YOUR DC WATER BILL

WHAT CHANGES CAN YOU EXPECT?

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OVERVIEW OF RATES & FEES FOR FY 2020

- Proposed change in the way that Clean Rivers costs are recovered based on methodology that allocate volume of sanitary wastewater, stormwater runoff and CSO
  - $122 million in FY2020 for Clean Rivers – 18% CRIAC shift; $99.1 million for Clean Rivers and $22.9 million for sewer volumetric
  - Proposal to phase-in CRIAC shift of **18% in FY2020**, **28% in FY2021** and **37% in FY2022** and beyond to Sewer Volumetric Rate

- **The Proposed budget**:
  - Decreases the CRIAC from projected $25.58 in FY2020 to **$20.94 per ERU** per month
  - **Increases the Waters and Sewer rate by 11.5%**

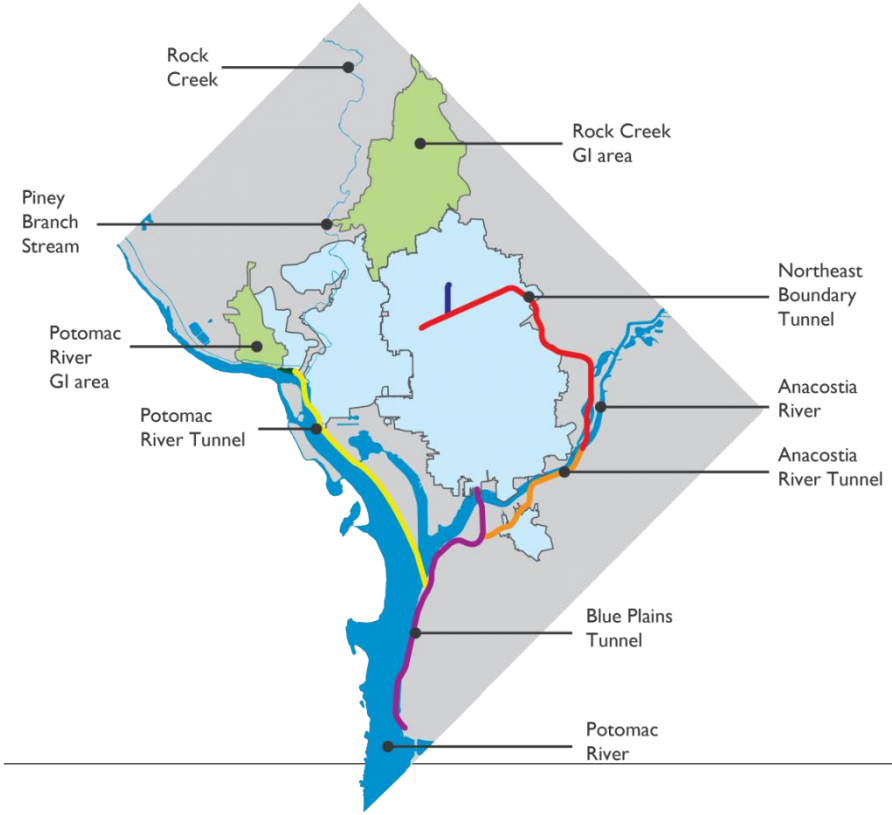
- Increases from 4% to 20% CRIAC discount from Stormwater Best Management Practices

