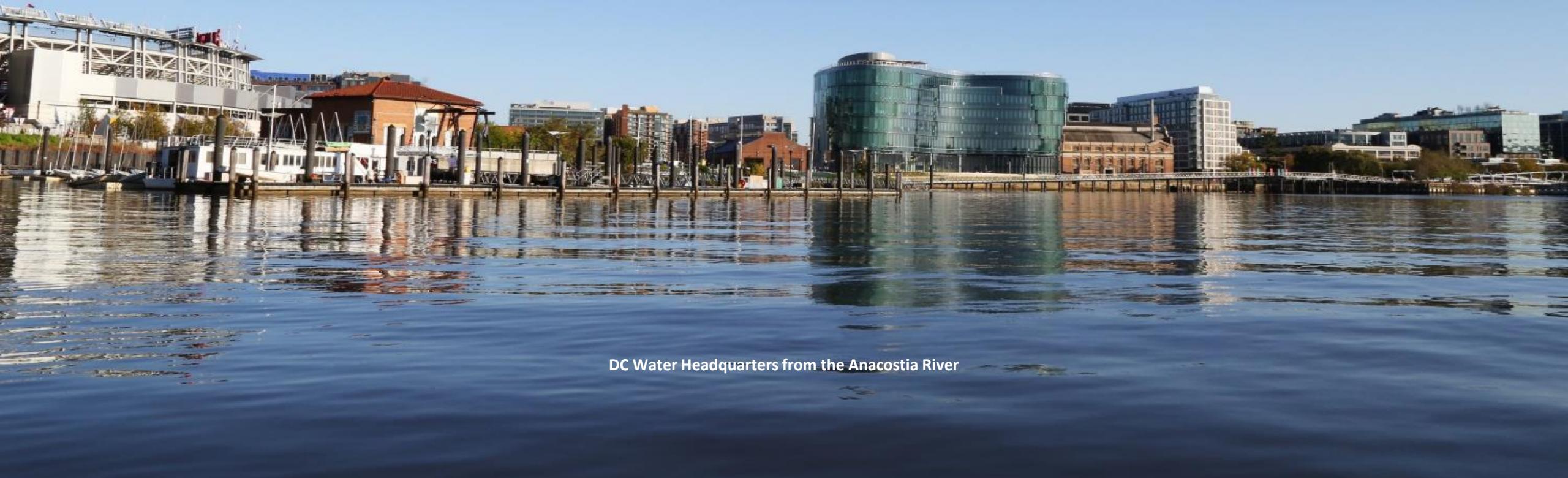




# DC Water's Proposed FY 2027 Budget

Presentation to Wholesale Customers, January 16, 2026  
Presenters: DC Water Staff  
**District of Columbia Water and Sewer Authority**



DC Water Headquarters from the Anacostia River



To Brief Wholesale Customers On:

- Proposed FY 2027 Operating Budgets
  - Budget Levels
  - Cost Trends, Challenges, and Opportunities
  - Preliminary Billing Estimates
- Proposed 10-Year CIP (FY 2026 to FY 2035)
  - Priorities
  - Key Projects and Timelines
  - Project Budgets and Cost Shares
- Other Miscellaneous Updates





• Billing Overview	7
• Budget Overview	16
• Blue Plains Operations	22
• Capital Program	
• Capital Program Overview	41
• Blue Plains Projects	47
• Joint Use Pump Station Projects	47
• Major Sewer Projects	54
• DCCR/CSO Project	60
• Potomac Interceptor Projects	60
• Appendix	73

- ❖ Bond ratings re-affirmed in 2025 by all three rating agencies
- ❖ Government Finance Officers Association (GFOA) Awards ([Triple Crown Again!](#))
  - Distinguished Budget Presentation Award – 25th consecutive year
  - Certificate of Achievement for Excellence in Financial Reporting – 28th consecutive year
  - Popular Annual Financial Reporting Award (PAFR) - 3rd consecutive year
- ❖ Unmodified (“clean”) audit opinion as of September 30, 2025
- ❖ National Association of Clean Water Agencies (NACWA) **Platinum Award** (13th consecutive year)

# The Proposed FY 2027 Budget



## Proposed FY 2027 Operating Expenditure Budget of \$844.1 million

- Overall increase of \$5.9 million or 0.7% compared to FY 2026

## Proposed 10-Year Capital Improvement Program Budget of \$9.69 billion

- Overall ten-year increases slightly, \$66.7 million

## Proposed FY 2027 & FY 2028 Rates are Lower

- Average residential customer bill increase of 6.6% in FY 2027 and 5.3% in FY 2028

## Proposed FY 2027 & 2028 Operating Revenues

- Overall increase of \$61.2 million or 6.1% in FY 2027 and \$52.0 million or 4.9% increase in FY 2028

