



DC Water and Extreme Weather Vulnerabilities: Reducing Exposure via Action and Disclosure

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DC Water



Extreme Weather Events and Insurance Webinar Series

“Financial losses due to extreme weather events such as wildfire, floods, and winter storms are increasing.

The insurance and recovery system in the U.S. is increasingly unable to respond to the current risk landscape.

Business interests, household economics, individual risk perception and tolerance, and community attitudes will all shape how we move forward.”

Water Sector Vulnerabilities

Insurance Loss Ratios

Assess, Plan, Act, Disclose



Service Area, Services, & Governance

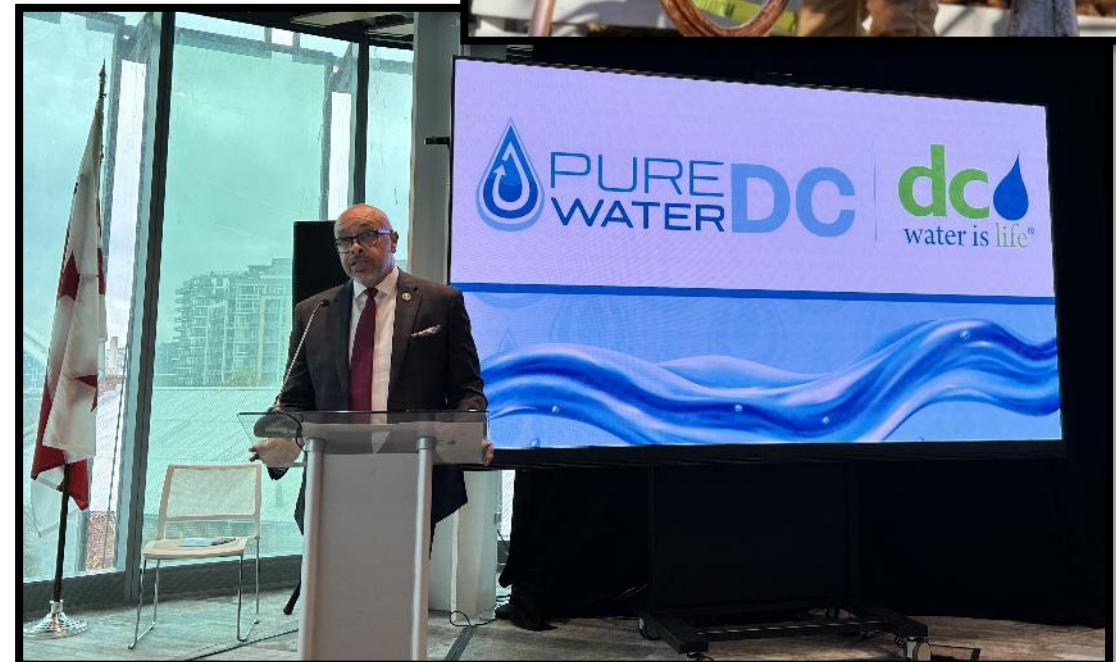


- Regional service area of 725 square miles (1900 square km)
- Drinking water distribution & wastewater collection for the District of Columbia (DC) (*700,000 people*)
- Wastewater treatment for *2.5 million people*
 - District and adjacent states
- Operates Blue Plains Advanced Wastewater Treatment Plant, 300 million gallons/day (1100 megaliters/day)
- Stormwater system operation and maintenance
 - Combined Sewer Overflow (CSO) deep tunnel project: “DC Clean Rivers”
- An *independent authority* of the District of Columbia providing services to the DC region