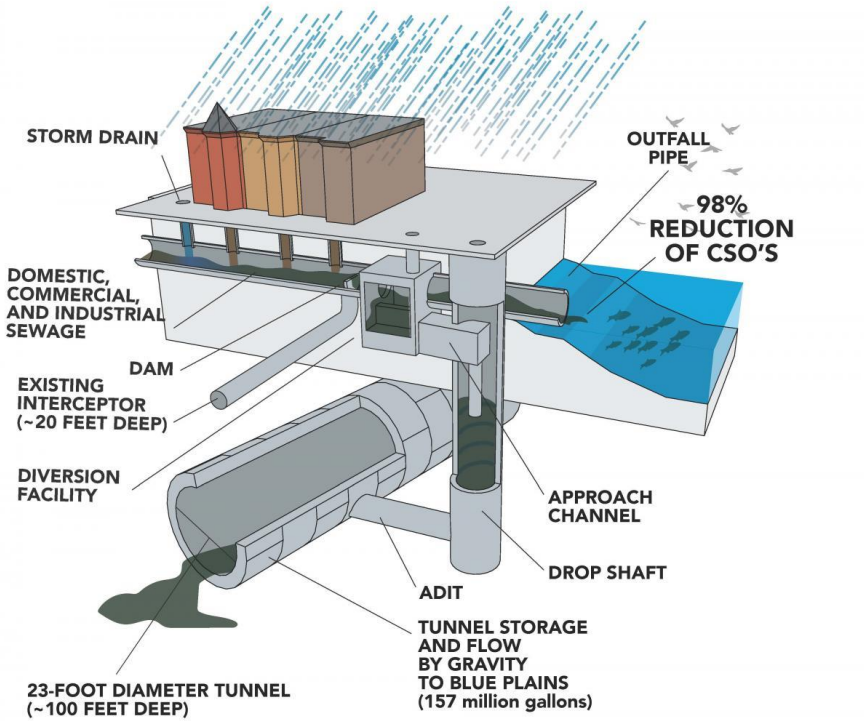
APPROVED DC WATER RATES & FEES

RATE CLASS	APPROVED FY 2019 RATES (Effective: 10/01/18)		APPROVED FY 2020 RATES (Effective: 10/01/19)	
WATER RATE	Residential (Consumption up to 4Ccf)	$2.91/CCF	Residential (Consumption up to 4Ccf)	$3.06/CCF
	Residential (Consumption greater than 4Ccf)	$3.90/CCF	Residential (Consumption greater than 4Ccf)	$4.10/CCF
	Multifamily/DC Housing Authority	$3.37/CCF	Multifamily/DC Housing Authority	$3.54/CCF
	Non-residential	$4.05/CCF	Non-residential	$4.25/CCF
SEWER RATE	$7.75/CCF		$8.89/CCF; $11.89/1,000 Gals. Of Water Use	
IMPERVIOUS SURFACE AREA CHARGE	$23.00/month or ERU		$20.94/month or ERU	
RIGHT OF WAY (ROW)/ PAYMENT IN LIEU OF TAXES FEE (PILOT)	$0.68/CCF Divided as follows: ROW $.18/CCF PILOT $.50/CCF		$0.70/CCF Divided as follows: ROW $.19/CCF PILOT $.51/CCF	
STORMWATER FEE	NO CHANGE		NO CHANGE	

The Clean Rivers Program

- Court-mandated, $2.7 billion program that will be completed in 2030
- Will reduce combined sewer overflows (CSO's) into the District's waterways - the Anacostia and Potomac Rivers and Rock Creek
- The Project is a massive infrastructure and support program designed to capture and clean wastewater during rainfalls before it ever reaches our rivers





Rates 101: Funding for DC Water

- DC Water charges a combination of Fixed and Volumetric Fees to pay for operations and capital improvements:
  - **Volumetric charges** are based on consumption, the amount of water a customer uses; for example:
    - Water Rate - $3.83 for 0-4 CCF (One CCF is about 748 gallons) for residential customers
    - Sewer Rate - $6.78 per CCF
  - **Fixed Fees** are not based on usage, for example (average household charge):
    - Metering Fee - $3.86
    - Water System Replacement Fee - $6.30
    - Clean Rivers Impervious Area Charge - $23.00 (for one ERU)

Impervious Area vs. Water Usage

Class	Share of Impervious Surface Area (%)	Share of Water Use (%)
Single Family Residential	28%	21%
Multi-Family Residential	12%	27%
Commercial *(Hotels, Churches, etc.)*	33%	35%
DC Government	8%	2%
Federal	18%	13%
District of Columbia Housing Authority	1%	2%
Total	**100%**	**100%**

