

YOUR DC WATER BILL

WHAT CHANGES CAN YOU EXPECT?

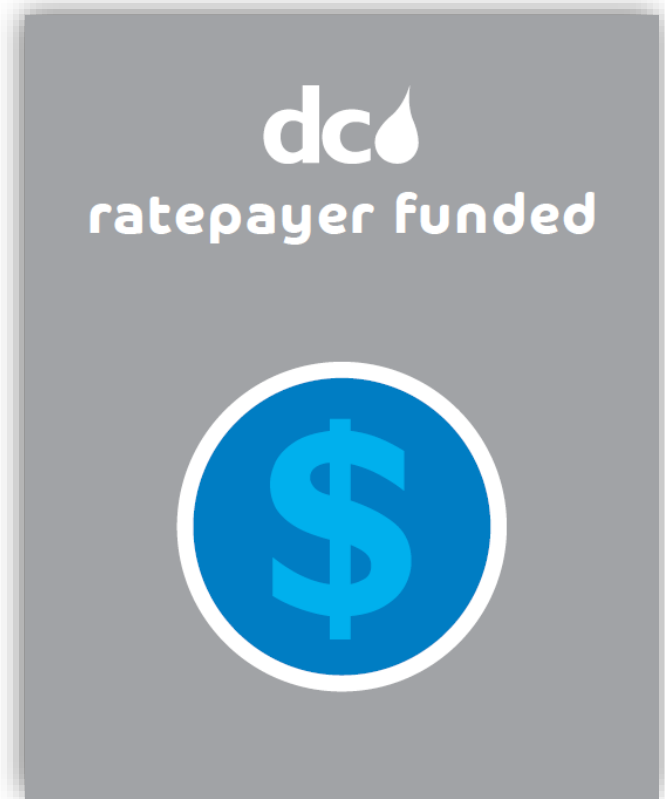
August 8, 2018

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OVERVIEW OF RATES & FEES FY 2019 and FY 2020

- Every 3 years DC Water conducts a Cost of Service Study to ensure that charges are appropriately covering the costs.
- As a result, the Board proposed and approved a water and sewer rate increase of **13% for FY 2019** and **5% for FY 2020**
- Combined rate increase for water, sewer and CRIAC lowered from 6.1% forecasted last year to 5.9%
- CRIAC *decreased* from projected \$28.41 in FY 2019 to **\$23.00** in FY 2019 and **\$25.58** in FY 2020.
- To achieve this decrease, the Board **reallocated** the CRIAC costs to the volumetric sewer rates.
- The \$40 million revenue collected from the **Water System Replacement Fee (WSRF)**, which was designed to recover 1% of the costs for water line renewal and replacement, was used to in its entirety offset the utility's revenue requirements, resulting in a decrease in all water volumetric charges.
- Customer Metering Fee and WSRF will remain the same as FY 2018.



APPROVED DC WATER RATES & FEES

| RATE CLASS | CURRENT FY 2018 RATES (Effective 10/01/17) | | APPROVED FY 2019 RATES (Effective: 10/01/18) | | APPROVED FY 2020 RATES (Effective: 10/01/19) | |
|---|--|------------|--|------------|--|------------|
| WATER RATE | Residential (Consumption up to 4Ccf) | \$3.39/CCF | Residential (Consumption up to 4Ccf) | \$2.91/CCF | Residential (Consumption up to 4Ccf) | \$3.06/CCF |
| | Residential (Consumption greater than 4Ccf) | \$4.26/CCF | Residential (Consumption greater than 4Ccf) | \$3.90/CCF | Residential (Consumption greater than 4Ccf) | \$4.10/CCF |
| | Multifamily/DC Housing Authority | \$3.80/CCF | Multifamily/DC Housing Authority | \$3.37/CCF | Multifamily/DC Housing Authority | \$3.54/CCF |
| | Non-residential | \$4.40/CCF | Non-residential | \$4.05/CCF | Non-residential | \$4.25/CCF |
| SEWER RATE | \$6.00/CCF | | \$7.75/CCF | | \$8.14/CCF | |
| IMPERVIOUS SURFACE AREA CHARGE | \$25.18/month or ERU | | \$23.00/month or ERU | | \$25.58/month or ERU | |
| RIGHT OF WAY (ROW)/ PAYMENT IN LIEU OF TAXES FEE (PILOT) | \$0.67/CCF Divided as follows: <u>ROW</u> \$.18/CCF <u>PILOT</u> \$.49/CCF | | \$0.68/CCF Divided as follows: <u>ROW</u> \$.18/CCF <u>PILOT</u> \$.50/CCF | | \$0.70/CCF Divided as follows: <u>ROW</u> \$.19/CCF <u>PILOT</u> \$.51/CCF | |
| STORMWATER FEE | \$2.67/ERU | | NO CHANGE | | NO CHANGE | |