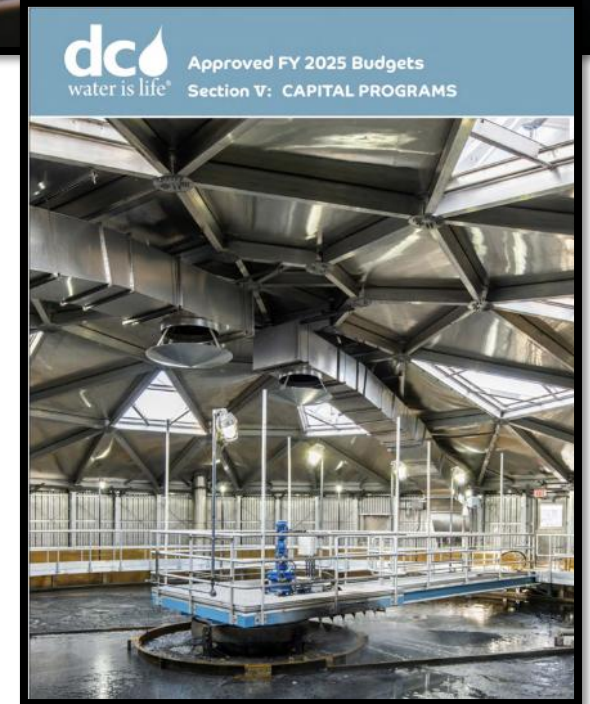
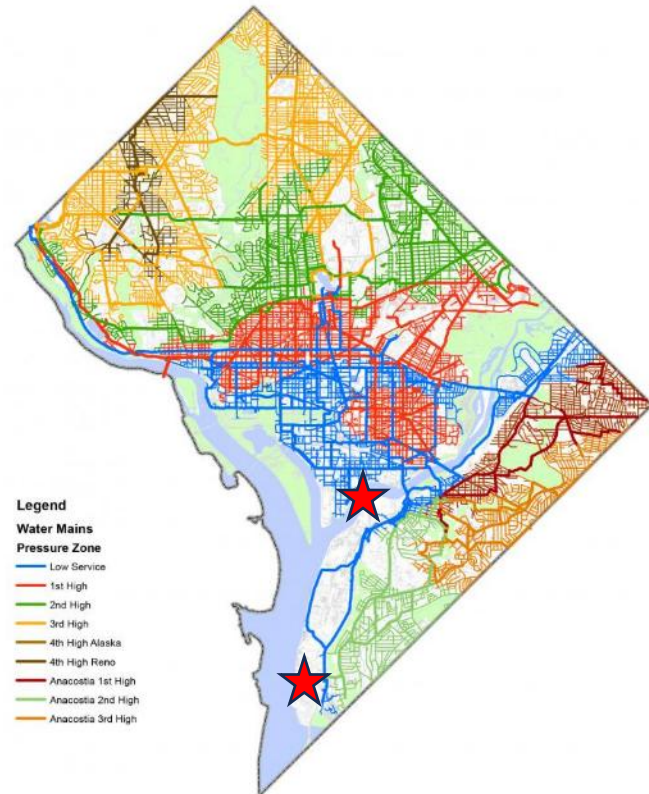


DC Water Infrastructure Obligations and Financial Implications



dc DC Water Financials

- Total Assets: \$9.6B
- 10-year CIP: \$9.6B
- FY26 Operating Budget: \$1.01B





Too much water: Flooding (tidal, riverine, urban)



Evan Vucci / AP Photo



Harris & Ewing / Library of Congress

<https://www.washingtonpost.com/climate-environment/interactive/2023/dc-low-lying-city-flood-risks/>

dc Too little water: Drought



dc Water Sector Risks

Managing Risk and Uncertainty within the Water Industry

K. Ving, AWWA ACE 2025

Environmental /
Climate Change



Regulatory
Change



Infrastructure
Overhaul



Cybersecurity
Threats



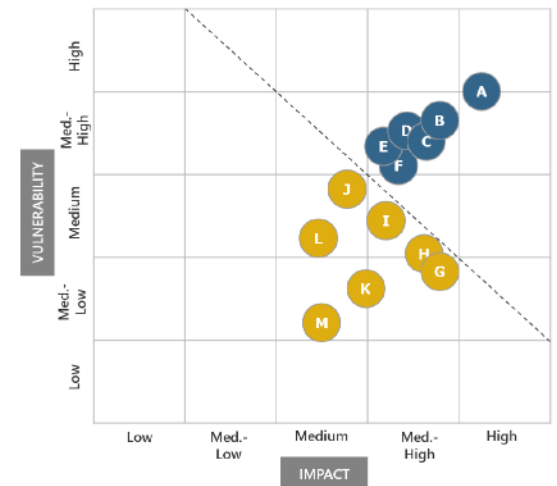
Digitalization of
Operations



Workforce
Shifts



Enterprise Risk Management (ERM) mobilization





EPA Climate Finance Working Group (2022-2024)