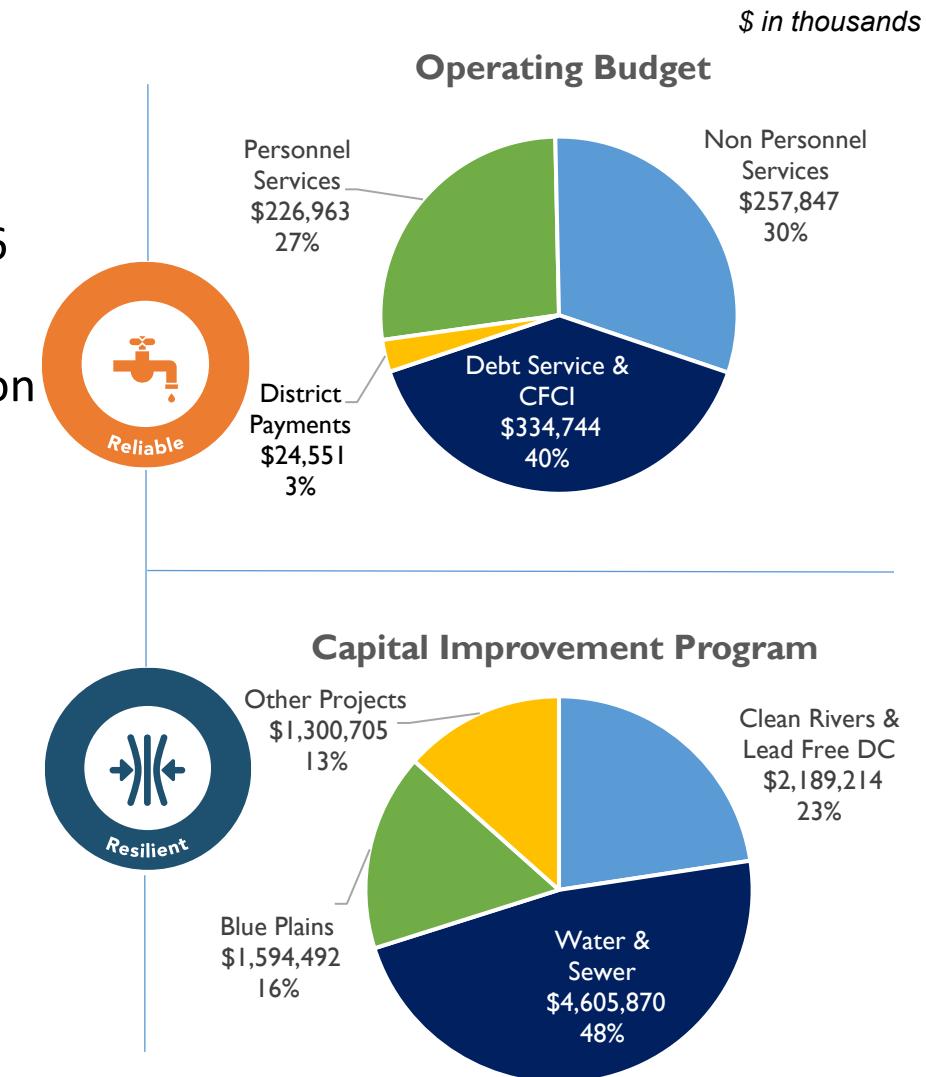
## Financial Plan

- Meets Board financial policy requirements



# The Proposed FY 2027 Budget

- Allocates \$844.1 million **operating budget to ensure reliability in core operations and maintenance**, including debt service and PAYGO for CIP
- Prioritizes a risk-based 10-year capital program of \$9.69 billion, with increased focus on sustainable **water and sewer programs**, totaling \$4.6 billion
- \$1.1 billion to **complete the Clean Rivers program**, including construction of the Piney Branch Tunnel by 2030
- Advances the **Lead-Free DC program** at \$1.0 billion and leverages Federal Funds, including the Bi-Partisan Infrastructure Law for lead removal
- Accelerates the **meter replacement program** to address non-revenue water loss
- \$2.0 billion to advance the **rehabilitation of the major interceptors**
- The proposed rate increase for **the average residential customer is less than** previously forecasted in the financial plan
- Continues the **robust Customer Assistance Programs** that promote affordability



