer Rates Committee and General Manager



Establishment of Rates

- Water and sewer utilities recover costs in a variety of ways; DC Water's rates must be just, equitable, reasonable, well explained, and based on cost of service principles:
 - The proposed rates are just and reasonable, and they are sufficient, equitable, and consistent in their proposed application to our customer classes;
 - Rates support expenditures that have been discussed in detail at the Board's Budget Workshop, and in Environmental Quality and Operations, Finance and Budget, and Retail Rate Committee meetings; and
 - Raftelis conducted the most recent Cost of Service Study, and its results support our rate proposal
 - Amawalk conducted Independent Review of Rates and Budget for public hearing, which is placed on DC Water's website





Proposed FY 2023 & FY 2024 Rates, Charges & Fees

	Units	Approved FY 2022	Proposed FY 2023	Proposed FY 2024	Incr. /(Decr.) FY 2023		Incr. /(Decr.) FY 2024	
					\$	%	\$	%
DC Water Retail Rates – Water:								
Residential – Lifeline (0- 4 Ccf)	Ccf	\$3.63	\$4.28	\$4.38	\$0.65	17.9%	\$0.10	2.3%
Residential – (> 4 Ccf)	Ccf	4.74	5.58	5.70	0.84	17.7	0.12	2.2
Multi-family	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	-1.4	3.72	20.5
DC Water Customer Metering Fee	5/8”	7.75	7.75	7.75	-		-	
DC Water System Replacement Fee	5/8”	6.30	6.30	6.30	-		-	
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	-		-	
District of Columbia Stormwater Fee	ERU	2.67	2.67	2.67	-		-	
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



Public Outreach

- 💧 DC Water met with stakeholders at various community outreach events
- 💧 Held two in-person Town Halls
- 💧 Held two on-line Town Halls
- 💧 Virtual briefing to members of AOBA
- 💧 Virtual briefing to Constituent Services Directors for Councilmembers
- 💧 Virtual briefing to Mayor's Office of Community Relations staff (MOCRS)
- 💧 Virtual briefing to local non-profit community partners



- 💧 The meetings were widely publicized through numerous channels, including:
 - Councilmember Offices
 - Advisory Neighborhood Commissions (ANCs)
 - MOCRS
 - Email
 - DCWater.com website
 - Twitter, Facebook and Instagram
 - Nextdoor
 - Paid digital and print advertising
 - What's On Tap monthly customer newsletter



Next Steps

- 💧 Public Comment – through May 16, 2022
 - 💧 DC Water will respond to each comment by May 31, 2022
- 💧 Recommendation of Retail Rates Committee to Board – June 28, 2022
- 💧 Board approval of final rulemaking – July 7, 2022
- 💧 Fiscal Year 2023 begins – October 1, 2022



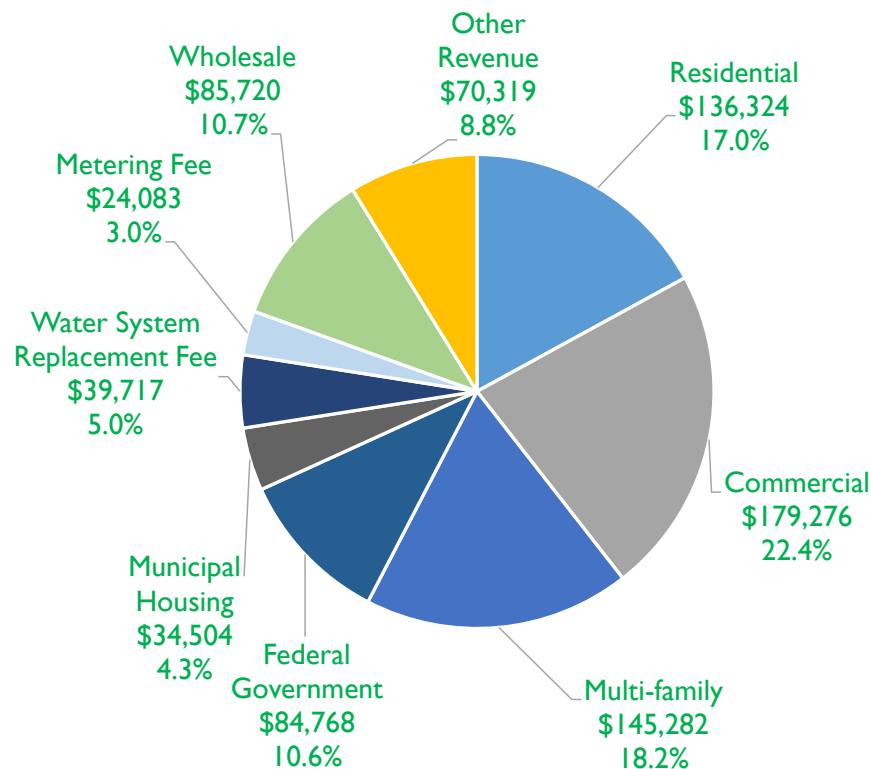
Appendix



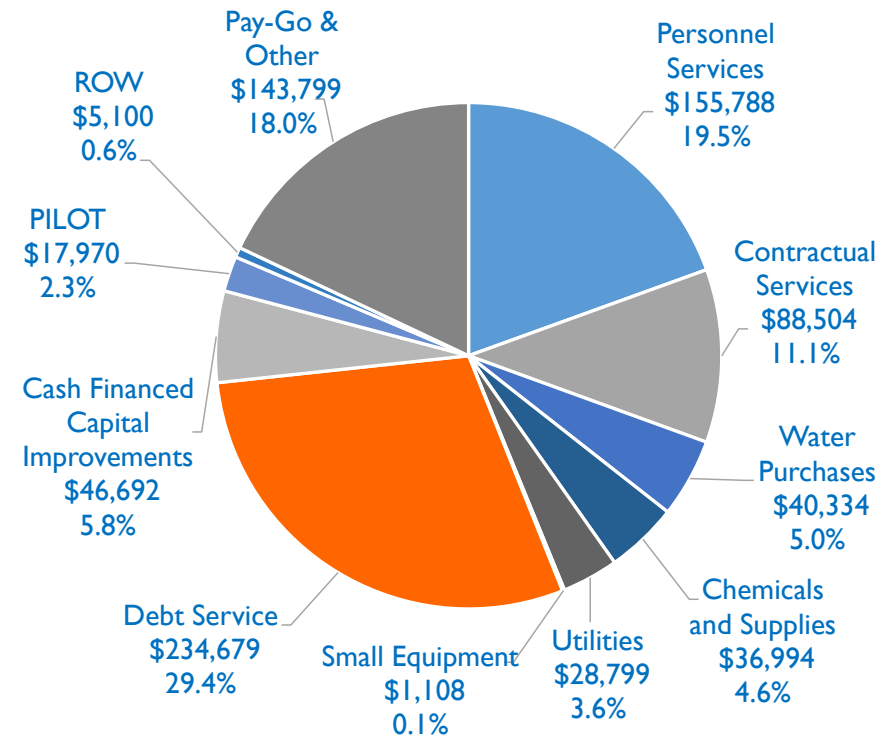
FY 2023 Operating: Sources and Uses of Funds