As stated in 2008:

- An impervious area rate structure will cause a shift in the cost allocation between customer classes due to differences in their water use and the amount of impervious area
  - Multi-family properties will see a major reduction in costs allocated to that class due to the high-density of the land use
  - Federal properties will see a larger portion of costs allocated to them due to same reason as above

CRIAC Approach

- Current Approach
  - An impervious area (IA) rate can provide a better allocation of cost responsibility than a water/sewer consumption rate for these programs relating to managing surface runoff
    - Existing combined sewer system generally can handle customer flows
      - Overflows occur during rain events
    - Helps ensure all who have stormwater runoff pay
  - Impervious area (IA) rates have been used in many cities for recovery of stormwater program costs. Costs are allocated to property owners on the basis of imperviousness (the amount of built or paved area), except for streets and right-of-ways which are considered common property

Shifting Cost from CRIAC to Sewer Volumetric Rate

- Explanation: DC Water may choose to change its practice and shift cost recovery
- Criteria Impact:
  - A small shift could be cost justified based on the ratio of wastewater to stormwater that ends up overflowing into the tunnels
  - A small shift in cost from CRIAC to volumetric will have little impact on the vast majority of customers
  - Analyzing ratios of sewer to stormwater overflowing into tunnels will provide cost justified shift
  - Easy to implement because, DC Water has impervious area and volumetric information

Shifting Cost from CRIAC to Sewer Volumetric Rate

Shifting Cost from CRIAC to Sewer Volumetric Rate:

- 18% Shift:
  - Calculated based on pollutant concentrations in sanitary wastewater, stormwater runoff and CSO
  - Uses average of following pollutants: total suspended solids (TSS), biochemical oxygen demand (BOD), total nitrogen (TN) and total phosphorus (TP)
  - Variability in results based on underlying variability in pollutant concentrations from multiple sources
- 37% Shift:
  - Calculated based on volume of sanitary wastewater, stormwater runoff and CSO
  - Uses collection system computer model for average rainfall year to predict volume of each component
  - Model applied for same conditions used to design the Clean Rivers Project and obtain regulatory determination that plan will meet District water quality standards

Impact of a Shift to Volumetric:

- Shifting some of the Clean Rivers cost recovery to the volumetric rate gives customers more control over the amount that they pay towards the project
- As a class, Multi-family and Commercial would pay more while Federal Government would pay less
- Small volume customers in every class would generally pay less
- Average Residential customers would pay about the same
- Shift could be phased-in

Shifting Cost from CRIAC to Sewer Volumetric Rate

Alternative 1: 18% of CRIAC Shift to Sewer Volumetric, Phase-in Year One

Monthly	Average Household	Average Multi-Family	Sample Commercial	Sample Cemetery	Sample House of Worship (High Con)	Sample House of Worship (Low Con)
Monthly CCF	6.2	92.6	4,478	4.0	876	9.42
ERU	1	6.3	52.2	115.1	128.6	59.2
FY2020 Monthly Total Bill	$114	$1,373	$62,315	$3,314	$15,812	$1,887
FY 2020 Estimated Total Bill with 18% IAC recovered through Volumetric Charge	$114	$1,413	$65,431	$2,783	$15,873	$1,619

Alternative 2: 37% of CRIAC Shift to Sewer Volumetric, No Phase-in

Monthly	Average Household	Average Multi-Family	Sample Commercial	Sample Cemetery	Sample House of Worship (High Con)	Sample House of Worship (Low Con)
Monthly CCF	6.2	92.6	4,478	4.0	876	9.42
ERU	1	6.3	52.2	115.1	128.6	59.2
FY2020 Monthly Total Bill	$114	$1,373	$62,315	$3,314	$15,812	$1,887
FY 2020 Estimated Total Bill with 37% IAC recovered through Volumetric Charge	$114	$1,454	$68,671	$2,228	$15,932	$1,340