# Billing Overview

**Tika Acharya  
Manager, Grants and Wholesale Billings**

	* Represents WSSC, Fairfax, & Loudoun		Capital	O&M
<b>Annual Estimated Bills</b>				
<ul style="list-style-type: none"> <li>• Due on October 1<sup>st</sup></li> <li>• Adjustment to the 2024 bills:           <ul style="list-style-type: none"> <li>• Performed FY 2024 settlement of the O&amp;M bill in March 2025- billed additional \$9.2 million from Wholesale Customers during the third quarter.</li> <li>• Performed FY 2024 settlement of the MJUF bill in March 2025- refunded \$865 thousand to Wholesale Customers during third quarter.</li> </ul> </li> </ul>		X	X	
<b>Annual Settlements</b>				
<ul style="list-style-type: none"> <li>• Operating - Due NLT 90 days after independent auditor's report or March 31<sup>st</sup> <ul style="list-style-type: none"> <li>• FY 2025 (Report Issued on December 19, 2025; Settlement Deadline is March 19, 2026)</li> </ul> </li> <li>• Capital - Equipment, and Indirect           <ul style="list-style-type: none"> <li>• Preparation begins after the operating settlement is completed (3<sup>rd</sup> Quarter)</li> </ul> </li> </ul>			X	
<b>Quarterly Settlement Capital</b>				
<ul style="list-style-type: none"> <li>• Capital Projects- true up every quarter with Actual Expenditures</li> </ul>		X		
<b>Audits by WSSC Auditors after Annual Settlement</b>				
<ul style="list-style-type: none"> <li>• FY 2020 and FY 2021 O&amp;M Audits completed in FY2025- refunded \$1.6 million to Wholesale Customers in audit adjustments. MJUF close to completion in early 2026</li> <li>• FY 2022 audits are in progress, FY 2023 and FY2024 will be taken up later in 2026</li> </ul>			X	



# Revenue Comparison by Customer Class

- Total revenue is projected to increase by \$61.2 million or 6.1% for FY 2027 and \$52.0 million or 4.9% for FY 2028 mainly due to rate increase
  - *Retail Revenue* – Increase by \$37.4 million or 4.7% in FY 2027 and \$43.9 million or 5.3% in FY 2028
  - *Wholesale Revenue* – Increase by \$9.9 million or 7.9% in FY 2027 and \$6.0 million or 4.4% in FY 2028 due to increase in indirect cost rate from 20% to 25% and operations and maintenance expense projection. Revenue estimates are based on most recent flow data.

\$ in thousands	Revised FY 2026	Proposed FY 2027	Proposed FY 2028	Revised FY 2026 vs Proposed FY 2027		Proposed FY 2027 vs Proposed FY 2028	
				Incr/(Decr)		Incr/(Decr)	
				\$	%	\$	%
Retail Revenue	\$791,856	\$829,293	\$873,213	\$37,437	4.7%	\$43,920	5.3%
Wholesale Revenue							
Potomac Interceptor (PI)	5,154	5,154	5,154	-	0.0%	-	0.0%
Loudoun County Sanitation Authority (LCSA)	11,051	11,900	12,443	849	7.7%	543	4.6%
Washington Suburban Sanitary Commission (WSSC)	86,411	93,707	98,056	7,296	8.4%	4,349	4.6%
Fairfax County	21,603	23,330	24,402	1,727	8.0%	1,072	4.6%
Total Wholesale Revenue	\$124,219	\$134,091	\$140,055	9,872	7.9%	5,964	4.4%
Other Revenue	92,119	105,991	108,101	13,872	15.1%	2,110	2.0%
Rate Stabilization Fund (RSF)	-	-	-	-	0.0%	-	0.0%
<b>Total Revenues</b>	<b>\$1,008,194</b>	<b>\$1,069,375</b>	<b>\$1,121,369</b>	<b>\$61,181</b>	<b>6.1%</b>	<b>\$51,994</b>	<b>4.9%</b>



# IMA Operating Billing Estimates by Customer

- Total Wholesale revenue/billings (including PI) is projected to be \$124.2 million, \$134.1 million, and \$140.0 million in FY 2026, FY 2027, and FY2028. These billings estimates are based on projected expenditures (budget levels) and most recent flow trends.