- Climate Bonds Initiative
- City of Portland, Bureau of Environmental Services
- San Francisco Public Utilities Commission
- Allied Public Risk
- Weitzman School of Design, University of Pennsylvania
- City of Portland, Bureau of Environmental Services
- DC Water
- Pacific Investment Management Company LLC (PIMCO)
- San Francisco Public Utilities Commission
- East Bay Municipal Utility District (EBMUD)
- Breckinridge Capital Advisors
- Locke Lord LLP
- Moody's Ratings
- Denver Water
- Ortega Strategies Group
- College of Built Environments, University of Washington

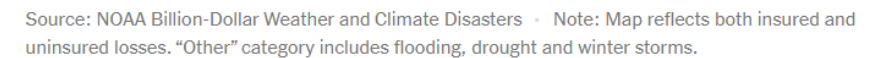


“Assess,
Plan, Act,
Disclose”

Changing weather patterns are making wind and hail storms more frequent and severe.



In the Midwest, wind and hail storms have become more damaging.



dc Insurance Loss Ratios

Where Insurers Are Losing Money

States where homeowners insurance was **unprofitable**.

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Colo.	Colo.	Mass.	Colo.	Calif.	Calif.	Colo.	Ala.	Colo.	Ark.	Ark.
Ga.	Iowa	R.I.	Mont.	Colo.	Colo.	Fla.	Ark.	Iowa	Ariz.	Colo.
Ill.	Ill.	S.D.	N.D.	Fla.	Conn.	Ill.	Del.	Idaho	Fla.	Ga.
Miss.	Mich.		Neb.	Ga.	DC	Minn.	Fla.	Ky.	Ga.	Hawaii
Mont.	Mont.		N.M.	Iowa	Fla.	Mont.	Ga.	La.	Iowa	Iowa
Neb.	Neb.		Texas	Idaho	Ga.	ND	Iowa	Mich.	Md.	Ill.
Okla.	S.D.		Wyo.	Ill.	Idaho	Neb.	Ill.	Minn.	Minn.	Ind.
S.D.	Vt.			Minn.	Md.	Wyo.	La.	Texas	Mont.	Ky.
				Neb.	NC		Minn.		Neb.	Mich.
				N.M.	S.D.		Miss.		N.M.	Minn.
				S.D.	Va.		Ore.		Ohio	Mo.
				Texas	Wyo.		S.D.		S.D.	Miss.
							Tenn.		Wash.	Ohio
							Utah		Wis.	Okla.
							Wyo.			Tenn.
										Utah
										Wash.
										Wis.

Source: AM Best

Water/Wastewater Insurance Loss Ratio within the same 18 Catastrophe-Prone States

Insurers of US water/wastewater utilities experienced a **300%** higher ratio of claims-losses to premium-revenue in high-risk areas in the same period (36 months)

3:1

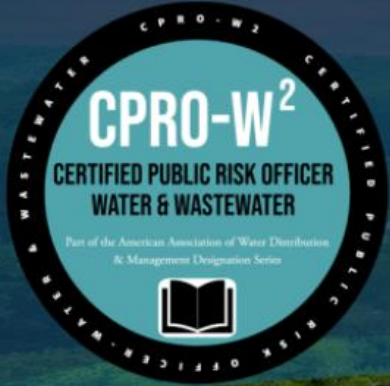


K. Ving, AWWA ACE 2025

Information provided by Allied Public Risk, LLC through their proprietary data and compiled reinsurance losses

<https://www.nytimes.com/interactive/2024/05/13/climate/insurance-homes-climate-change-weather.html>

dc CPRO-W2 Designation



Introducing CPRO-W2:

The Premier Risk Management Designation for Water and Wastewater Professionals

Curated for current and aspiring executive risk leaders including managers across HR, operations, finance, and capital planning.