\$ in thousands

Sources - \$800.0 Million



Uses - \$800.0 Million

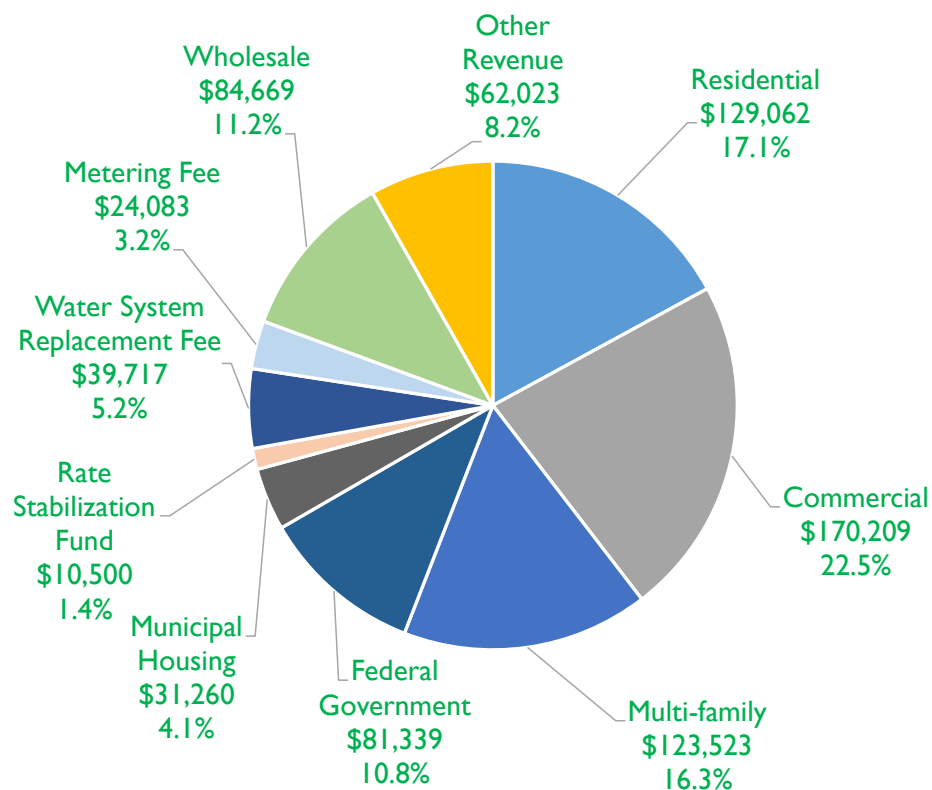




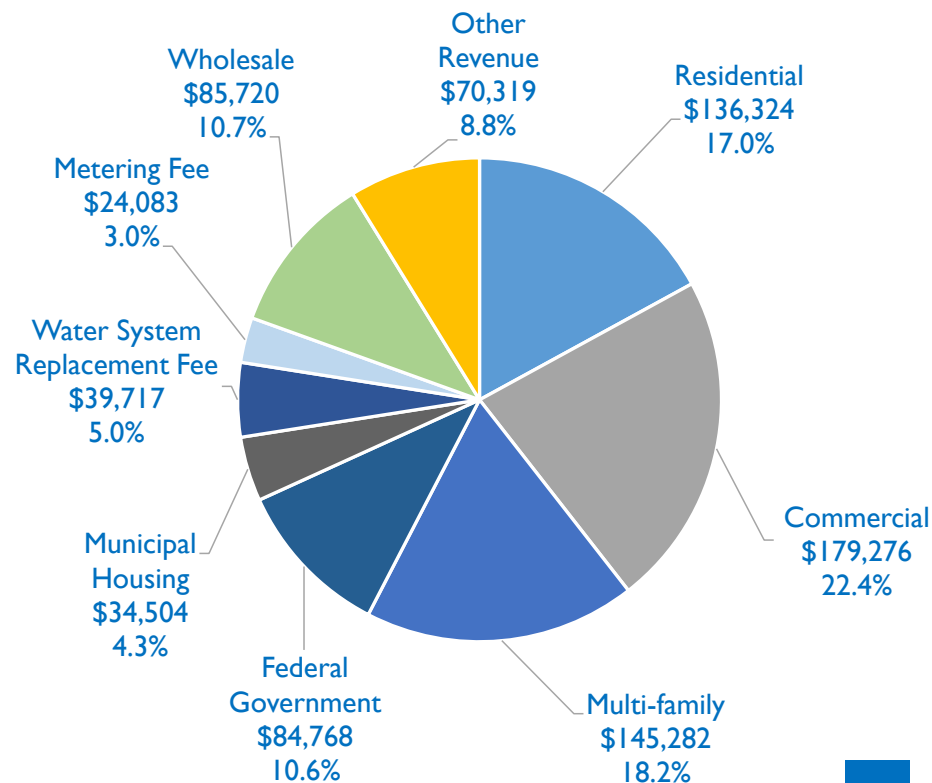
FY 2022 vs. FY 2023 Operating Revenues

\$ in thousands

Adopted FY 2022 \$756.4 million



Proposed FY 2023 \$800.0 million

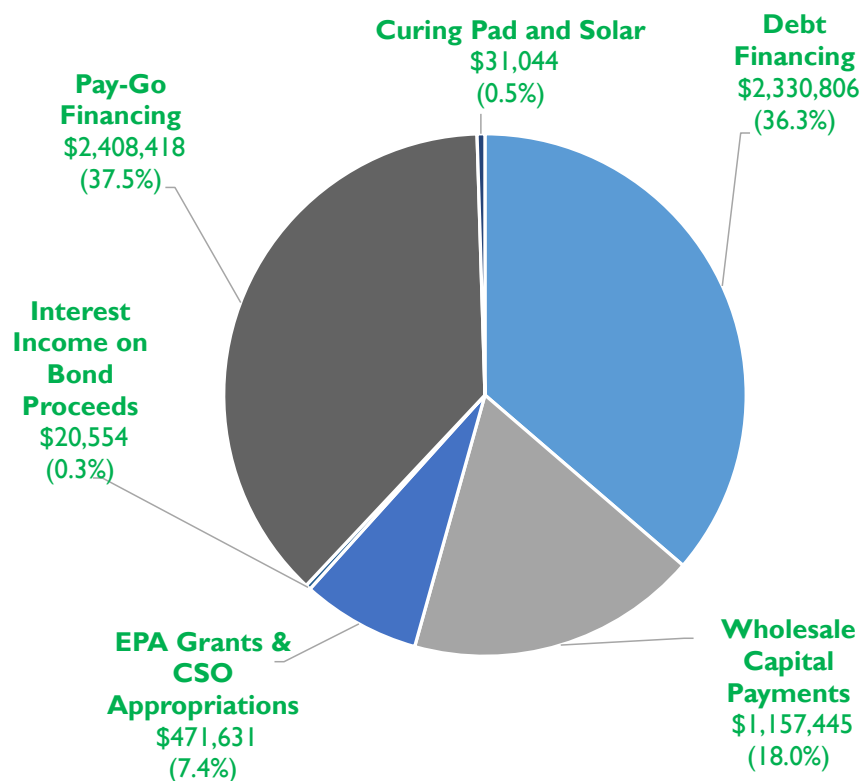




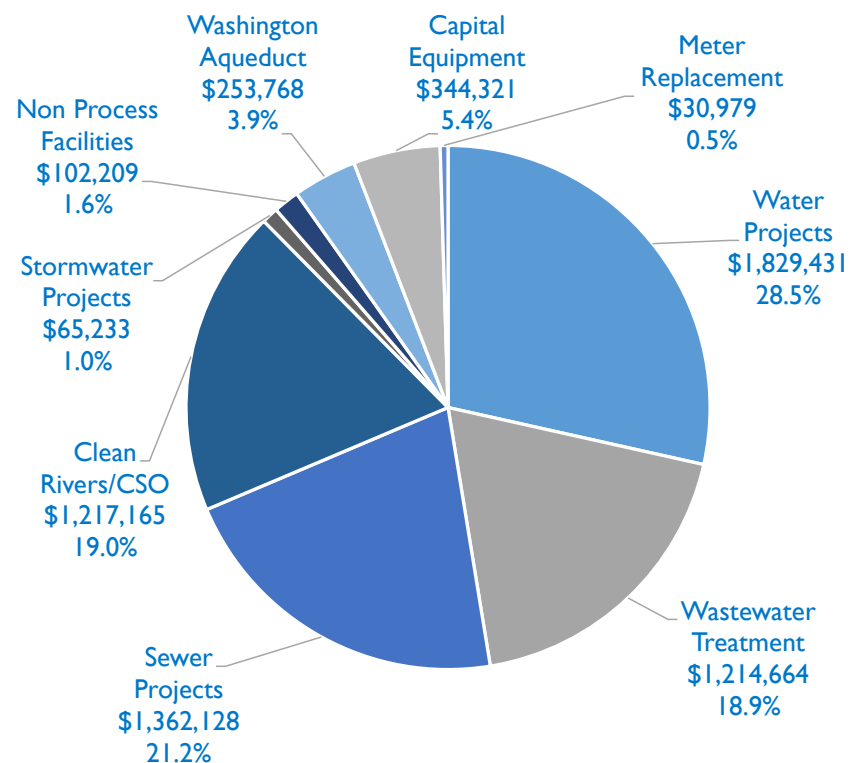
Ten Year Capital Program

\$ in thousands

Sources - \$6.42 Billion



Uses - \$6.42 Billion





Average Residential Customer Monthly Bill

	Units	Current FY 2022	Proposed FY 2023	Proposed FY 2024
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 78.92	\$ 86.07	\$ 89.02
DC Water Clean Rivers IAC ⁽²⁾	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 ⁽⁴⁾	5/8"	6.30	6.30	6.30
Subtotal DC Water Rates & Charges		\$ 111.37	\$ 118.26	\$ 124.93
Increase / Decrease		\$ 7.29	\$ 6.89	\$ 6.67
District of Columbia PILOT Fee ⁽¹⁾	Ccf	\$ 3.04	\$ 3.20	\$ 3.31
District of Columbia Right-of-Way Fee ⁽¹⁾	Ccf	1.03	1.03	1.03
District of Columbia Stormwater Fee ⁽³⁾	ERU	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	\$ 131.94
Increase / Decrease Over Prior Year		\$ 7.40	\$ 7.05	\$ 6.78
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



Customer Assistance Program, Average Residential Customer Bill

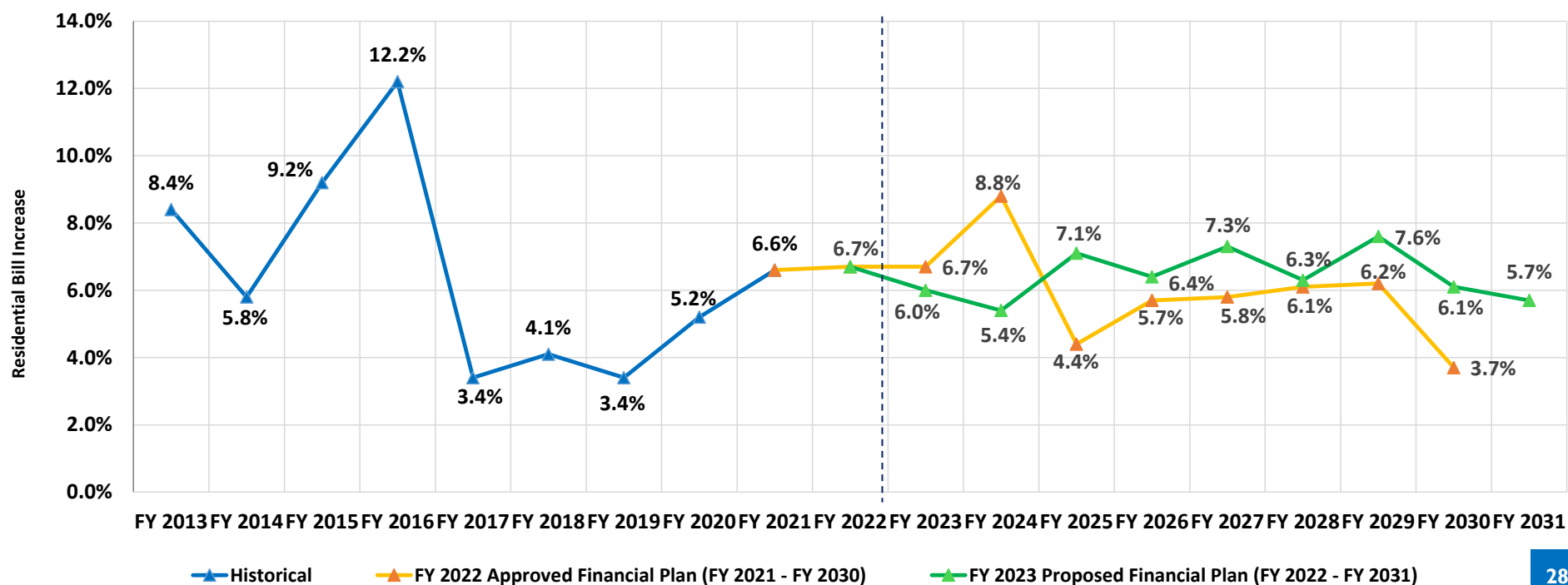
Program	Income, Family of Four	Discount	Bill
Without Customer Assistance			\$125.16
CAP	\$82,538 (60% SMI)	(\$85.19)	\$39.97
CAP2	\$103,200 (80% AMI)	(\$55.69)	\$69.47
CAP3	\$129,000 (100% AMI)	(\$13.61)	\$111.55