		FY 2026 (Current Billing)	FY 2027 (Proposed)	FY 2028 (Proposed)
<b>WSSC</b>	Operating & Maintenance Bill	\$82,540,755	\$89,786,761	\$93,986,125
	Multi-Jurisdictional User Facilities (MJUF) Bill	\$3,852,144	3,901,883	4,051,666
	Multi-Jurisdictional User Facilities (MJUF-II) Bill	\$18,197	18,197	18,197
	<b>Total WSSC Operating Estimated Bill</b>	<b>\$86,411,096</b>	<b>\$93,706,841</b>	<b>\$98,055,987</b>
<b>Fairfax</b>	Operating & Maintenance Bill	\$19,208,736	20,904,739	\$21,884,295
	Multi-Jurisdictional User Facilities (MJUF) Bill	\$2,389,548	2,420,400	2,513,313
	Multi-Jurisdictional User Facilities (MJUF-II) Bill	\$4,269	4,269	4,269
	<b>Total Fairfax Operating Estimated Bill</b>	<b>\$21,602,553</b>	<b>\$23,329,408</b>	<b>\$24,401,877</b>
<b>Loudoun</b>	Operating & Maintenance Bill	9,346,696	10,173,422	\$10,650,407
	Multi-Jurisdictional User Facilities (MJUF) Bill	1,702,864	1,724,850	1,791,062
	Multi-Jurisdictional User Facilities (MJUF-II) Bill	2,112	2,112	2,112
	<b>Total Loudoun Operating Estimated Bill</b>	<b>\$11,051,672</b>	<b>\$11,900,383</b>	<b>\$12,443,581</b>
	<b>Total IMA Operating Estimated Bill</b>	<b>\$119,065,321</b>	<b>\$128,936,633</b>	<b>\$134,901,446</b>
	<b>Operating Expenditures (Budget)</b>	<b>\$468,576,000</b>	<b>\$484,810,000</b>	<b>\$508,404,000</b>
	<b>Wholesale Billing as a % of Operating Expenditures</b>	<b>25.4%</b>	<b>26.6%</b>	<b>26.5%</b>

# IMA Capital Billing Estimates by Customer

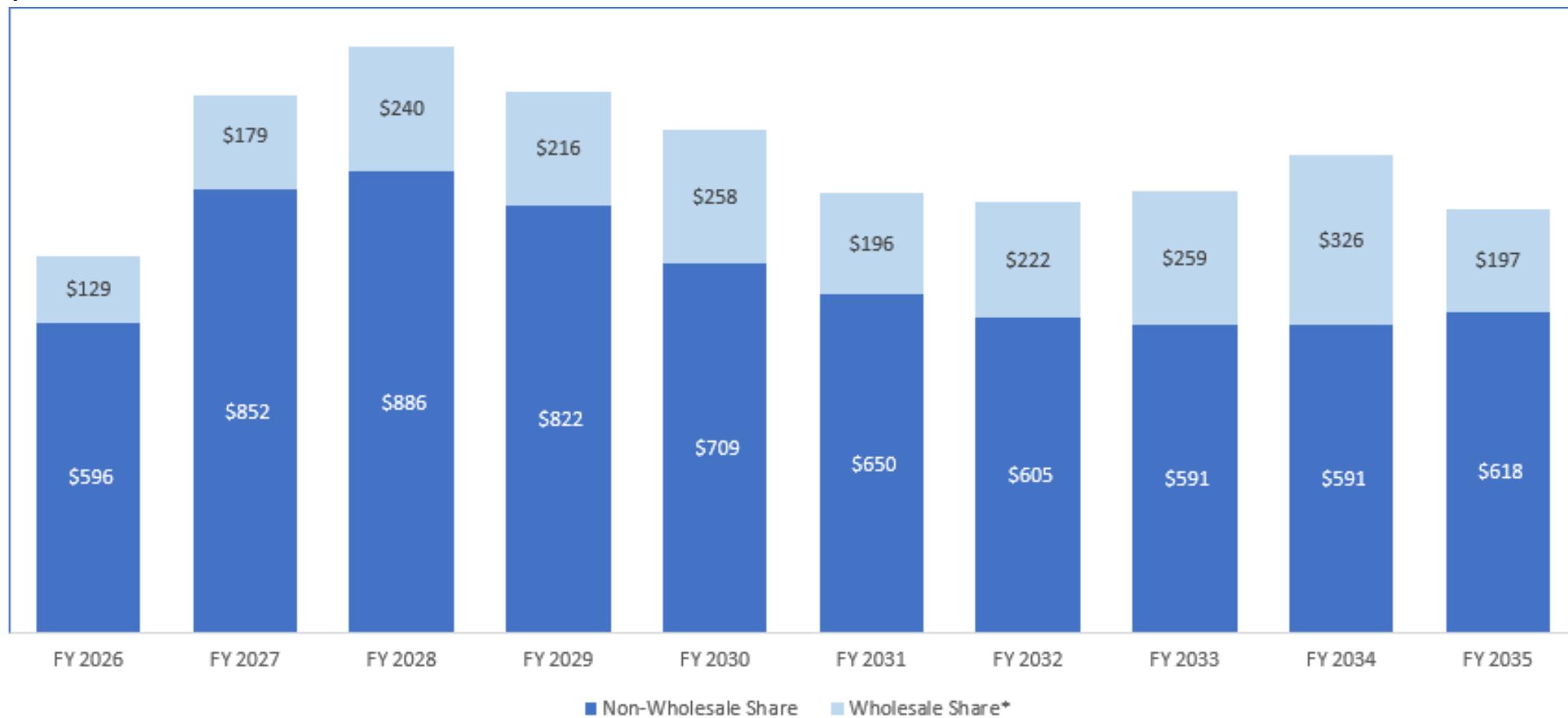
- Capital Billing estimates are based on projects planned in the 10-year Capital Improvement Plan and the cost shares agreed (or to be negotiated for new projects) with Wholesale Customers. These billings estimates include charges for capital construction, capital equipment, and capital indirect in accordance with the IMA agreement.