Projected Clean Rivers Impervious Area Charge

- Charges are driven by debt service costs necessary to support the $2.7 billion Clean Rivers Project
- The annual Clean Rivers Project costs for the average residential customer (700 – 2,000 sq. ft. of impervious area) is projected to increase from $251.28 in FY 2020 to $351.72 in FY 2028

Multi-Family

	Units	FY 2018	FY 2019	($)	(%)
DC Water Water and Sewer Retail Rates [1]	Ccf	$ 906.50	$ 1,028.60	$ 122.10	13.5%
DC Water Clean Rivers IAC [4]	ERU	158.63	144.90	$ (13.73)	-8.7%
DC Water Customer Metering Fee	1.5"	6.88	6.88	$ -	0.0%
DC Water Water System Replacement Fee [3]	1.5"	41.35	41.35	$ -	0.0%
Subtotal DC Water Rates & Charges		**$ 1,113.36**	**$ 1,221.73**	**$ 108.37**	**9.7%**
District of Columbia PILOT Fee [1]	Ccf	$ 45.33	$ 46.25	$ 0.92	2.0%
District of Columbia Right-of-Way Fee [1]	Ccf	16.65	16.65	-	0.0%
District of Columbia Right-of-Way Fee / PILOT	Ccf	61.98	62.90	0.92	1.5%
District of Columbia Stormwater Fee [2]	ERU	16.82	16.82	-	0.0%
Subtotal District of Columbia Charges		**$ 78.80**	**$ 79.72**	**$ 0.92**	**1.2%**
Total Amount Appearing on DC Water Bill		**$ 1,192.16**	**$ 1,301.45**	**$ 109.29**	**9.2%**

(1) Assumes average monthly consumption of 92.5 Ccf, or 69,190 gallons
(2) District Department of the Environment stormwater fee of $2.67 effective November 1, 2010
(3) DC Water "Water System Replacement Fee" of $41.35 for 1 x 5" meter size effective October 1, 2015
(4) Assume 6.3 ERUs

Multi-Family

	Units	Current FY 2019	w/District ROW FY 2019 [5]	10% Transfer from CRIAC ($) [6]	20% Transfer from CRIAC ($) [7]
DC Water Water and Sewer Retail Rates [1]	Ccf	$ 1,028.60	$ 1,028.60	$ 1,061.90	$ 1,095.20
DC Water Clean Rivers IAC [4]	ERU	144.90	87.26	130.41	115.92
DC Water Customer Metering Fee	1.5"	6.88	6.88	6.88	6.88
DC Water Water System Replacement Fee [3]	1.5"	41.35	41.35	41.35	41.35
Subtotal DC Water Rates & Charges		**$ 1,221.73**	**$ 1,164.09**	**$ 1,240.54**	**$ 1,259.35**
			-4.7%	*1.5%*	*3.1%*
District of Columbia PILOT Fee [1]	Ccf	$ 46.25	$ 46.25	$ 46.25	$ 46.25
District of Columbia Right-of-Way Fee [1]	Ccf	16.65	16.65	16.65	16.65
District of Columbia Right-of-Way Fee / PILOT	Ccf	62.90	62.90	62.90	62.90
District of Columbia Stormwater Fee [2], [4]	ERU	16.82	16.82	16.82	16.82
Subtotal District of Columbia Charges		**$ 79.72**	**$ 79.72**	**$ 79.72**	**$ 79.72**
Total Amount Appearing on DC Water Bill		**$ 1,301.45**	**$ 1,243.81**	**$ 1,320.26**	**$ 1,339.07**
			-4.4%	*1.4%*	*2.9%*

(1) Assumes average monthly consumption of 92.5 Ccf, or 69,190 gallons
(2) District Department of the Environment stormwater fee of $2.67 effective November 1, 2010
(3) DC Water "Water System Replacement Fee" of $41.35.for 1x5" meter sizes effective October 1, 2015
(4) Assumes 6.3 Equivalent Residential Unit (ERU)
(5) Assumes District Government pays 40 percent share of CRIAC Right-of Way
(6) Assumes 10% of costs from CRIAC to Sewer Volumetric (CRIAC: $20.70/ERU, Sewer Volumetric: $8.11/Ccf
(7) Assumes 20% of costs from CRIAC to Sewer Volumetric (CRIAC: $18.40/ERU, Sewer Volumetric: $8.47/Ccf