Historical and Projected Combined Rate Increases

- 💧 FY 2023 and FY 2024 recommended rates are less than previously forecasted
- 💧 In FY 2025 and beyond, forecasted rates are higher than previously estimated because of additional projects in the 10-year Capital Improvement Plan (CIP)





Revenue Comparison by Customer Class

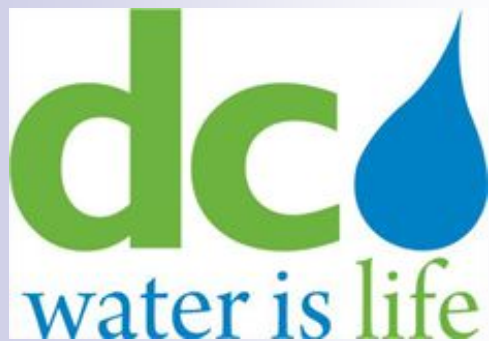
- 💧 Total revenue is projected to increase by \$2.0 million or 0.3% for FY 2023 and \$27.7 million or 3.5% for FY 2024 mainly due to rate increases
 - Retail Revenue* – Increase by \$44.8 million or 7.5% in FY 2023 and \$22.0 million or 3.4% in FY 2024
 - Wholesale Revenue* – Increase by \$1.1 million 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.

Independent Review of the Proposed Rates for 2023 - 2024

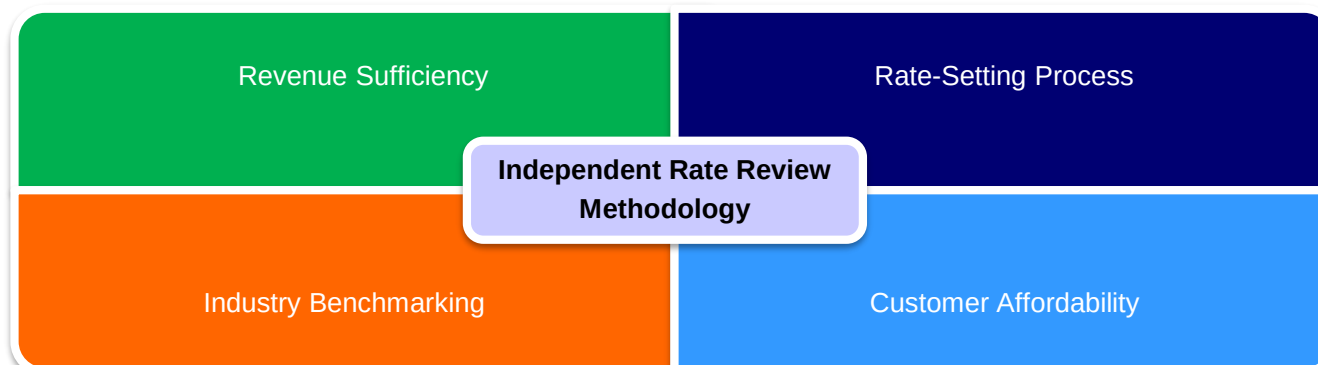
DC Water Public Hearing
May 11, 2022



Amawalk
Consulting Group LLC

Outline

- Independent Review
- Financial Performance
- Operating & Capital Performance
- Industry Recognition
- Benefits of Strong Financial Performance
- Why are Rate Increases Necessary
- Why Invest in Capital Improvements
- Continued Financial Impacts of COVID-19
- Proposed 2023 and 2024 Rates
- Industry Comparisons
- Affordability of User Charges
- Conclusions



Slide 1

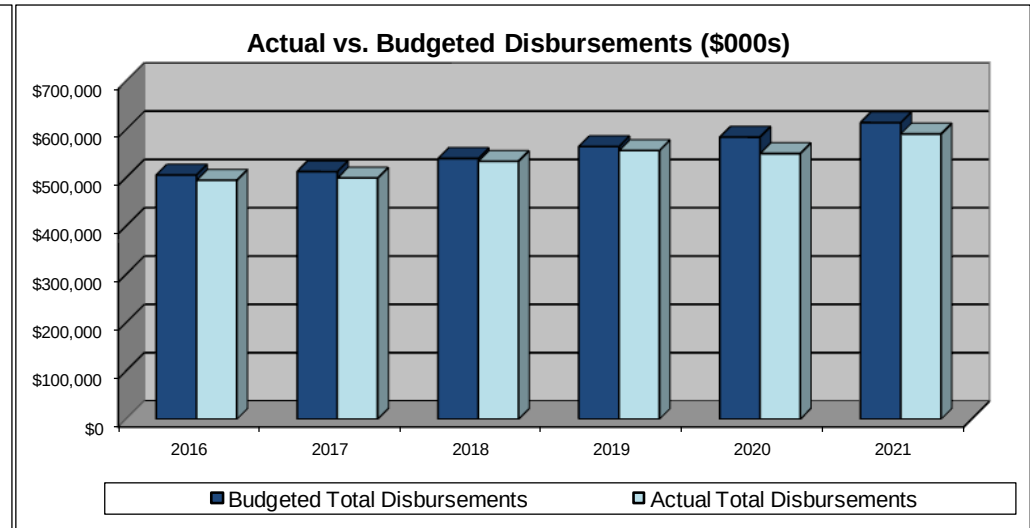
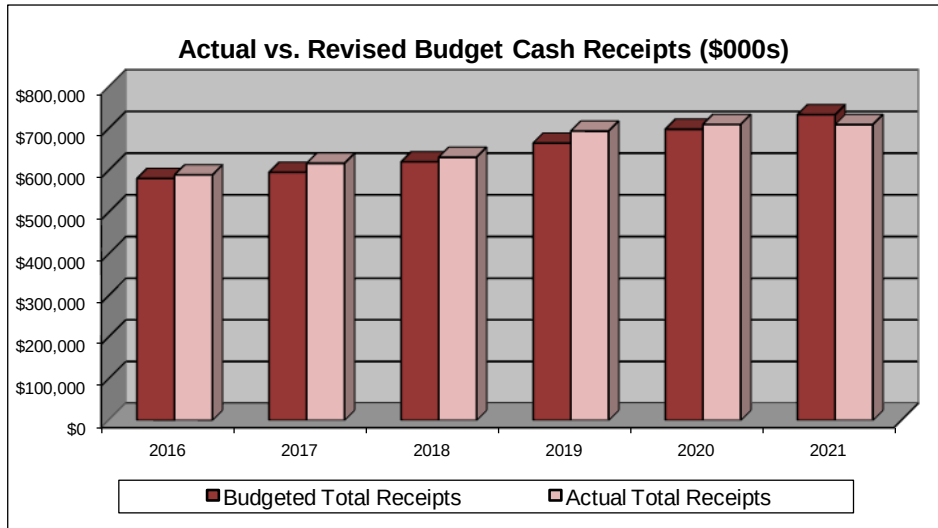
Independent Review

- This presentation to the Committee summarizes the findings and conclusions of our Independent Review of the proposed rates.
- Amawalk is independent: the firm does not participate in DC Water's Cost of Service Studies; our review is conducted after Authority management prepares its proposal.
- Amawalk has been providing independent review of the proposed rates on behalf of the Committee and the Board since 2009. In addition to having the pleasure of working with DC Water, Amawalk serves as Rate Advisor to New York, Financial Feasibility Consultant to the Boston Water and Sewer Commission and Technical Advisor to the Philadelphia Water, Sewer & Stormwater Rate Board. The firm recently completed an Independent Review of the North Texas Municipal Water District.
- Shan Lin and Ed Markus conducted the review and are presenting the results; they have worked together for over 16 years and collectively have over 56 years of experience in the water, wastewater and stormwater industry.

Slide 2

Financial Performance

- From 2016 – 2020: actual cash receipts were > budget each year (averaging 2.8% more); in 2021 actual cash receipts were 3.3% < budget due to COVID impacts.
- From 2016 – 2021: actual expenditures were < budget each year (averaging 2.9% less).
- YTD 2022 results through Dec 31 are slightly better than budgeted. No material changes for 2023 and 2024.
- 2021 combined coverage = 1.86; projected 2022 - 24 is 2.01, 1.87 & 1.88.



While not a guarantee of future results, this track record offers a degree of comfort that expenditure and revenue estimates, including those for 2023 & 2024, are prudently developed.

Slide 3

Operating & Capital Performance

- In compliance with the Consent Orders & all permits.
- The digester facilities & waste-to-energy facilities are yielding multiple benefits – lower expenses, fewer biosolids and a high quality product.
- Vacancy rates for jobs are slightly higher than pre-pandemic level reflecting DC Water's efforts to control operating expenses during the pandemic.
- CIP projects are on time and close to budget; change orders and claims continue to be a small % of costs.
- The most recent Independent Engineering Report gave high grades to the facilities and people of DC Water; identified needs are being addressed.
- CIP spending in upcoming years is significant, and higher than recent years: in 2017-21, average annual capital spending was \$430M; the 2022-31 average is \$642M.
- Significant drivers of DC Water's CIP are: completion of the Clean Rivers Program, lead service line replacement, upgrading of aging infrastructure.