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	Total
<b>Capital Billing Estimates (\$'s in 000's)</b>											
WSSC	\$85,076	\$122,538	\$150,628	\$133,290	\$157,856	\$145,284	\$170,913	\$182,777	\$207,318	\$160,345	\$1,516,024
Fairfax	28,234	38,752	60,496	56,085	67,433	34,723	35,496	51,807	80,468	25,055	478,550
Loudoun	15,270	18,027	28,879	26,899	32,305	15,811	15,908	24,220	38,693	11,418	227,430
<b>Total IMA Capital Billing</b>	<b>\$128,580</b>	<b>\$179,317</b>	<b>\$240,003</b>	<b>\$216,275</b>	<b>\$257,594</b>	<b>\$195,818</b>	<b>\$222,317</b>	<b>\$258,804</b>	<b>\$326,479</b>	<b>\$196,818</b>	<b>\$2,222,004</b>
<b>Proposed CIP Spending*</b>	<b>\$724,227</b>	<b>\$1,030,898</b>	<b>\$1,125,629</b>	<b>\$1,037,792</b>	<b>\$966,825</b>	<b>\$845,954</b>	<b>\$826,842</b>	<b>\$849,439</b>	<b>\$917,684</b>	<b>\$814,371</b>	<b>\$9,139,661</b>
<b>IMA as a % of CIP</b>	<b>17.8%</b>	<b>17.4%</b>	<b>21.3%</b>	<b>20.8%</b>	<b>26.6%</b>	<b>23.1%</b>	<b>26.9%</b>	<b>30.5%</b>	<b>35.6%</b>	<b>24.2%</b>	<b>24.3%</b>
<i>*Includes Capital Equipment, excludes Meter replacements/AMR and Washington Aqueduct</i>											

# FY 2026 – FY 2035 Capital Disbursements

- Below is the 10-Year planned Capital Disbursements by Wholesale and Non-Wholesale Shares as a pictorial presentation.

