



Impervious Surface Area Charge: Investing In Our Local Waterways

IMPERVIOUS SURFACE AREA CHARGE PROJECT UPDATE

WHAT IS THE IMPERVIOUS SURFACE AREA CHARGE?

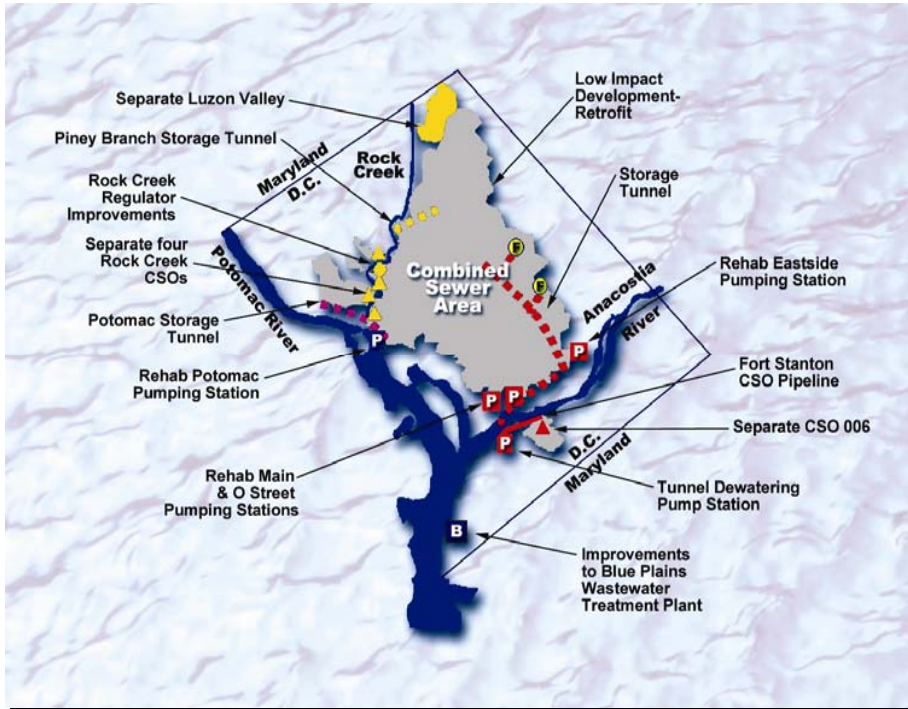
- DC WASA is implementing an impervious surface area charge to more equitably allocate the costs of the CSO Long Term Control Plan. The charge is based upon contribution to surface runoff from wet weather events.

WHAT IS THE IMPERVIOUS SURFACE AREA CHARGE, (Cont.)

- Impervious Surface Area is an area that does not allow water to easily penetrate, such as rooftops, sidewalks, paved driveways, patios, and parking lots.
- This cost is currently being recovered through a “volumetric” sewer charge.
- The amount of impervious area on each property will be determined from information contained in the District of Columbia’s Geographical Information System (DCGIS).
- Initially, all residential customers will be charged based upon one ERU (Equivalent Residential Unit): a simplified billing that represents a *typical* house.
 - 1 ERU = 1000 square feet of impervious surface.
 - The WASA Board of Directors is exploring an incentive program for the future to recognize property owners that have implemented wet weather control techniques.