DC Water continues to meet or exceed the Board's operating goals. Strong operating and capital performance helps manage the cost of providing service and mitigates risks.

Slide 4

Industry Recognition

- DC Water's Chief Operating Officer was elected president of the National Association of Clean Water Agencies (NACWA), representing 330+ public utilities nationwide. She will be instrumental in advancing public policy intended to create an equitable and sustainable water future.
- In 2021, NACWA honored the Authority with a Platinum Award for nine consecutive years of 100% compliance with the requirements of the U.S. Environmental Protection Agency's National Pollutant Discharge Elimination System (NPDES).
- The Blue Plains Advanced Wastewater Treatment Plant is the largest facility of its kind in the world; its average capacity of 384 million gallons per day is enough to fill RFK Stadium daily. Blue Plains attracts delegations of wastewater engineers from throughout the world.
- The Blue Plains Tunnel Project received the Engineering News Record (ENR) 2016 Best Project Award for the Mid-Atlantic Region for Water/Environment. Most importantly, through 2021, the major tunneling work of DC Water is on-time and within budget

The high level of performance and industry recognition of DC Water provides assurances to ratepayers and investors that their dollars are being spent wisely.

Slide 5

Benefits of Strong Financial Performance

■ Key Financial Policies:

- Minimum cash balance of 250 days of projected operating expenses.
- Combined debt service coverage of 160%.
- Funding of the CIP with the proceeds of debt as well as cash from operations.

■ Rating Agency Recognition (current senior bond ratings):

- Fitch Ratings: AA+
- Moody's: Aa1
- Standard & Poor's: AAA

■ The strong financial metrics of DC Water and rating agency recognition support efficient borrowing of funds for capital improvements:

- The Authority can borrow funds over 30 or more years at very competitive rates due to its excellent track record and strong bond ratings
- DC Water secured a \$156M federal loan under the WIFIA Program at an interest rate of 1.87%, repayable over 38 years.

The ability of DC Water to borrow money over the long-term at attractive interest rates saves ratepayers millions of dollars in interest costs over the term of the borrowing. The prudent use of cash to compliment the borrowed funds helps keep total long-term debt more manageable – a practice that is highlighted favorably and very important by the bond rating agencies.

Slide 6

Why Are Rate Increases Necessary

■ Increases in capital spending:

- Debt service will rise to 35.8% of total disbursements in 2023 and 36.1% in 2024, increasing by 5.0% and 4.6% vs. the prior year, respectively.
- Cash-financed construction in 2023 and 2024 increases by \$8.9M & \$1.6M, respectively; the use of cash for construction reduces the need to issue more debt and helps support the strong credit rating of DC Water.

■ Increases in operating expenses:

- Total O&M expenses, excluding PILOT/ROW, increase by \$9.9M or 2.9% for 2023 and by \$11.1M or 3.2% for 2024.

■ Long-term water use is declining, with or without COVID:

- Long-term water demand is declining in the Mid-Atlantic & Northeast, the District decline in 2021 was 1.5%. The assumed decline is 1% per year in 2023 & future years. COVID-19 depressed demand even further in 2020 and 2021; non-residential accounts are showing some recovery in 2022 from COVID-19 impacts but it is too early to draw full-year conclusions.

■ Effects of COVID-19: reviewed herein

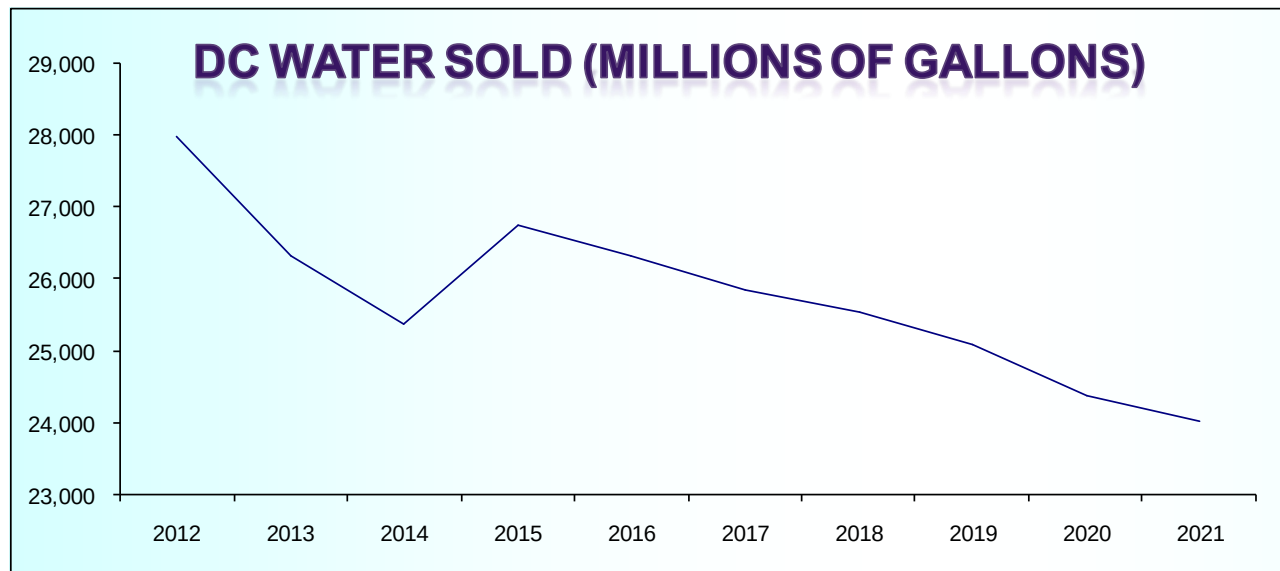
■ DC Water receives no subsidies:

- Unlike cities such as Atlanta (sales tax) or Milwaukee (property tax), DC Water revenues pay all bills.

These are the same reasons that are driving rates up in other cities. Slide 7

Why Are Rate Increases Necessary – Declining Demand

- About 63% and 61% of total cash receipts in 2023 and 2024 are expected from consumption-related retail charges, respectively.
- Long-term retail water demand is slowly declining; total usage has declined by over 10% from 2015 through 2021.
- Year-to-date 2022 water sales as of December 31 are 10.2% higher than in 2021 due to some recovery from non-residential accounts.
- It is assumed that water usage will decline at the rate of 1.0% per year in 2023 and each year thereafter. New York, Boston & Philadelphia assume annual declines in sales.



Slide 8

Why Invest in Capital Improvements

■ Fire Protection (Historical):

- From 2006 – 2020, DC Water spent over \$127M to replace or upgrade hydrants, valves, undersized lines and other appurtenances.
- Hydrant availability is now routinely > 99%.

■ Clean Rivers Program (Ongoing):

- The program began in 2005 and continues through 2030 at a cost of \$2.99 billion to build storage tunnels, pump stations, green infrastructure, other facilities. It is now about 60% complete.
- Reduces flooding in the District during heavy rain; thousands of tons of trash, debris & solids removed; billions of gallons of sewage/stormwater captured instead of entering waterways; much cleaner rivers.
- When completed, it will reduce the combined sewer overflows by at least 96%.

■ Lead Service Line Replacement (Historical/Upcoming):

- DC Water fully funds (\$629M) removal of all lead service lines by 2030 by leveraging funds in the federal bi-partisan infrastructure package.
- The Lead Free DC Initiative aims to replace more than 28,000 service lines that currently use lead or galvanized-iron pipe.
- Prioritizes lead replacement for: (1) vulnerable populations most impacted by lead exposure (children and seniors) and (2) communities that are historically underserved, and experience disproportionately poorer health outcomes compared with other parts of the District.

These & many other investments support the quality of life in the District. Slide 9

Continued Financial Impacts of COVID-19

■ Changes in water sales:

Consumption Changes	2020	2021	2022 YTD (to Dec 2021)
Residential (Incl MF)	4.9%	-0.7%	-2.2%
Non-residential	-9.6%	-3.2%	25.2%
Total (Excl WA)	-3.0%	-2.0%	10.2%

- Increase in residential billed consumption in 2020 is likely due to people staying at home due to COVID-19 plus Customer Service catching up with certain bills. 2021 and 2022 results may reflect the start of a transition back to pre-pandemic levels.
- Fixed charges & the CRIAC mitigate part of the impact of usage reductions.

■ The ability of certain customers to pay their bills:

- Unemployment among residential customers may impact the ability of some customers to pay their bills on a timely basis.
- Business closures or limited openings may impact bill-paying.
- DC Water has implemented customer service initiatives in response (slide 16).
- A/R in 2020 and 2021 is higher than before the pandemic: increases of \$7.3M in 2020 and a further \$8.4M in 2021 compared to the prior year for receivables > 90 days.

■ Net effect on DC Water cash flow:

- While revenues are adversely affected to a certain extent, DC Water has reduced expenses and slowed down certain capital projects.
- Operating cash flows in 2020, 2021, and through YTD 2022 as of December 31 are slightly better than expected.