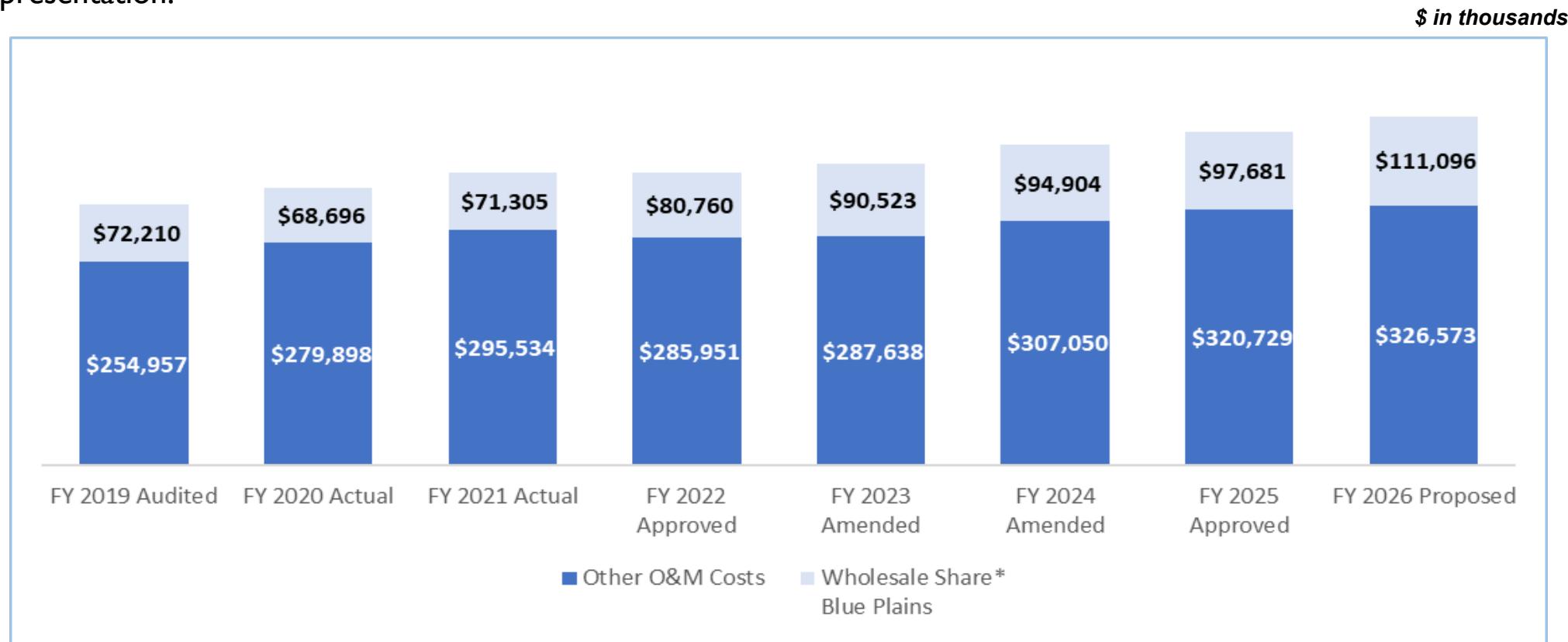
*\$ in millions*



- *Include capital projects, capital equipment, and indirect. Excludes Meter replacement and Washington Aqueduct.*
- *FY 2026 - 2035 Wholesale Share reflects the financial plan*

*\* Represents WSSC, Fairfax & Loudoun*

- Below is the Operating & Maintenance Cost trends by Wholesale and Non-Wholesale Shares as a pictorial presentation.

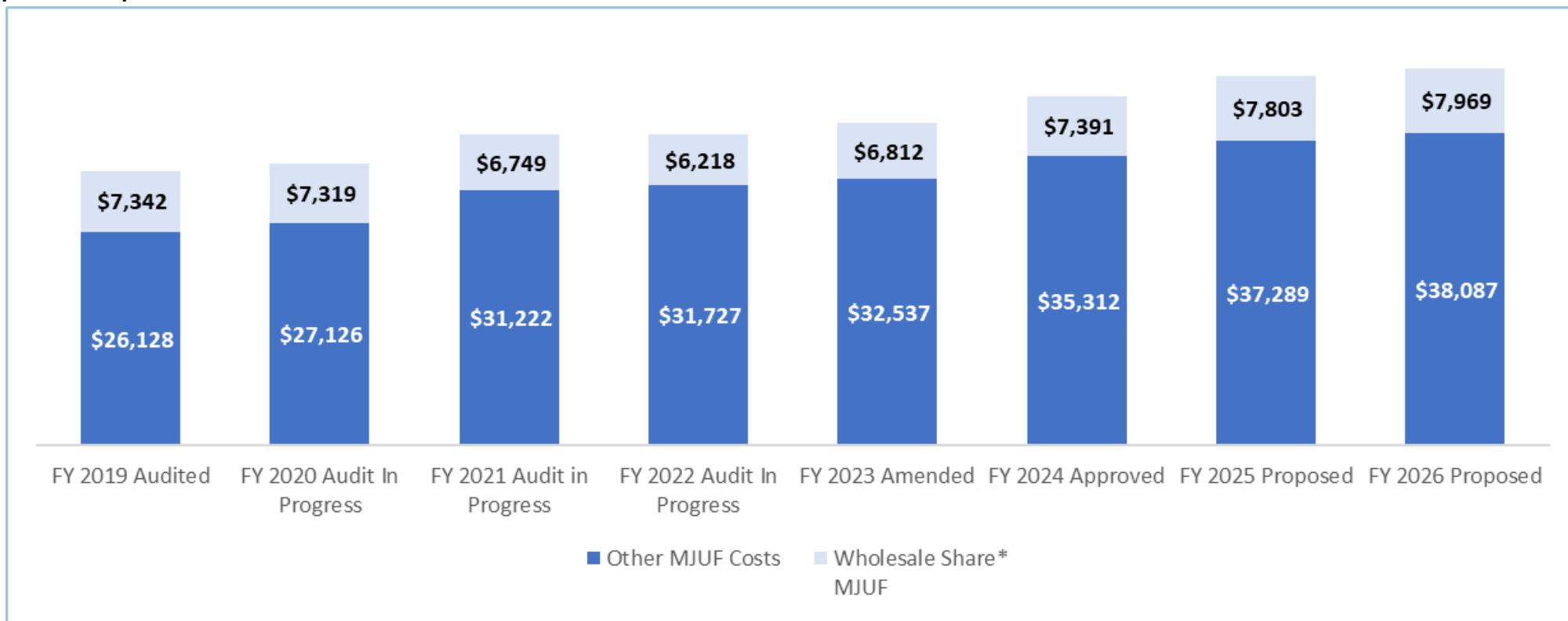


- All figures are net of WSSC biosolid costs
- FY 2020, FY2021, FY2022, and FY2023 are subject to change after completion of WSSC audit
- FY 2024 is subject to change after completion of settlement, and WSSC audit
- FY 2025 is subject to change after mid year review, completion of financial audit, settlement, and WSSC audit

\* Represents WSSC, Fairfax, & Loudoun

- Below is the Multi-Jurisdictional User Facilities (MJUF) Cost trends by Wholesale and Non-Wholesale Shares as a pictorial presentation.