PROJECT BACKGROUND AND UNDERSTANDING

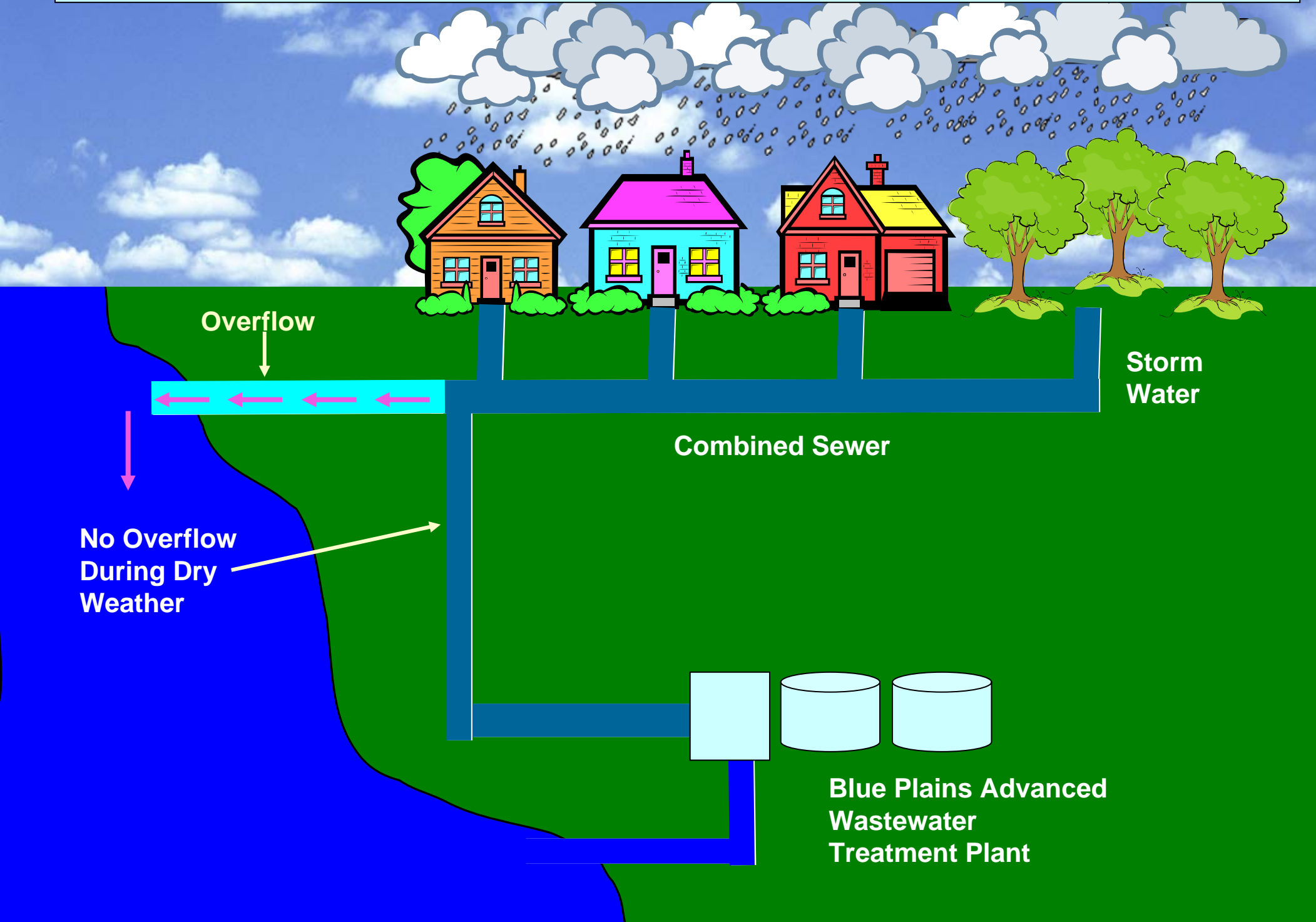
Combined Sewer Overflow (CSO) Long-Term Control Plan



- 2005 federal mandated twenty-year \$2.2 billion program
 - ✓ Consent decree
 - ✓ Facility planning and geotechnical work has begun
- Projected to reduce 96% of CSOs
 - ✓ 98% reduction on Anacostia River
- Plan includes:
 - ✓ 3 large storage tunnels
 - ✓ Pumping station improvements
 - ✓ Targeted sewer separation
 - ✓ Consolidation/elimination of several outfalls
 - ✓ Low Impact Development projects

- ✓ Nine Minimum Control CSO improvements (\$140 million) majority completed by 2008; 40% reduction of CSOs
- ✓ Received federal funding of about \$125 million to date

Impervious Surface Area Illustration



IAC Project Status

- City Council approved and Mayor signed IAC legislation.
- The DC geographic and property data has been integrated into a database to identify all impervious area and the owners.
- Board proposed FY 2009 IAC Rulemaking in January 2009 and a Public Hearing was held on Wednesday, February 18, 2009.
- IAC customer website was redesigned in mid February 2009 to allow individual customers to review the impervious data assigned to their accounts.
- Congress approved IAC legislation on March 26, 2009
- Board approved IAC Final Rulemaking April 2, 2009 and Notice of Final Rulemaking regarding IAC published in DCMR April 10, 2009.
- “Go-Live date” May 1, 2009.