DC Water is effectively managing the financial impacts through 12/31/2021. Slide 10

Proposed 2023 and 2024 Rates

	Units	2022	2023	2024	Change 2023 vs 2022		Change 2024 vs 2023	
					\$	%	\$	%
DC Water Rates								
Water								
Residential 0-4 Ccf (Lifeline)	Ccf	\$3.63	\$4.28	\$4.38	\$0.65	17.9%	\$0.10	2.3%
Residential > 4 Ccf	Ccf	\$4.74	5.58	\$5.70	0.84	17.7	0.12	2.2
Multi-Family	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
Sewer (Excluding CRIAC)	Ccf	10.64	11.26	11.70	0.62	5.8	0.44	3.9
Clean Rivers IAC	ERU	18.40	18.14	21.86	-0.26	-1.4	3.72	20.5
Customer Metering Fee	5/8"	7.75	7.75	7.75	0.00	0.0	0.00	0.0
Water System Replacement Fee	5/8"	6.30	6.30	6.30	0.00	0.0	0.00	0.0
District Rates								
PILOT Fee	Ccf	0.56	0.59	0.61	0.03	5.4	0.02	3.4
Right of Way Fee	Ccf	0.19	0.19	0.19	0.00	0.0	0.00	0.0
Stormwater Fee	ERU	2.67	2.67	2.67	0.00	0.0	0.00	0.0

■ Management Recommendations:

- Cost recovery shifted slightly from sewer to water in 2023:
 - Engineering costs increased
 - Pumping operations shifted more costs to water
- Implement the above rates to raise overall retail revenue by 9.50% in 2023 and 3.25% in 2024.
- Cost of service updates of the groundwater charge and the backwash rate (enacted in 2022).

Average monthly residential charges (5.42Ccf) for 2023 and 2024 will increase 6.0% and 5.4%, respectively.

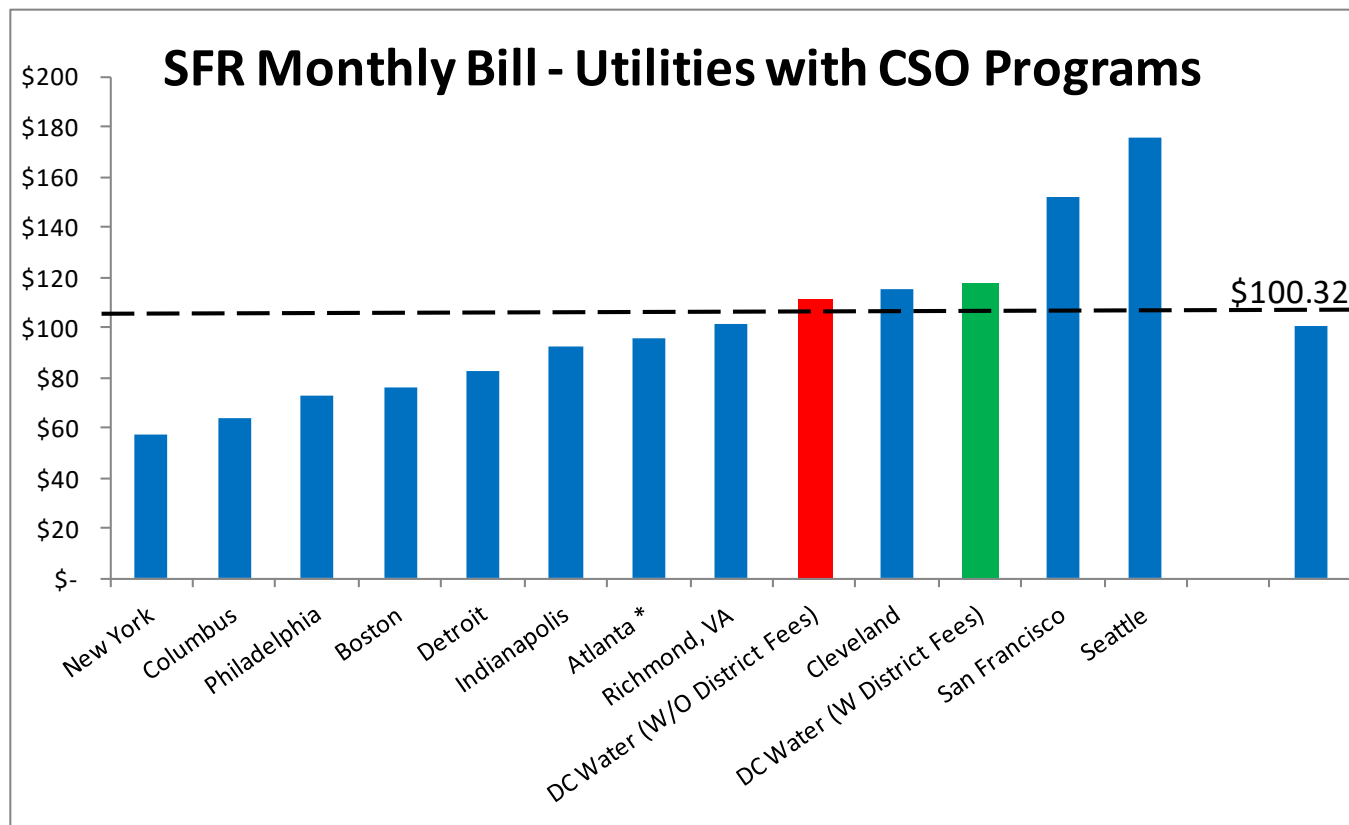
Slide 11

Proposed 2023 & 2024 Rates: Billing Impacts

- Typical single family customers would experience increases of 6.0% and 5.4% in 2023 and 2024, respectively, or about \$7 per month.
- CAP customers would experience slightly smaller increases of 5% and 4% in 2023 and 2024, respectively, or about \$2 per month.
- Impacts on other customer classes in each year depend on water use and the number of ERUs.

	Ave SFR	Ave SFR in CAP	Ave Multi-Family	Sample Commercial	Sample Cemetery	Sample Non-Profit - Low Usage	Sample Non-Profit - High Usage
Monthly Bill - 2022 Rates (\$)	118	38	1,538	57,966	2,516	1,466	16,672
Monthly Bill - 2023 Rates (\$)	125	40	1,657	63,017	2,493	1,462	17,860
Monthly Bill - 2024 Rates (\$)	132	42	1,730	65,111	2,924	1,686	18,797
% Change 2022-2023	6%	5%	8%	9%	-1%	0%	7%
% Change 2023-2024	5%	4%	4%	3%	17%	15%	5%
Assumptions:							
Consumption (Ccf/month)	5.42	5.42	86.14	3,332.33	4.7	7.36	804.07
Meter Size	5/8"	5/8"	1.5"	8 x 2"	5/8"	2"	1" & 4"
ERU	1	1	6.83	52.2	115.1	59.2	128.6

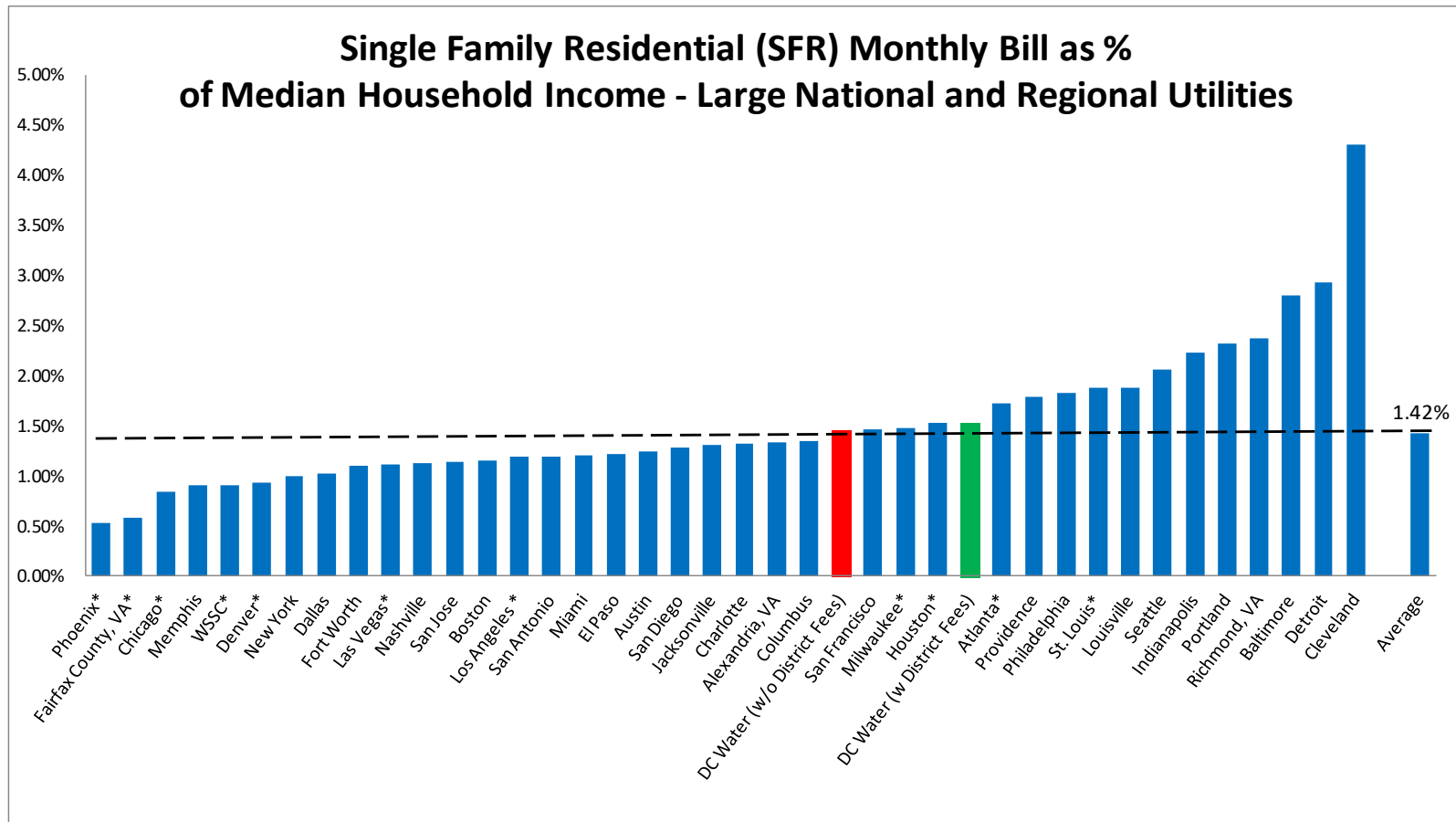
Comparison of Charges: CSO Utilities



Note: Reflects rates and fees in place as of December 2021. Some cities utilities 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. Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748 gallons.