\$ in thousands



- FY 2020, FY2021, FY2022, and FY2023 are subject to change after completion of WSSC audit
- FY 2024 is subject to change after completion of settlement and WSSC audit
- FY 2025 is subject to change after mid year review, completion of financial audit, settlement, and WSSC audit

## ■ **Central Operations Facility (COF) and Headquarters Building (HQO) IMA Cost Shares**

- ✓ Worked collaboratively with Wholesale Customers through the Council of Government (COG) Committees
- ✓ Effective October 1, 2021, following IMA Cost Shares are agreed:
  - COF Updated IMA Cost Share- 47%
  - HQO New IMA Cost Share- 35%
  - Updated IMA Agreement to reflect these changes is expected soon.

## ■ **Blue Drop Revenue Rebate Credits Issued (FY17 to FY24):**

- ✓ Credits issued to Wholesale Customers in FY2025 Q2 Operating & Maintenance Bills for the net revenue generated from the sale of Bloom and renewable energy credits from Blue Plains equipment:

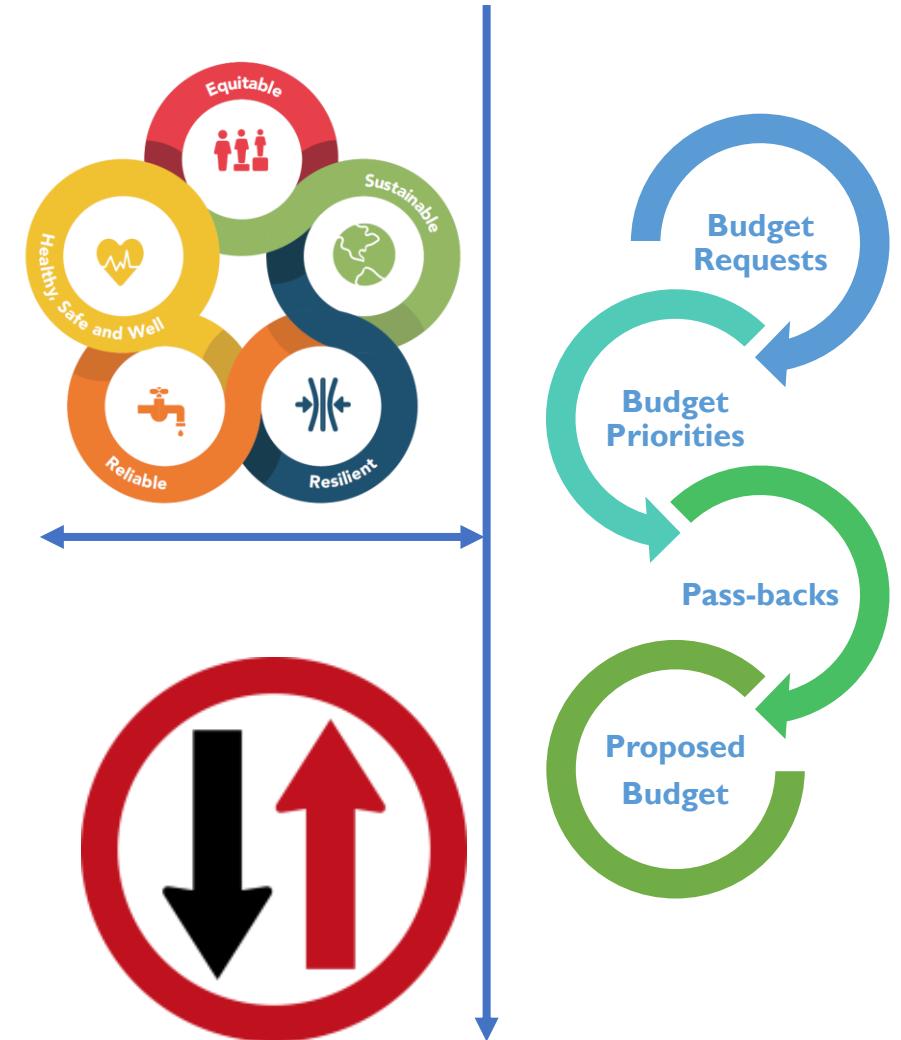
- WSSC \$3.4 million
- Fairfax \$0.8 million
- Loudoun \$0.4 million

