



# **Updated Estimates of Impervious Area, Equivalent Residential Units, IA Rate, and Customer Bill Impacts**

*January 2009*

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# IMPERVIOUS AREA CHARGE PROJECT UPDATE

# IAC Project Update

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DC WASA has made significant progress on the Impervious Area Charge (IAC) since we last met in Spring 2008.

- City Council approved 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 is scheduled for Wednesday, February 18, 2009
  - The Board of Directors approved an expansion of the Customer Assistance Program (CAP) to provide the first 4 Ccfs of sewer service as well as waste water service to those households who qualify under city guidelines.
- IAC customer website will be available in mid February 2009 to allow individual customers to review the impervious data assigned to their accounts.
- Anticipated Wednesday, April 1, 2009 “Go-Live date”.

# WHAT IS THE IMPERVIOUS SURFACE AREA CHARGE?

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- 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.)

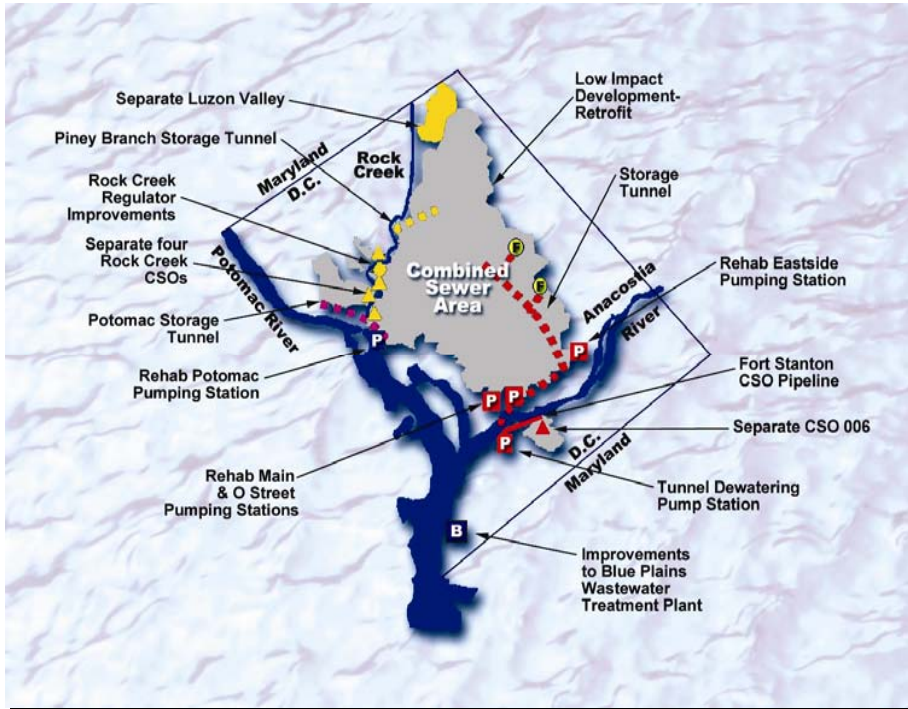
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- Impervious Surface Area is an area that does not allow water to easily penetrate, such as rooftops, paved driveways, patios, and parking lots.
- This cost is currently being recovered through a “volumetric” sewer charge.
- The amount of impervious area on each property will be determined from information contained in the District of Columbia’s Geographical Information System.
- 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 DC WASA Board of Directors is exploring an incentive program for future incorporation into the rate structure.

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# PROJECT BACKGROUND AND UNDERSTANDING