+ Module 1: Enterprise Risk Management

+ Module 2a: Water Treatment and Distribution

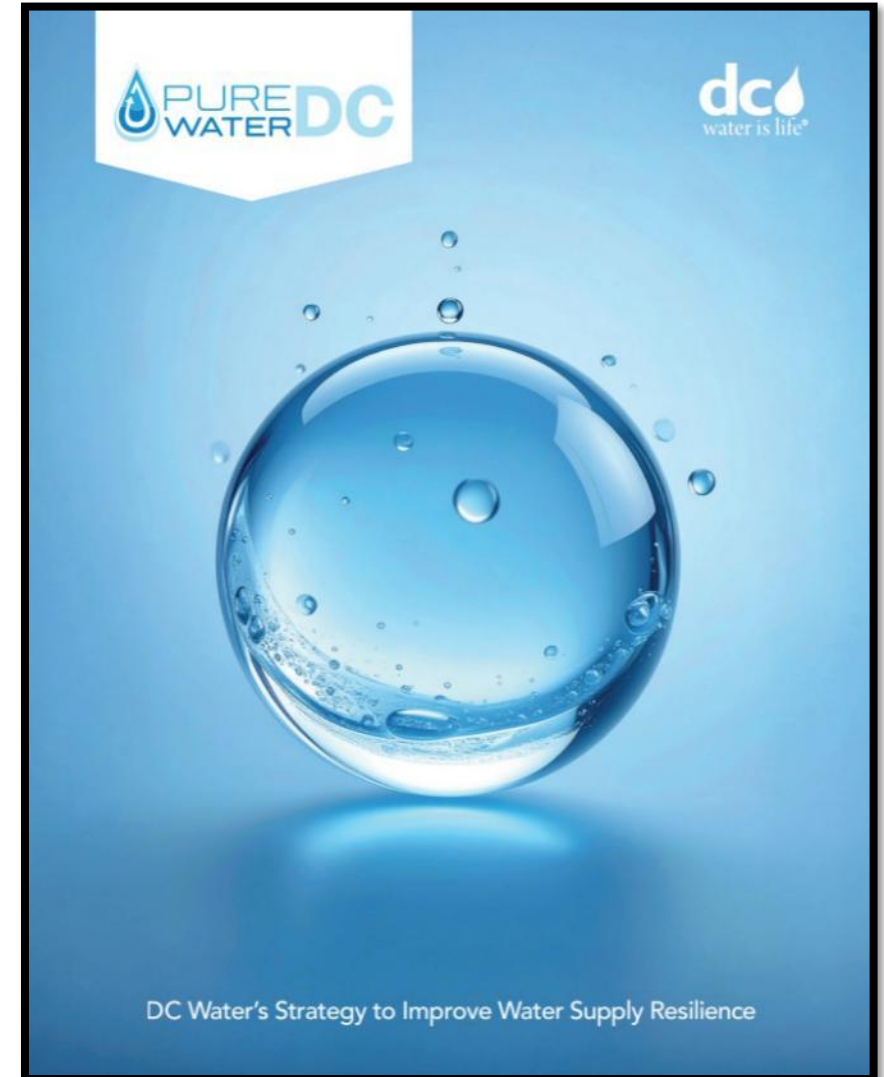
+ Module 2b: Wastewater Conveyance and Treatment