DC Water charges are comparable to the average of the utilities that we survey that have combined sewer and CSO control programs.

Comparison: Affordability of User Charges

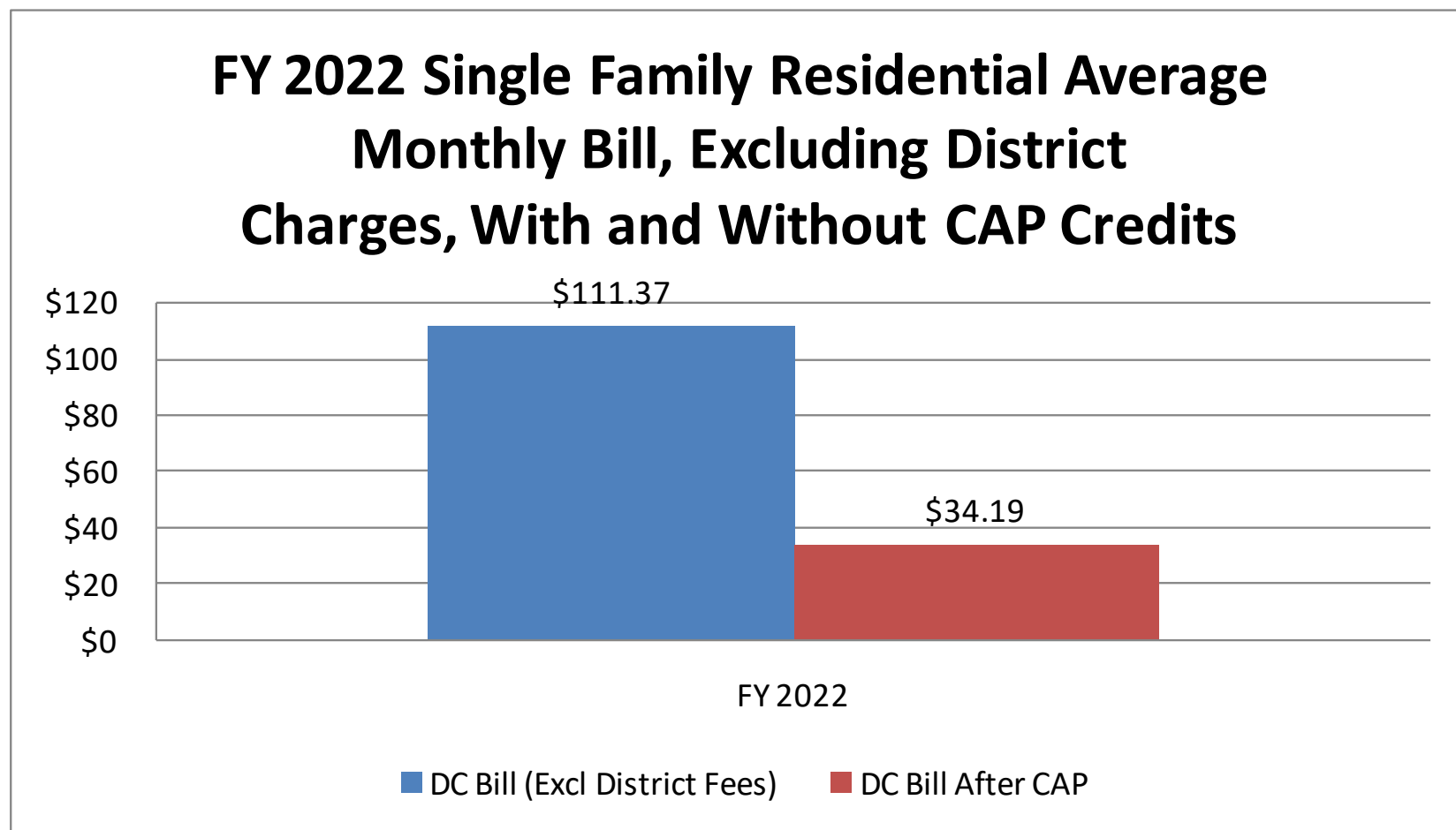


Note: Reflects rates and fees in place as of December 2021. Some cities utilities use property tax revenue or other revenues to pay for part of the cost of water, wastewater, or stormwater services, as indicated by * in the graph above. Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748 gallons.

Water, sewer, stormwater charges (without District fees) as a % of median household income are reasonable at 1.45%, competitive with peers. Charges are slightly higher with District fees, still competitive.

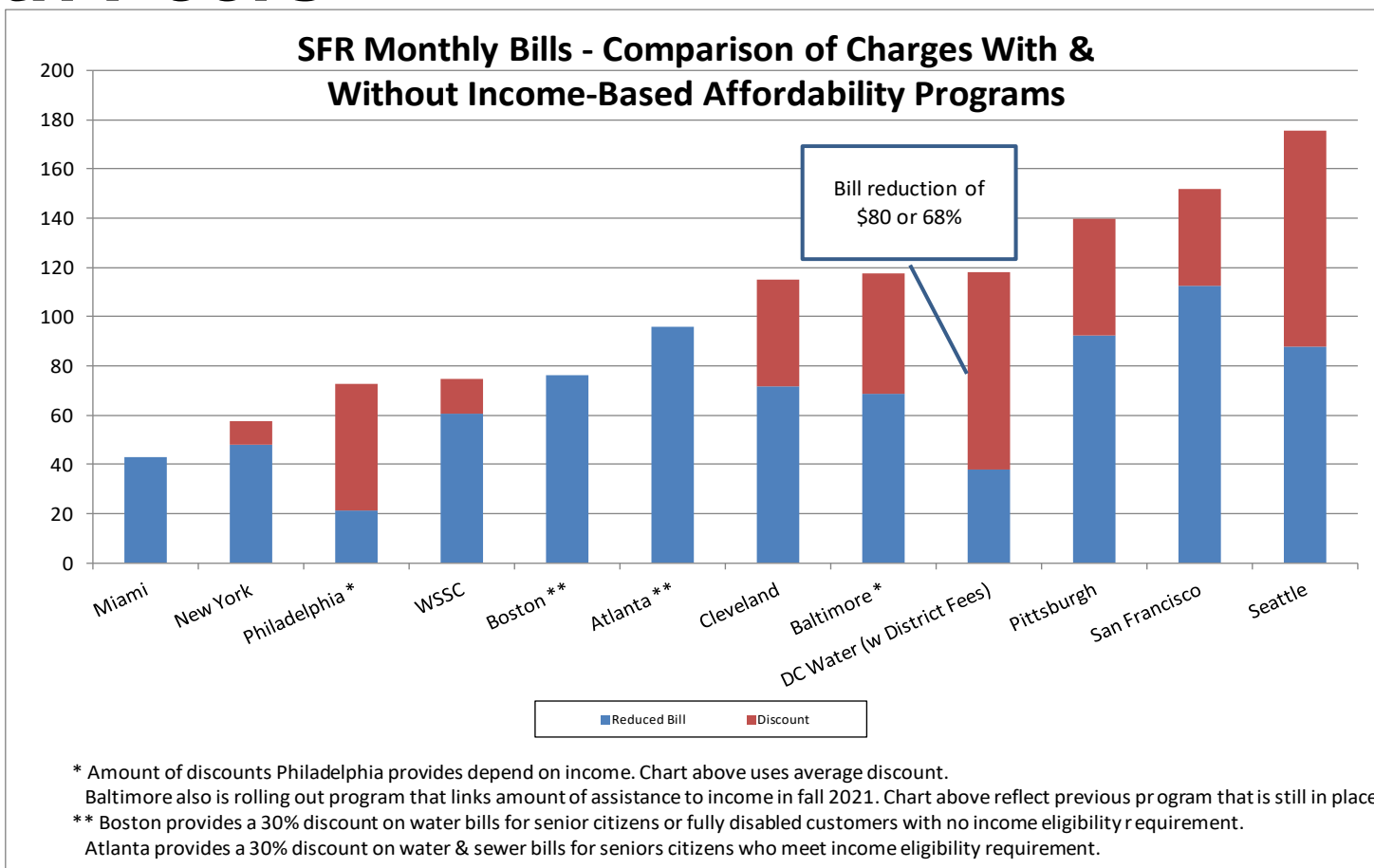
Slide 14

Affordability of User Charges: DC Water Customer Assistance Program (CAP)



Note: After CAP credits, a family of 4 at the 2021 Federal Poverty level spends 1.5% of income on DC Water bills.

Affordability of User Rates: DC Water CAP With Peers



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

The affordability assistance provided by DC Water is robust compared to other utilities, providing a meaningful impact on a customer bill.

Slide 16

Affordability of DC Water User Charges - Available Programs

Program	Funding Source	Description
Customer Assistance Program (CAP)	DCW	Provides a monthly discount on usage, usage related fees and CRIAC charges.
Customer Assistance Program 2 (CAP2)	DCW	
Customer Assistance Program 3 (CAP3)	District Government	
Non-Residential CRIAC Relief	District Government	Provides a monthly discounts on CRIAC charges.
DC Water Cares Residential Assistance Program (RAP)	DCW	Provides on-going emergency assistance to cover past due, low-income residential balances, up to \$2,000 per household.
DC Water Cares Multifamily Assistance Program (MAP)	DCW	Provides one-time emergency assistance to low-income multifamily units, up to \$2,000 per household.
Emergency Residential Relief Program ERRP	District Government	Provides one-time emergency assistance to cover past due, low-income residential balances, up to \$2,000 per household.
Stronger Together Assisting You (STAY DC)	Federal	Financial assistance 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.
Low Income Household Water Assistance Program (LIHWAP)	Federal	Provides funds to assist low-income households with water and wastewater bills.