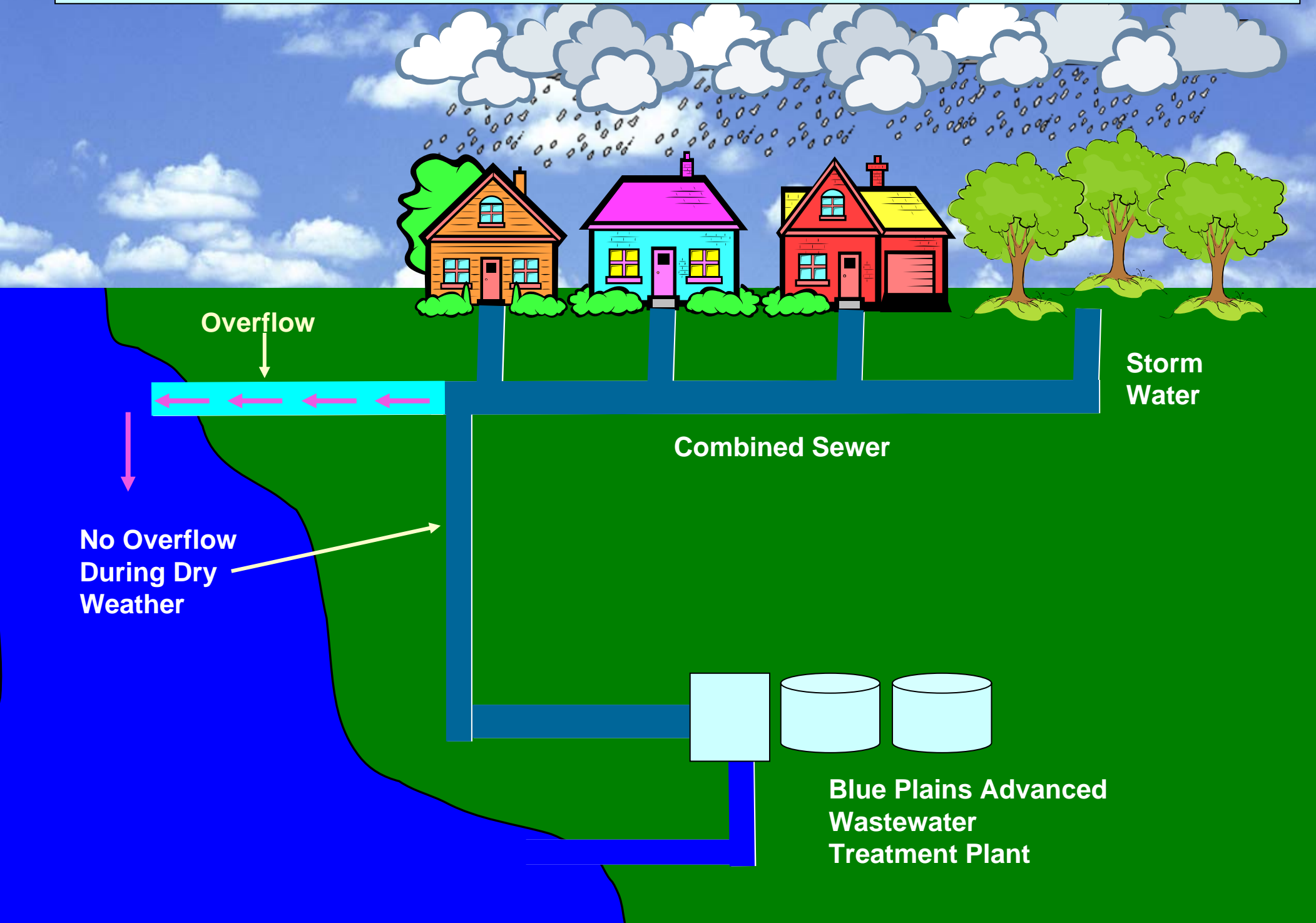
# Combined Sewer Overflow (CSO) Long-Term Control Plan



- 2005 federal 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:
  - ✓ Three 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) completed by 2008; reduce 40% of CSOs
- ✓ Received federal funding of about \$106 million to date
- Future additional funding of \$14 million has been proposed for FY 2009

# Impervious Surface Area Illustration



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UPDATED 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%
<b>Totals</b>	<b>100%</b>	<b>100%</b>