ESTIMATES OF IMPERVIOUS AREA,
EQUIVALENT RESIDENTIAL UNITS, IA RATE,
AND CUSTOMER BILL IMPACTS

Comparison of Share of ERUs to Share of Water Consumption by Customer Category

Category	Share of Equivalent Residential Units (%)	Share of Metered Water Consumption
Residential	24.4%	21.3%
Commercial	33.2%	33.0%
Multifamily	10.9%	20.7%
Federal	21.0%	16.9%
Municipal	6.7%	3.2%
DCHA	1.2%	2.9%
WASA	2.6%	2.0%
Totals	100%	100%

- The table compares the share of impervious area equivalent residential units to the metered water consumption for each customer category.
- An impervious area rate structure will cause a shift in the cost allocation between customer categories 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 group 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.

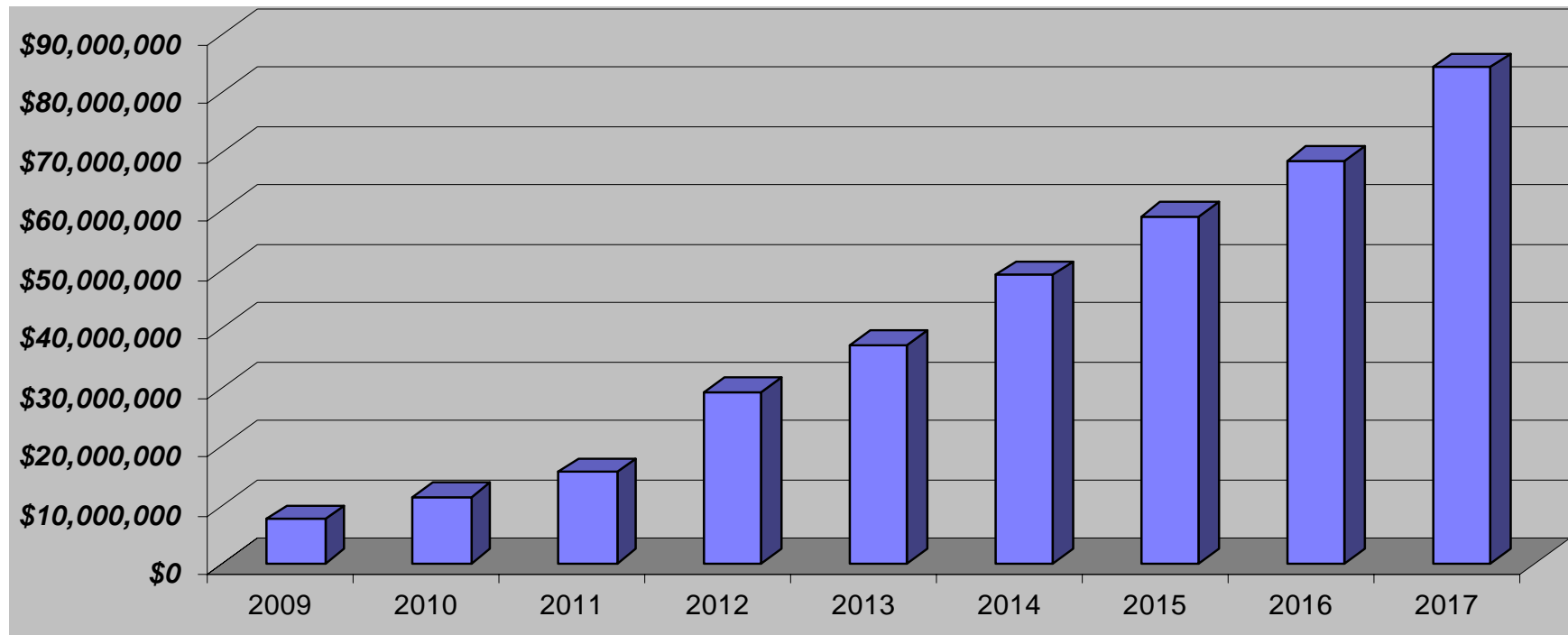
Impervious Area Statistics

	SF Res	Non Res	TOTALS
Number of Premises to be Billed	104,285	27,610	131,895
Total Billing Impervious Area (sq. ft.)	125,759,654	310,929,129	436,688,783
Percent of Total Billing Impervious Area (%)	28.8%	71.2%	100%
Percent of Total Water Consumption (%)	21.3%	78.7%	100%
Mean Impervious Area per Billable Premise (sq. ft.)	1,206	11,261	3,269
Median Impervious Area per Billable Premise (sq. ft.)	981		

CSO LTCP Costs through 2017

- Based on DC WASA 2009 - 2017 approved ten-year financial plan
 - ✓ Costs range from \$7.4 million in 2009 to \$80+ million in 2017
 - ✓ Includes all DC WASA approved LTCP costs

CSO "Cost Pool"