Affordability programs to pay water/sewer bills are robust and compare favorably with other District utilities (i.e., gas, electric, telephone, cable).

Slide 17

Conclusions

- DC Water's proposed 2023 and 2024 rates have been reasonably developed, reflect the anticipated revenue requirements of the System, adhere to Board policy and are comparable to other utilities.
- If water usage declines at a faster rate than assumed rate, the effects of the pandemic on the District last longer, interest rates are higher than expected or unforeseen major expenses are encountered, the actual financial results could differ from current projections. The rate structure of DC Water with charges not tied to consumption helps mitigate the risks of lower usage. The potential for some underspending in 2023 and 2024 and the availability of the RSF also provides some flexibility and risk mitigation in such circumstances.
- COVID-19 continues to present challenges to the water and wastewater industry as a whole; the potential effects are subject to change in this fiscal year and in future years. In addition to the mitigation measures noted above, DC Water initiatives for targeting potential operating and capital savings, prioritizing capital spending, and modifying the use of cash-financed construction are significant tools for addressing the potential COVID-19 impacts on revenues.
- The reserve funds of DC Water provide liquidity and help support strong credit ratings. Strong credit ratings help optimize the cost of borrowing money for the capital program.

Slide 18

Conclusions

- Affordability is a current and long-term concern in the water and wastewater industry as the cost of providing service continues to increase. DC Water's CAP programs (original, II & III) and SPLASH and its use of a lifeline rate are: 1) in line with industry practices and 2) progressive in the level of assistance to low income billpayers. The District assistance to customers and DC Water initiatives in response to COVID-19 are in addition to the affordability assistance outlined above.
- DC Water continues to monitor the effects of COVID-19 on usage and revenues closely. Should there be a decline in revenues, DC Water has the ability to take actions similar to those it took in 2020 and 2021 to maintain operating expenses at lower levels and reduce capital expenditures.

Appendix – Supporting Information

Water & Wastewater Industry Challenges

■ Increases in capital spending:

- Regulatory mandates require significant expenditures; in addition, state-of-good-repair and lead pipe removal investments are essential to ensure that the underlying assets (e.g., pipes) provide reliable service.

■ Increases in operating expenses:

- Salaries and wages, fringe benefits and pensions.
- Inflation in the prices of chemicals, fuels and other commodities.

■ Long-term water use is declining:

- Most revenues are derived from water usage-based charges but long-term water demand is declining in the east coast cities such as New York, Philadelphia, the District & Boston.

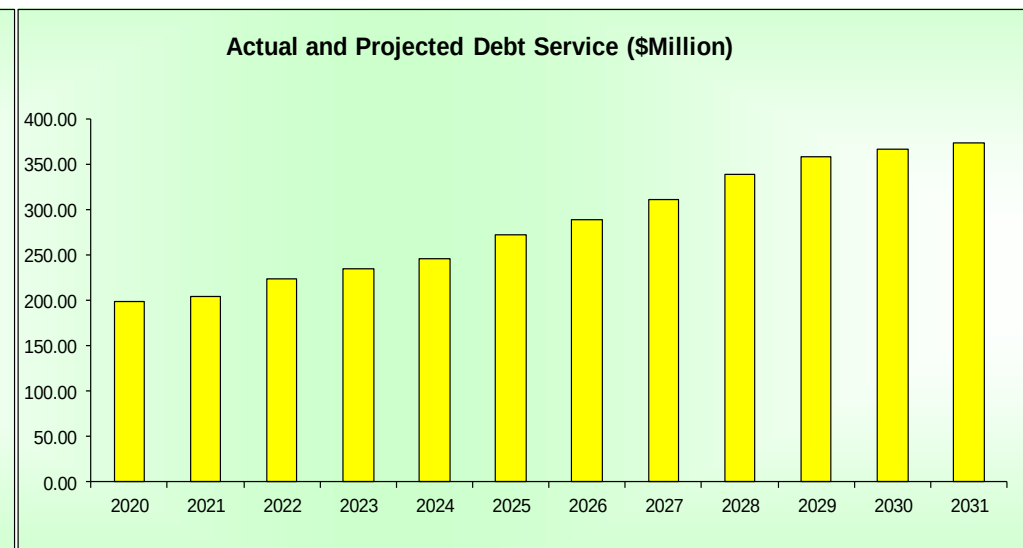
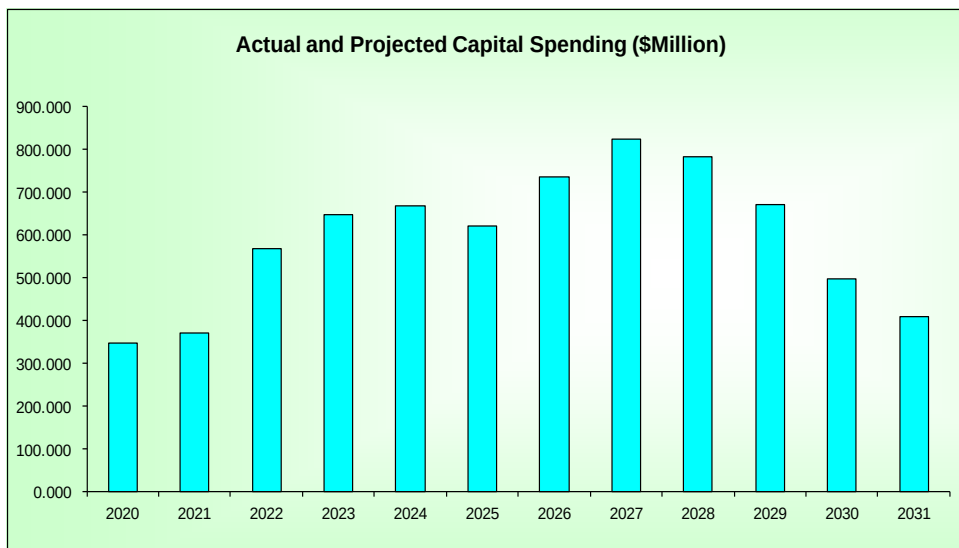
■ Affordability of rates and charges:

- Charges as a % of median household income (MHI) is a common measure of affordability.
- But a meaningful percentage of customers may have incomes well below MHI; it is essential to assess the affordability of charges after considering the effects of assistance programs.

Slide 21

Why Rate Increases Are Needed – Capital Investment/Debt Service

- DC Water is investing in its water and sewer infrastructure to ensure that high quality services are provided on a reliable basis. As result of the commitment by the Board to continue to address aging infrastructure challenges, DC Water is ramping up its investment by FY 2028 to reach a 1.5% replacement cycle for small diameter water mains.
- Debt service payments increase by \$11.2M in 2023 and \$10.8M in 2024; such payments are an increasing % of total disbursements: 35.8% in 2023 and 36.1% in 2024.



Slide 22

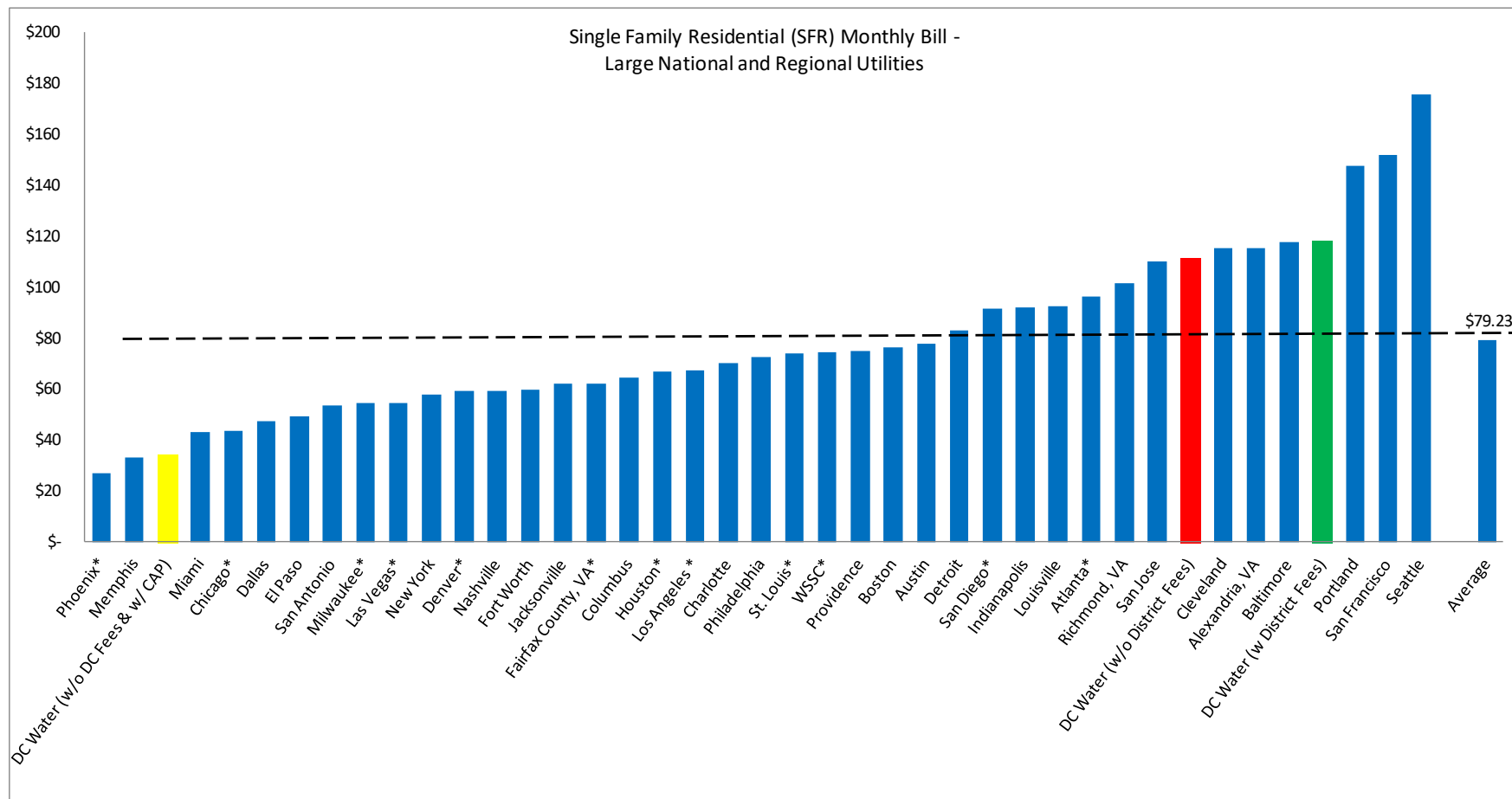
Why Rate Increases Are Needed – O&M Expenses & Total Disbursements

- Total O&M expenses, excluding PILOT/ROW, are expected to increase by \$9.9M in 2023 and \$11.1M in 2024, or 2.9% and 3.2%, respectively.
- DC Water budgeted \$37.8M in 2022 for cash-financed construction/bond defeasance; this increases to \$46.7M in 2023 and \$48.3M in 2024. The purpose is to avoid debt, enhance coverage, provide cash flow flexibility and support the credit rating.