- 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

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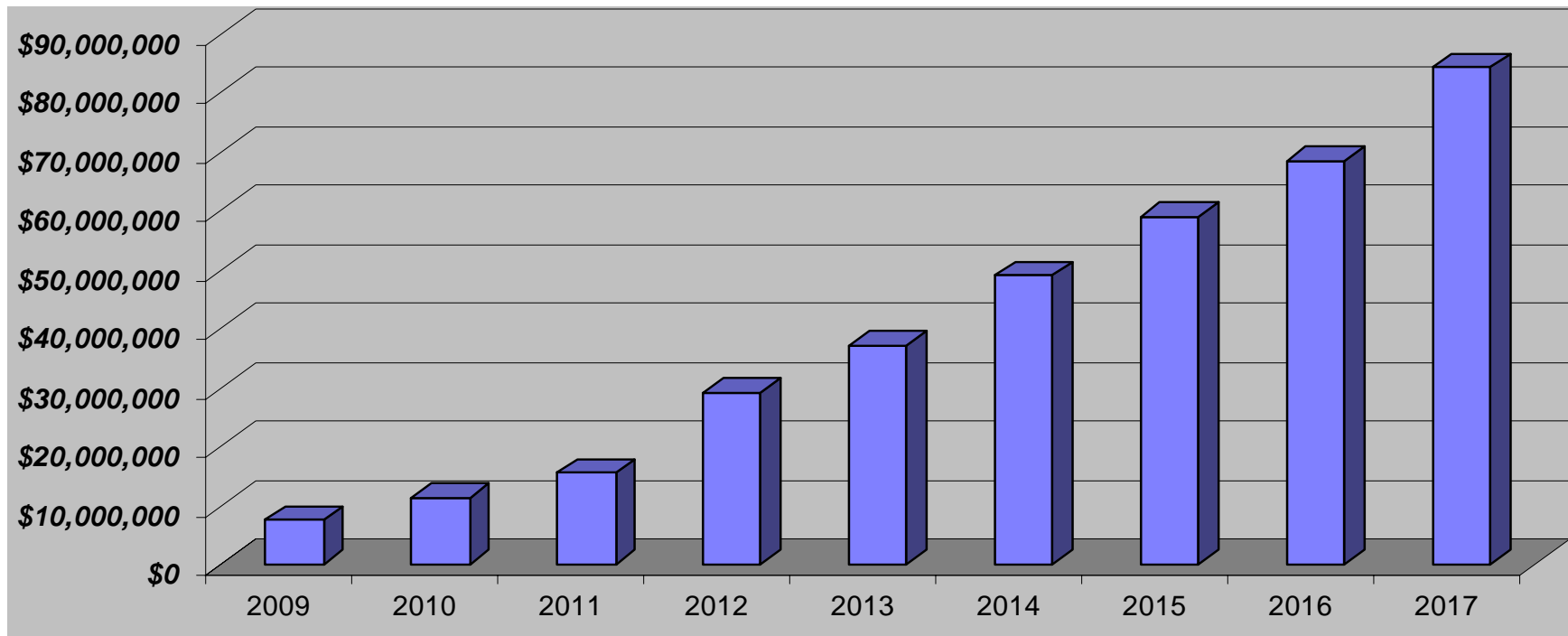
	SF Res	Non Res	TOTALS
Number of Premises to be Billed	104,285	27,610	131,895
Total Billing Impervious Area (sq. ft.)	125,759,654	310,929,129	436,688,783
Percent of Total Billing Impervious Area (%)	28.8%	71.2%	100%
Percent of Total Water Consumption (%)	21.3%	78.7%	100%
Mean Impervious Area per Billable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

# COS LTCP Costs through 2017

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- Based on DC WASA 2009 - 2017 approved ten-year financial plan
- Includes all DC WASA approved LTCP costs
- Forecast IAC cost pool – 2009 through 2017

CSO "Cost Pool"