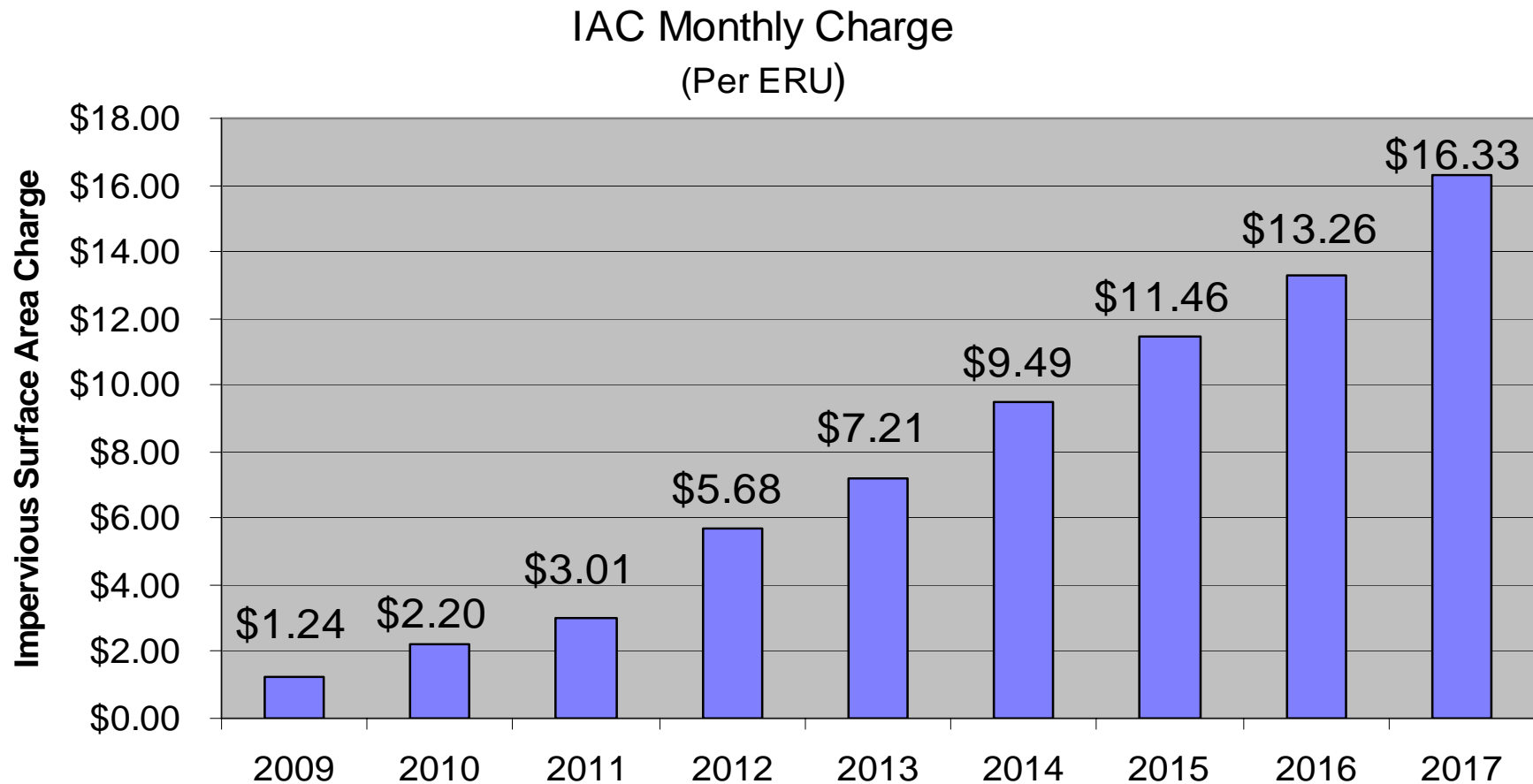
IAC Effective Date

- Sewer Rate Adjustments (*effective May 1, 2009*)
 - ✓ Decrease sanitary sewer service from \$3.47 to \$3.31 per Ccf; and
 - ✓ Implement a monthly Impervious Surface Area Charge of \$1.24 per Equivalent Residential Unit (ERU) for all properties in the District of Columbia

	Adopted FY 2009	Effective May 1, 2009 w/IAC Rate	Rate Change
Existing Usage Rate - Water & Wastewater \$/CCF			
Water Rate	\$ 2.30	\$ 2.30	
Sewer Rate	\$ 3.47	\$ 3.31	\$ (0.16)
Combined Rate	\$ 5.77	\$ 5.61	\$ (0.16)
IAC Charge \$/ERU	-	\$ 1.24	