Building

	Units	FY 2018	FY 2019	Incr/Decr ($)	Incr/Decr (%)
DC Water Water and Sewer Retail Rates [1]	Ccf	$ 2,588.77	$ 2,937.26	$ 348.49	13.5%
DC Water Clean Rivers IAC [4]	ERU	1,329.50	1,214.40	(115.10)	-8.7%
DC Water Customer Metering Fee	3"	76.98	76.98	-	0.0%
DC Water Water System Replacement Fee [3]	3"	232.13	232.13	-	0.0%
Subtotal DC Water Rates & Charges		**$ 4,227.38**	**$ 4,460.77**	**$ 233.39**	**5.5%**
District of Columbia PILOT Fee [1]	Ccf	$ 121.97	$ 124.46	$ 2.49	2.0%
District of Columbia Right-of-Way Fee [1]	Ccf	44.81	44.81	-	0.0%
District of Columbia Right-of-Way Fee / PILOT	Ccf	166.78	169.27	2.49	1.5%
District of Columbia Stormwater Fee [2], [4]	ERU	140.98	140.98	-	0.0%
Subtotal District of Columbia Charges		**$ 307.76**	**$ 310.25**	**$ 2.49**	**0.8%**
Total Amount Appearing on DC Water Bill		**$ 4,535.14**	**$ 4,771.02**	**$ 235.88**	**5.2%**

(1) Assumes average monthly consumption of 248.92 Ccf, or 186,192 gallons

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

(3) DC Water "Water System Replacement Fee" of $232.13 for 1" meter size effective October 1, 2015

(4) Assumes 52.80 Equivalent Residential Unit (ERU)

Building

	Units	Current FY 2019	w/District ROW FY 2019 [5]	10% Transfer from CRIAC ($) [6]	20% Transfer from CRIAC ($) [7]
DC Water Water and Sewer Retail Rates [1]	Ccf	$ 2,937.26	$ 2,937.26	$ 3,026.87	$ 3,116.48
DC Water Clean Rivers IAC [4]	ERU	1,214.40	731.28	1,092.96	971.52
DC Water Customer Metering Fee	3"	76.98	76.98	76.98	76.98
DC Water Water System Replacement Fee [3]	3"	232.13	232.13	232.13	232.13
Subtotal DC Water Rates & Charges		**$ 4,460.77**	**$ 3,977.65**	**$ 4,428.94**	**$ 4,397.11**
			-10.8%	*-0.7%*	*-1.4%*
District of Columbia PILOT Fee [1]	Ccf	$ 124.46	$ 124.46	$ 124.46	$ 124.46
District of Columbia Right-of-Way Fee [1]	Ccf	44.81	44.81	44.81	44.81
District of Columbia Right-of-Way Fee / PILOT	Ccf	169.27	169.27	169.27	169.27
District of Columbia Stormwater Fee [2], [4]	ERU	140.98	140.98	140.98	140.98
Subtotal District of Columbia Charges		**$ 310.25**	**$ 310.25**	**$ 310.24**	**$ 310.24**
Total Amount Appearing on DC Water Bill		**$ 4,771.02**	**$ 4,287.90**	**$ 4,739.18**	**$ 4,707.35**
			-10.1%	*-0.7%*	*-1.3%*

(1) Assumes average monthly consumption of 248.92 Ccf, or 186,192 gallons
(2) District Department of the Environment stormwater fee of $2.67 effective November 1, 2010
(3) DC Water "Water System Replacement Fee" of $232.13 for 1" meter size effective October 1, 2015
(4) Assumes 52.80 Equivalent Residential Unit (ERU)
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FOR MORE INFORMATION PLEASE CONTACT:

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