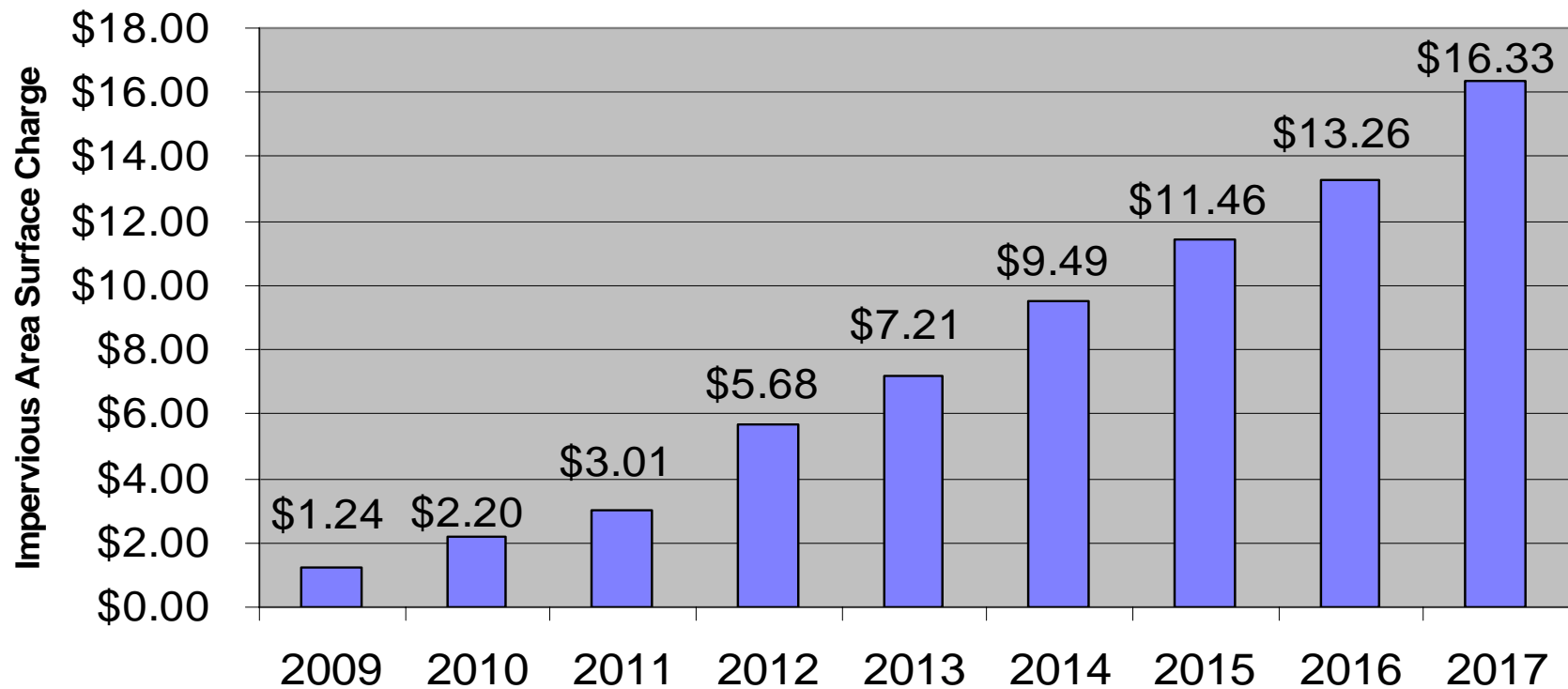
# Monthly Rate Comparisons – With/Without IAC Charges

	Adopted FY 2009	Proposed April 1, 2009 w/IAC Rate	Rate Change
<b>Existing Usage Rate - Water &amp; Wastewater \$/CCF</b>			
Water Rate	\$ 2.30	\$ 2.30	
Sewer Rate	\$ 3.47	\$ 3.31	\$ (0.16)
<b>Combined Rate</b>	<b>\$ 5.77</b>	<b>\$ 5.61</b>	<b>\$ (0.16)</b>
<b>IAC Charge \$/ERU</b>	<b>-</b>	<b>\$ 1.24</b>	

- **FY 2009 approved rates reflects ten-year financial forecast from Fall 2007, including a 7.5% increase in water and sewer rates for FY 2009.**
- **Table shows the amount of the reduction in sewer rate that could occur with the implementation of the IAC charge.**