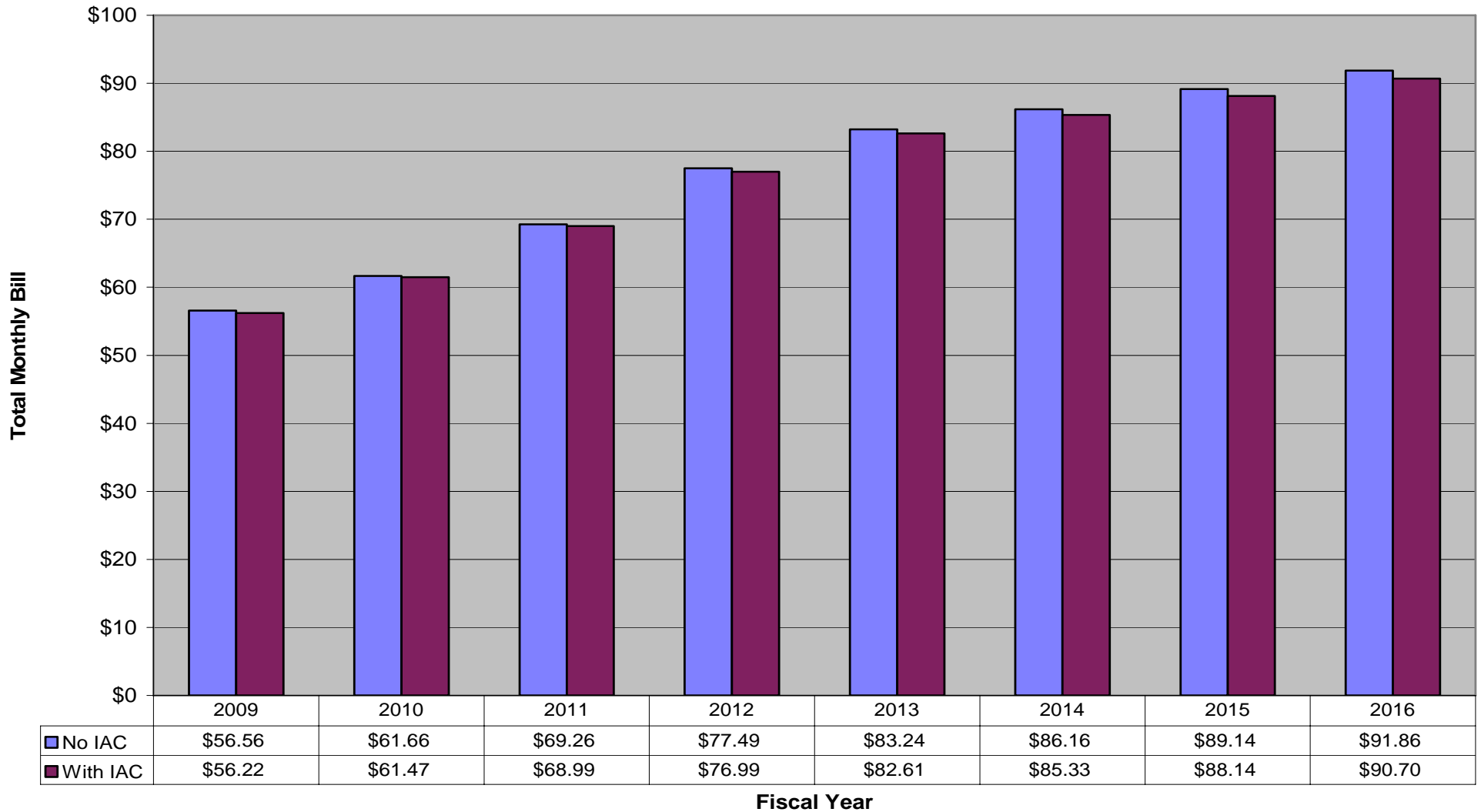
*1 Ccf = 748 gallons

Projected Monthly Residential IAC Charge Per ERU



Average Monthly Bill for Residential Customer with Monthly Metered Consumption of 8.33 CCF

Monthly Bill With and Without IA Charge for SF Customer with 8.33 CCF Water Use



APPENDIX

IAC Customer Service Contact

Contact DC WASA with your comments or questions

- E-mail at info@dcwasa.com
- Supervisor-Eric Hunt
202-354-3685
eric.hunt@dcwasa.com
- GIS Technician- Kristian Dennis
202-354-3673
kristian.dennis@dcwasa.com
- GIS Technician- James Harris
202-354-3695
james.harris@dcwasa.com
- Customer Service Fax 202-354-3740

DC WASA Then and Now

Then—FY 1996 to FY 2008

- Virtually no cash in the bank
- No bond rating; never issued debt
- Over \$35 million in delinquent accounts
- Customers had to mail requests for service/transfers

Now—FY 2009

- Six months operating cash reserves
- AA bond rating
- Delinquent accounts reduced to \$6.0 million
- Consolidated Call Center and Voice Recognition Technology

DC WASA Then and Now

Then— FY 1996 to FY 2008

- No rate increases in 10 years
- Less than 50% of fleet operable
- Lost revenue due to inaccurate meter readings
- Meters read quarterly
- Over 15% meter readings estimated

Now—FY 2009

- FY 2009 Operating budget—\$363.2 million; 10-year CIP (disbursements) budget—\$3.2 billion with annual CIP expenditures ~\$300 million
- 95% fleet vehicles operable
- Automated Meter Reading (AMR); real-time, accurate twice daily readings
- Monthly billing