+ Module 3: Actionable Risk Management





“Assess, Plan, Act, Disclose” Climate Adaptation: Secondary Water Source

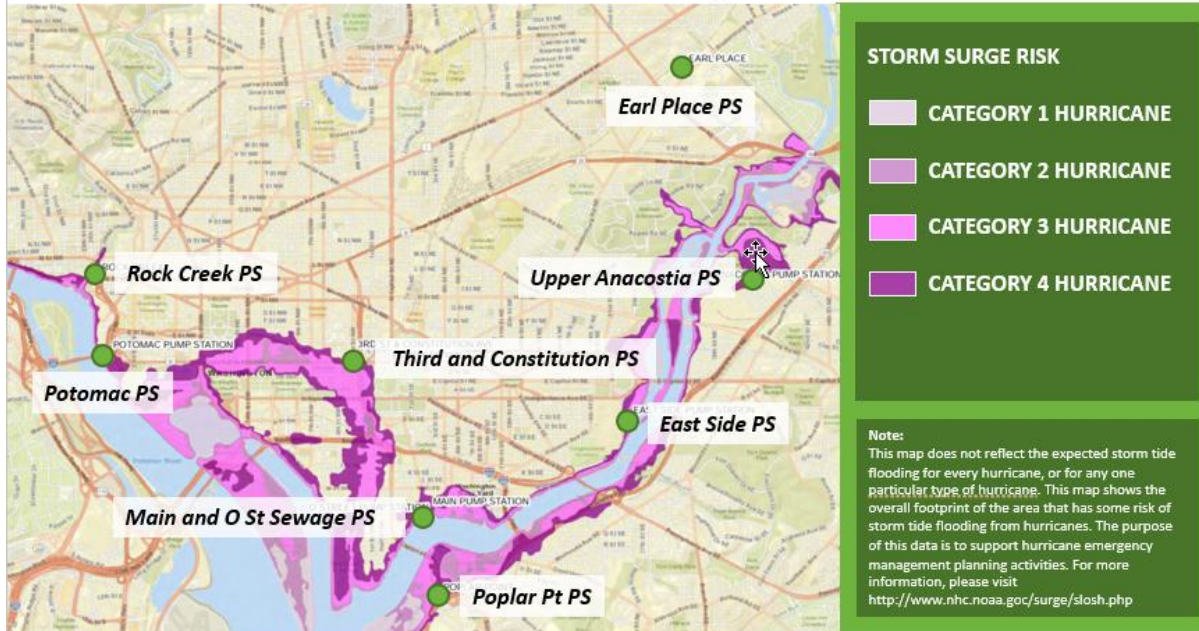




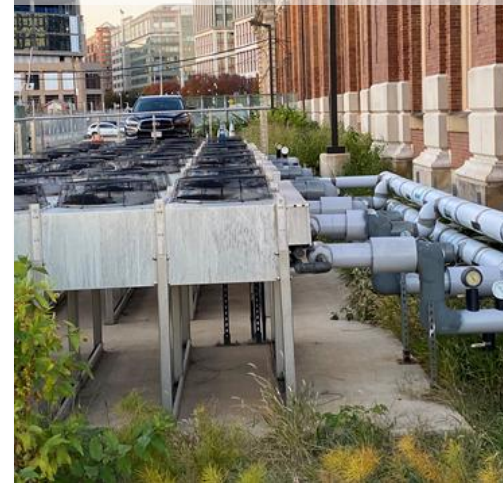
“Assess, Plan, Act, Disclose”

Climate Adaptation: Dry Floodproofing

NOAA Modeled Hurricane Surge



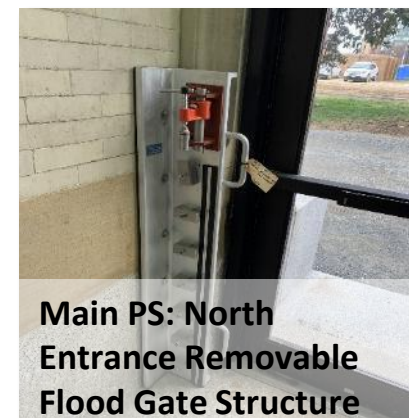
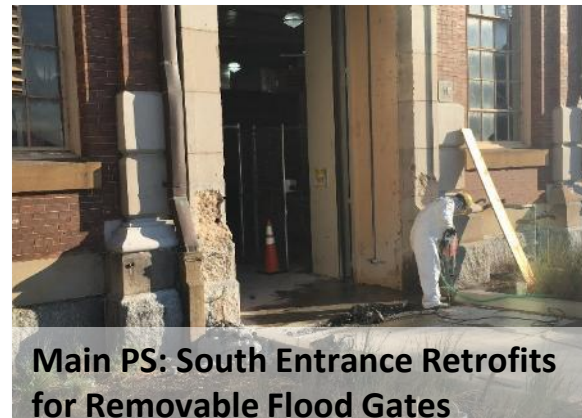
Main Pump Station: HVAC Elevated to protect from flooding



Blue Plains Advanced Wastewater Treatment Plant: Potomac River Removable Flood Gate Installation