DC WATER RATES & FEES CONTINUED

WATER SYSTEM REPLACEMENT FEE

MONTHLY FEE TO FUND THE ONE PERCENT (1%) RENEWAL & REPLACEMENT OF AGING WATER INFRASTRUCTURE FOR RESIDENTIAL, MULTIFAMILY AND NON-RESIDENTIAL CUSTOMERS. THE FEE IS BASED ON METER SIZE AND AVERAGE FLOW.

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

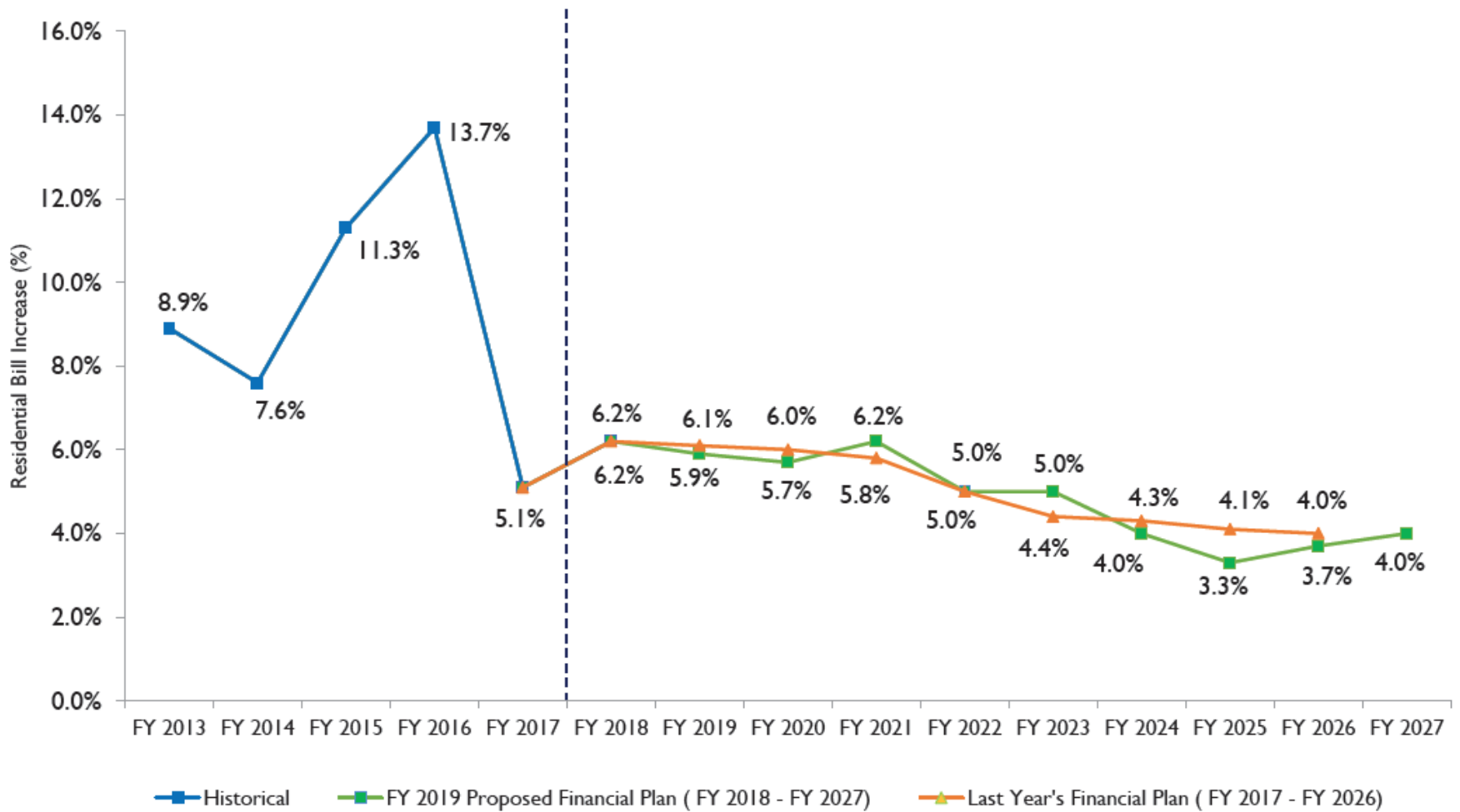
DC WATER RATES & FEES CONTINUED

APPROVED SYSTEM AVAILABILITY FEE (SAF) | EFFECTIVE: JUNE 1, 2018