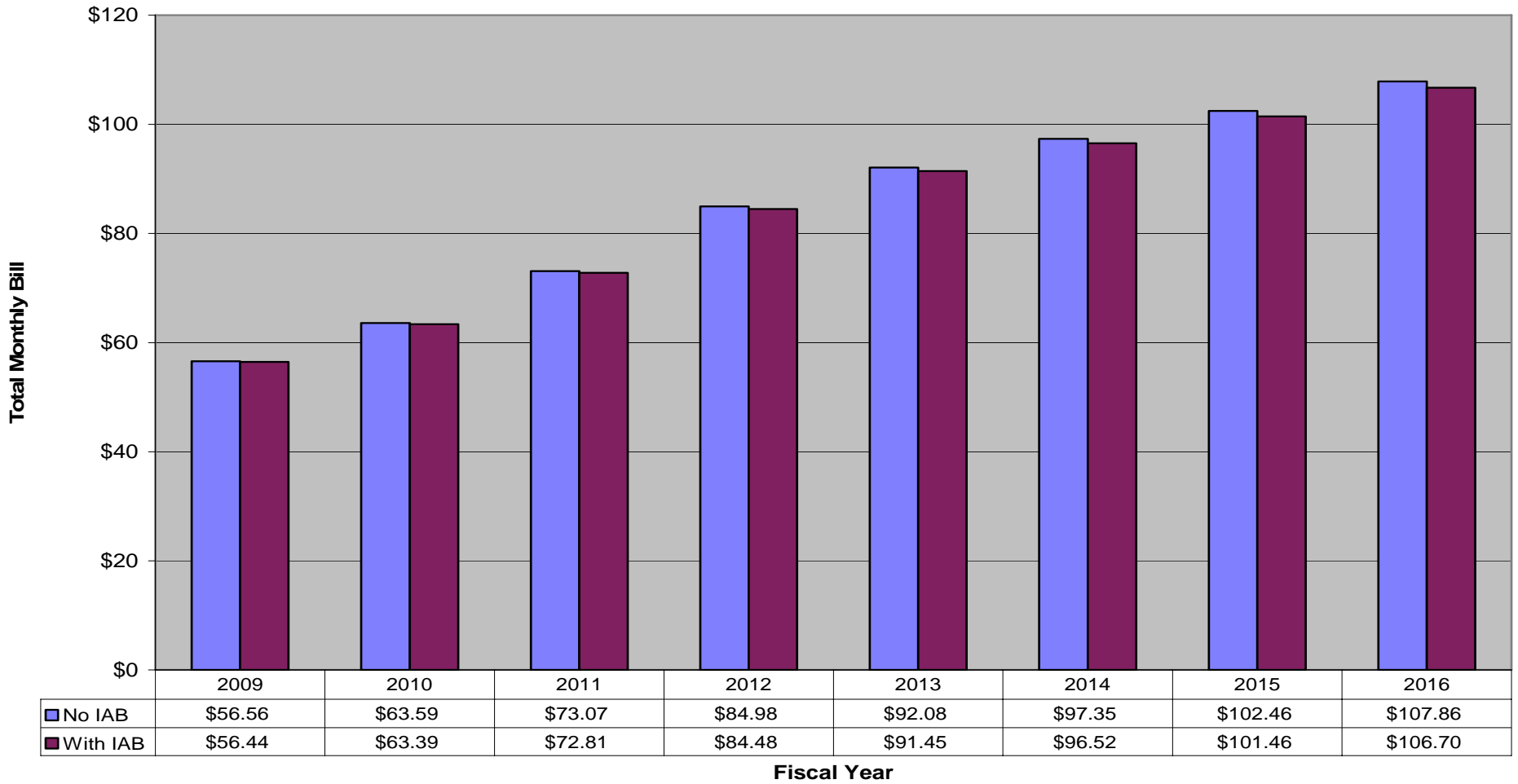
# Projected Annual Residential IAC Charge Per ERU

IAC Monthly 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



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# IMPERVIOUS AREA CHARGE PUBLIC INPUT

# Ways to Provide Input on IAC Rate Adjustment Proposal

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## Upcoming Public Hearing

**Date:** Wednesday February 18, 2009

**Location:** Council of Governments  
777 North Capitol Street, NE  
1<sup>st</sup> floor training room

**Time:** 6:30pm

**Contact DC WASA with your comments or questions**

- E-mail at [info@dcwasa.com](mailto:info@dcwasa.com)
- Fax DC WASA at (202) 787-2795
- Mail to Board Secretary at 5000 Overlook Ave., SW, Washington, DC 20032

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# APPENDIX

# DC DC WASA Then and Now

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## **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 DC WASA Then and Now

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## 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 DC WASA Operating and Capital Improvement Budgets

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## **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 Proposed Budget

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-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 sometime in the spring.