DC WASA Operating and Capital Improvement Budgets

FY 2009 Revised

- Revenues: \$353.0 million
- Operating Budget: \$363.2 million
- Capital Disbursements Budget: \$266.0 million

FY 2010 Adopted

- Revenues: \$389.8 million
- Operating Budget: \$393.6 million
- Capital Disbursements Budget: \$275.1 million

FY 2010 Adopted Budget

-Adopted budgets provide for continued delivery of high quality water and sewer services as well as repairs and upgrades to the District's aging water, sewer and wastewater treatment systems to meet increasingly stringent federal regulatory requirements.

-Included in the budget for FY 2010 is a proposed 10 percent increase in the rate that customers in the District pay for water and sewer services as well as an adjustment to the new monthly impervious surface charge to \$2.20. The primary driver of these rate adjustments is the cost of DC WASA's Capital Improvement Program (CIP) and the escalating costs for utilities and chemicals.

-Federal funding has been significantly reduced over the years. Ratepayers are the major revenue source for maintaining and upgrading the District's water and sewer infrastructure. In order to manage the very large infrastructure costs, the board's policy is to raise rates gradually and predictably over time, rather than delaying charges in a way that results in sudden rate spikes.

-Public hearing on the FY 2010 rate proposal will be held on Wednesday June 10, 2009, 6:30pm at the Council of Governments, 777 North Capitol Street, NE, 1st Floor Training Room.