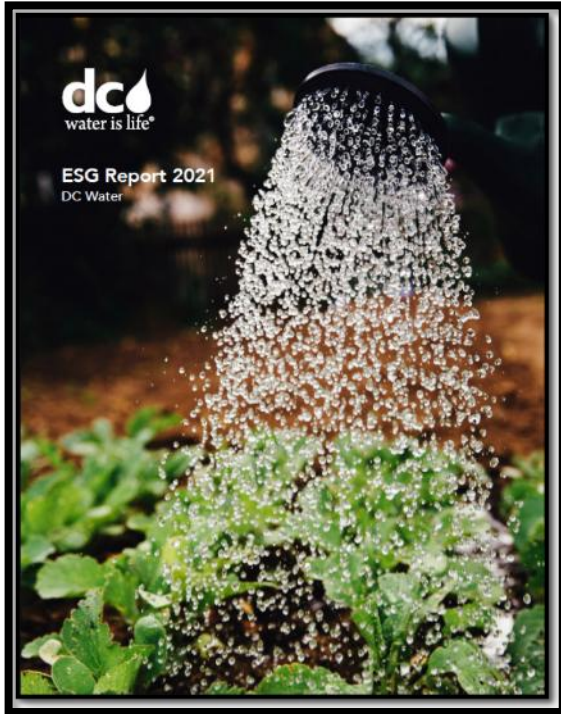


Main Pump Station: Flood Elevations



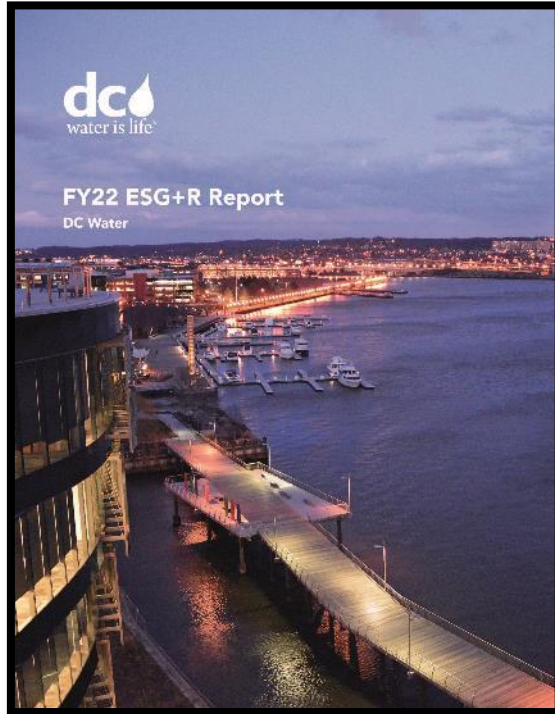


“Assess, Plan, Act, Disclose” ESG & Impact Reporting



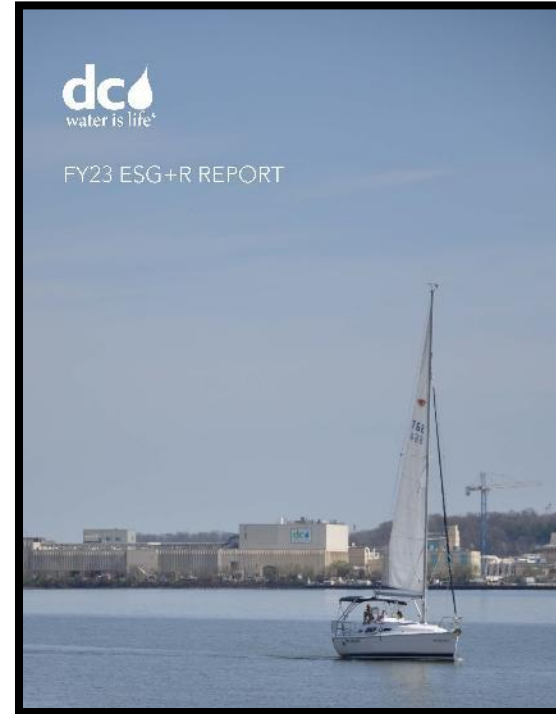
FY21 ESG Report

- ESG Framework
- Sustainability Accounting Standards Board (SASB) Metrics



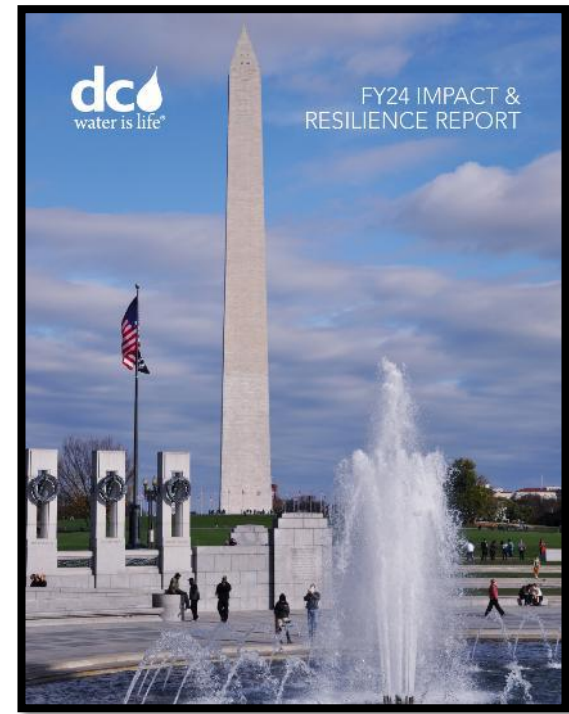
FY22 ESG+R (*Resilience*) Report

- ESG Framework
- SASB Metrics
- Task Force on Climate-Related Financial Disclosures (TCFD) Framework