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

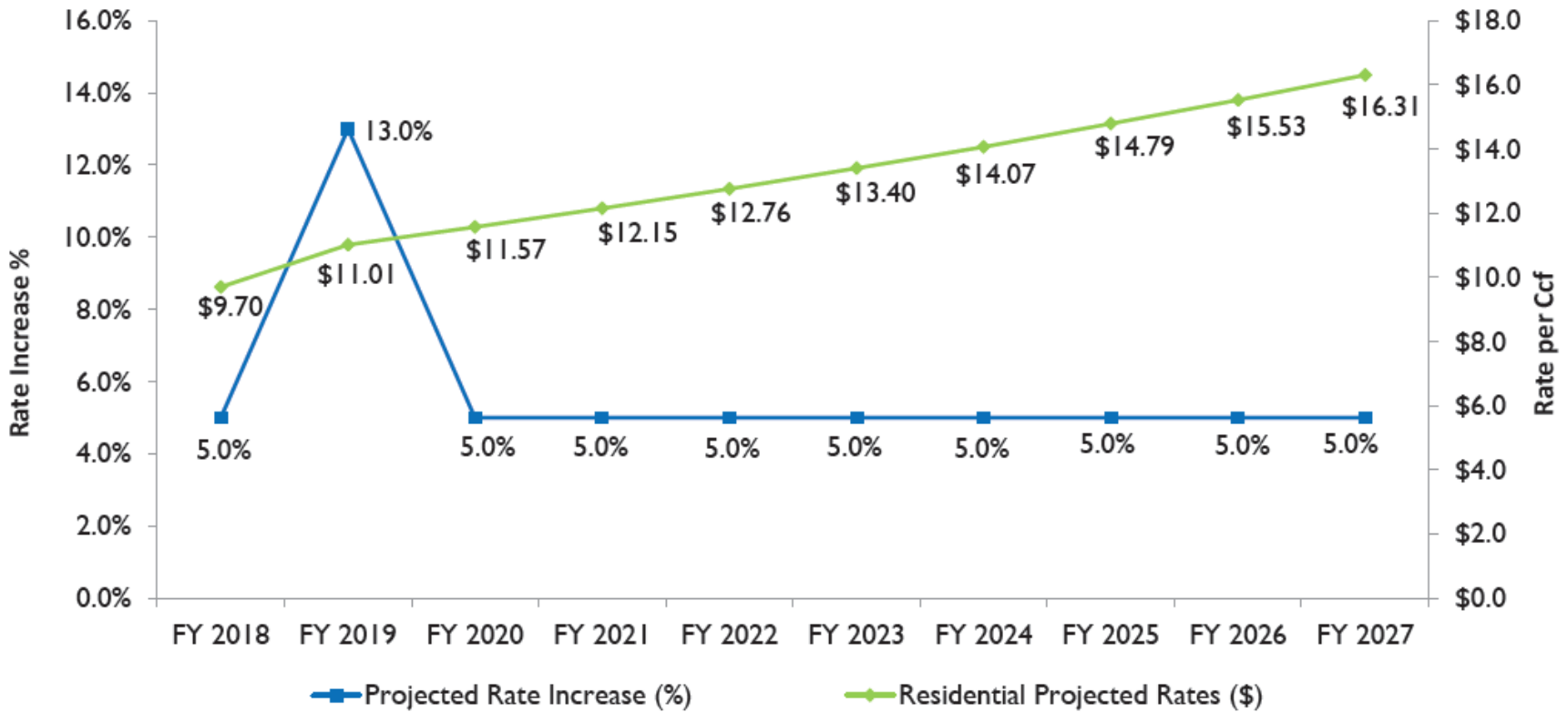
| SAF Meter Size (inches) | Water System Availability Fee | Sewer System Availability Fee | Total System Availability Fee |
|-------------------------|-------------------------------|-------------------------------|-------------------------------|
| 1" or smaller | \$ 1,282 | \$ 3,173 | \$ 4,455 |
|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