O&M Expenditure (\$ M)	2022 Projected	2023 Proposed Budget	2024 Proposed Budget	2023 Budget vs 2022 Projected	2024 Budget vs 2023 Budget
Personnel Services	155.3	155.8	160.5	0.3%	3.0%
Contractual Services	88.5	88.5	91.3	0.0%	3.1%
Water Purchases	35.2	40.3	41.5	14.5%	3.0%
Chemicals & Supplies	34.2	37.0	38.3	8.2%	3.5%
Utilities & Rent	27.3	28.8	29.9	5.4%	4.0%
Small Equipment	1.1	1.1	1.1	0.0%	3.0%
Total	341.6	351.5	362.7	2.9%	3.2%
PILOT/ROW Fees	22.7	23.1	23.4	1.6%	1.6%
Debt Service	223.5	234.7	245.5	5.0%	4.6%
Defeasance D.S./Cash Financed Capital Construction	37.8	46.7	48.3	23.4%	3.4%
Total Operating Disbursements	625.7	656.0	679.8	4.8%	3.6%

Slide 23

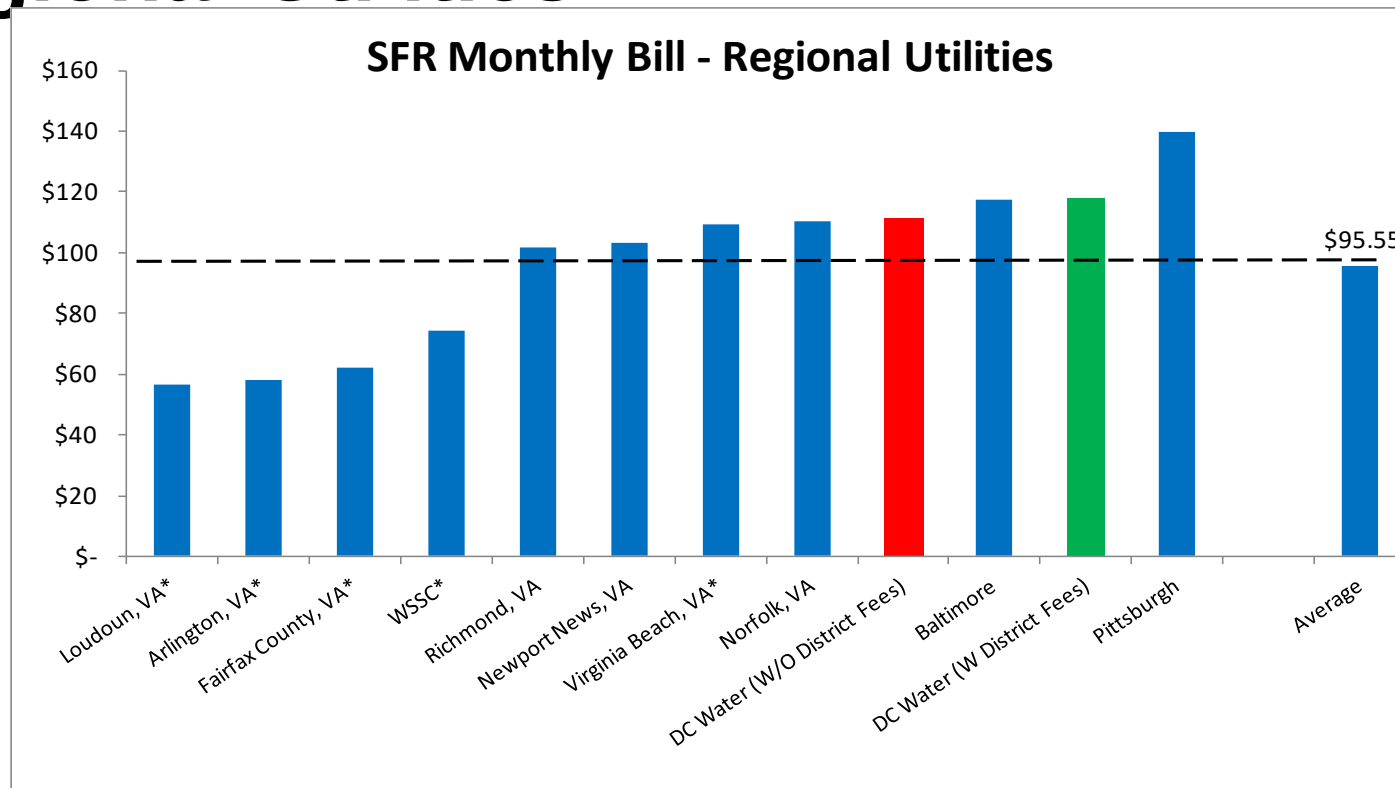
Industry Comparisons: Rates/Charges



Note: Reflects rates and fees in place as of December 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 charges, without the benefits of CAP, are higher than the average of the universe of national and regional utilities that we survey each year on behalf of DC Water. Charges with CAP are much lower than average. Slide 24

Industry Comparisons: DC Water & Regional Utilities



Note: Reflects rates and fees in place as of December 2021. Some cities utilities 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. Assumes average residential consumption of 5.42Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748 gallons.

DC Water charges are somewhat higher than the average of the regional utilities that we survey; however, unlike some utilities, DC Water receives no property tax revenue or other subsidies to reduce its user charges. ^{Slide 25}

Affordability of User Charges – Existing Initiatives



Caring for Our Customers

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)

Affordability of User Charges – Existing & New Initiatives



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

Affordability of User Charges – Other Utility Assistance Programs in the District

Utility Assistance Program	Level of Assistance	Eligibility
DC Water: Customer Assistance Program (CAP1, CAP2, and CAP3)	CAP1: discount on the first 4Ccf of water and sewer use each month, a 75% reduction in CRIAC fee, and a Water Service Replacement Fee waiver CAP2: discount on the first 3Ccf of water and sewer use each month (exclude PILOT/ROW) and 50% reduction in CRIAC fee CAP3: 75% off the monthly CRIAC fee	Income eligible customers verified by DOEE (As of October 2021 for a family of 4, \$82,538 for CAP1, \$103,200 for CAP2, and \$129,000 for CAP3)
PEPCO: Residential Aid Discount Program (RAD)	About 25% discount on electric bills, excluding generation and transmission service, applied monthly for 18 months. May reapply annually	Expanded to 80% of Area Median Income effective May 27, 2021 (\$103,200 or less per year for a family of 4)
PEPCO: Arrearage Management Program	A monthly credit or matching payment that goes toward unpaid account balances for a year	Current RAD customer with balance of \$300 or more that is at least 60 days past due
PEPCO: Low-Income Home Energy Assistance Program (LIHEAP)	Emergency assistance of up to \$1,800 once a year from Oct 1 through Sept 30	A family of 4 making \$82,538 or less per year (10/2021 – 9/2022) and who have received a disconnection notice or are currently disconnected
Washington Gas: Low-Income Home Energy Assistance Program (LIHEAP)	Emergency assistance of up to \$1,800 once a year from Oct 1 through Sept 30	A family of 4 making \$82,538 or less per year (10/2021 – 9/2022) and who have received a disconnection notice or are currently disconnected
Washington Gas: Residential Essential Service	Discount on a portion of the natural gas the household used from Nov 1 to April 30	Use natural gas as the principal source for home heating and eligible for the LIHEAP
Comcast: Internet Essentials	Provides 50/5 Mbps internet service for \$9.95 a month plus tax. No activation fees and no equipment rental fees.	Eligible for public assistance programs and is not an existing customer. Should not have outstanding debt to Comcast that is less than one year old
Verizon Wireless	No discounted service in DC	N/A
Verizon Fios: Lifeline Discount Program	\$20 discount per month	Either eligible for a qualifying federal assistance program or, with income at or below 135% of federal poverty guidelines.
RCN: Internet First	50 Mbps Internet service for \$9.95 a month plus tax	Participate in public assistance programs and have not subscribed to RCN services within the sixty (60) day period immediately prior to applying for the program
AT&T (DirecTV), Dish, T-mobile/Sprint, and AT&T Mobility	N/A	N/A
Amazon	50% discount on membership	Eligible for government assistance programs

DC Water's affordability programs are strong compared to other utilities in the region.

DC WATER PUBLIC HEARING

Sign-in Sheet

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

via Microsoft Teams

May 11, 2022

6:30 PM

Name	Individual or Organization	Date Rec'd
Karen R. Sistrunk, Esq., Deputy People's Counsel	Organization- Office of the People's Counsel DC	05/06/22
Laura Jackson	Individual	05/10/22
Christopher E. Williams, President and CEO	Organization- Anacostia Watershed Society	05/10/22