FY23 ESG+R Report

- ESG Framework
- SASB Metrics
- TCFD Framework



FY24 Impact & Resilience Report

- Impact Framework
- SASB Metrics

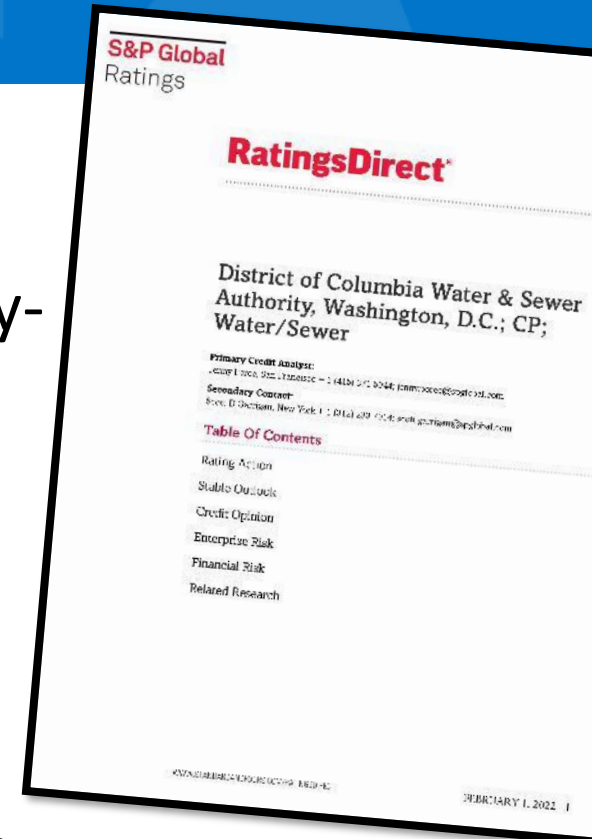


Disclosure Benefits: Financial

“DC Water has elevated environmental risks relative to its peers, but we consider its management of environmental risks--and **environmental, social, and governance (ESG) risks** more generally--**as best in class**. We believe management has the acumen and strategic plan to mitigate and adapt to challenges related to climate change and other ESG considerations...

DC Water recently released its inaugural ESG report which is closely **integrated into the five-year strategic plan...**which details the priorities and...is aligned with the **United Nation's sustainable development goals**. We view positively the comprehensiveness of the plan, and the success the authority has had to date in **making meaningful strides in reducing its risks and preparing for emerging climate considerations.**”

- S&P Global, DC Water ratings report (Feb. 1, 2022)





<https://www.dewater.com/impact-reporting>



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Impact Reporting

For years, DC Water has been the leader in the municipal water sector on non-financial disclosure. Our FY24 Impact & Resilience report discloses activities and risks related to our impact on the environment, in our community, and via our organizational governance. The report specifically outlines our resilience efforts including our Enterprise Risk Management (ERM) program and how we've prepared to respond to a variety of events. Our progress is tracked and reported using the Sustainability Accounting Standards Board (SASB) metrics for water utilities.

Programs and activities in this report emerge from our strategic plan, Blueprint 2.0, and are integrated into our team's daily activities.

We hope you enjoy reading about the new milestones that we have accomplished over the past financial year as well as updates to our ongoing projects. We look forward to improving on our efforts in the coming years, as we strive to be better informed and prepared for material risks and opportunities we face, and present our performance in addressing those risks in subsequent Impact & Resilience Annual Reports.

REPORTS



FY 2024 Impact & Resilience Report

Related Documents

- [Annual Report](#)
- [Strategic Plan](#)
- [Environment](#)
- [Clean Rivers](#)
- [Lead Free DC](#)
- [DC Water Works](#)
- [Customer Assistance Programs](#)
- [Financial Policies](#)
- [Green Bonds](#)