Historical and Projected Combined Rate Increases



Projected Water & Sewer Rates

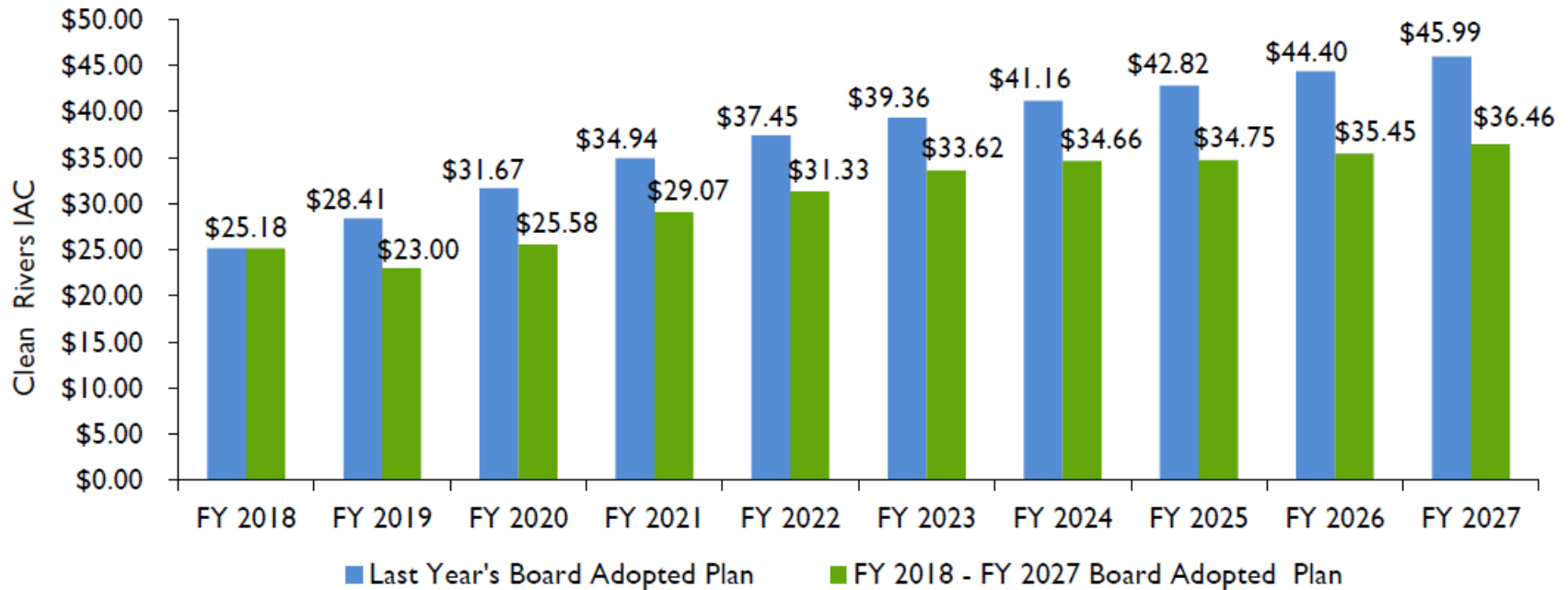
- Projected annual rate increase of 13% in FY 2019 and 5% from FY 2020 to FY 2027
- Projected water and sewer rate increase from \$9.70 to \$16.31/Ccf



* Rates shown above reflect weighted water and sewer rates for the Residential customer category



Projected Clean Rivers Impervious Area Charge



- 💧 The projected charges displayed in the chart above are primarily driven by anticipated debt service costs necessary to support the \$2.6 billion Clean Rivers Project, which includes the federally mandated CSO-LTCP and the nine minimum controls program
- 💧 The annual Clean Rivers Project costs for the average Tier 2 residential customer (700 – 2,000 sq. ft. of impervious area) is projected to increase from \$276.00 in FY 2019 to \$437.52 in FY 2027

FY 2019 • Where Does Your Money Go?

Operations & Maintenance
\$0.31



Water \$0.09
Sewer \$0.22

Capital Investments
\$0.62



Clean Rivers \$0.21
Water Projects \$0.10
Blue Plains Projects \$0.16
Sanitary Sewer Projects \$0.07
Other Capital Projects \$0.08

DC Pass Through Fees
\$0.07



PILOT \$0.03
ROW \$0.01
Storm-water \$0.03

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