## ■ **Going forward Blue Drop plans to share the net revenue rebate credits each fiscal year with Wholesale Customers.**

# Budget Overview

**Pade Zuokemefa  
Manager, Budget**

- Theme **“Smart Spending for a Resilient Tomorrow”**
- Advances the Blueprint through investments in:
  - **Clean Rivers** (*Resilient*) and critical **water, sewer and Potomac Interceptor infrastructure investments** (*Reliable*)
  - Our **people** through the Human Capital Management Strategy (*Equitable, Healthy, Safe & Well*), and
  - **Operating efficiency** by reallocating vacancies to new needs (*Sustainable*)
- Complies with the Governmental Accounting Standards Board (GASB) requirement for capitalization of Subscription-Based Information Technology Agreement (SBITA) related software costs
- Budget department coordinates and leads the process; prioritizes submissions using established scoring criteria and analysis of expenditure trends
- Makes the best use of ratepayer funds; Budget process reduced departmental requests by \$14 million



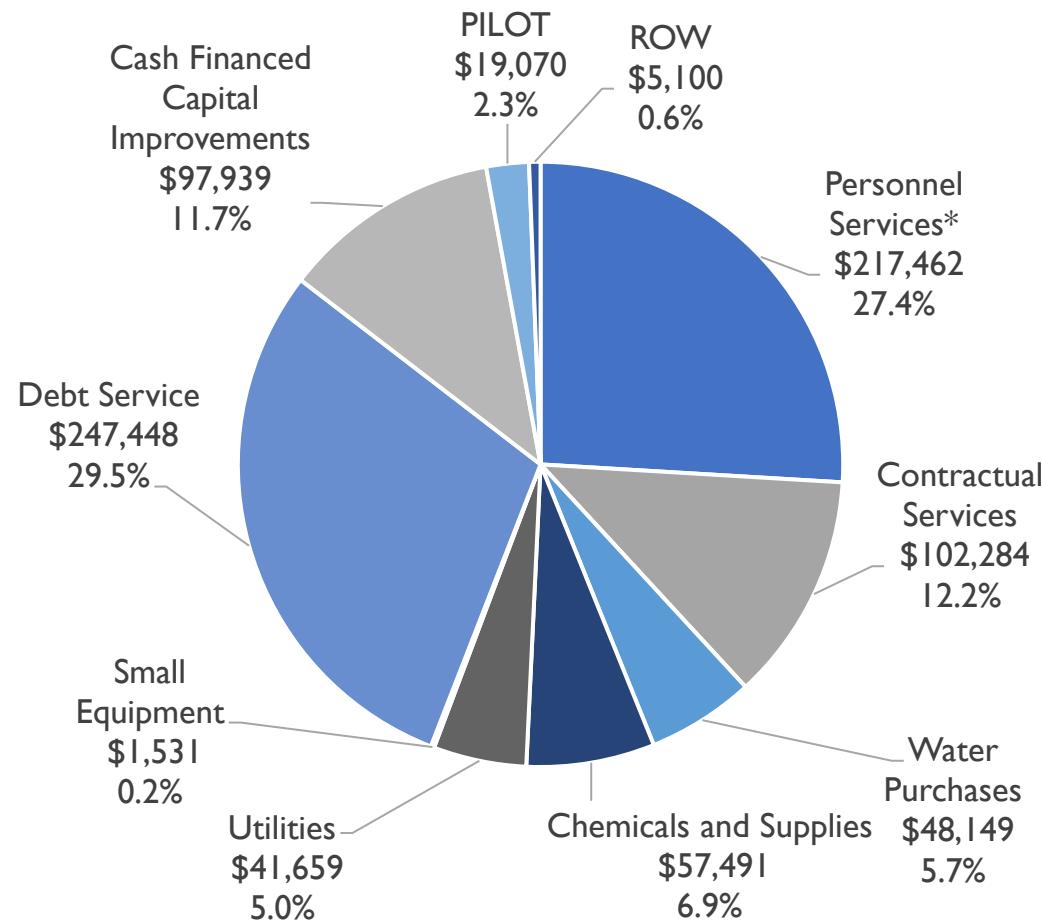
- Preparation of Proposed Budget
- Board review of proposals
  - Two months of detailed review by Finance and Budget, Environmental Quality and Operations, and Retail Rates Committees
- Customer **Briefings and Feedback**
  - Wholesale Customer Briefing on January 16
  - Office of People's Counsel Briefing on January 23
  - Stakeholder Alliance Briefing on January 27
- Committee Recommendation to Board in February
- Board **Budget Adoption** on March 5
- Town Halls in Spring and Public Hearing** on May 14
- Board adoption** of rates on July 2
- Fiscal year begins on October 1, 2026 (FY 2027)



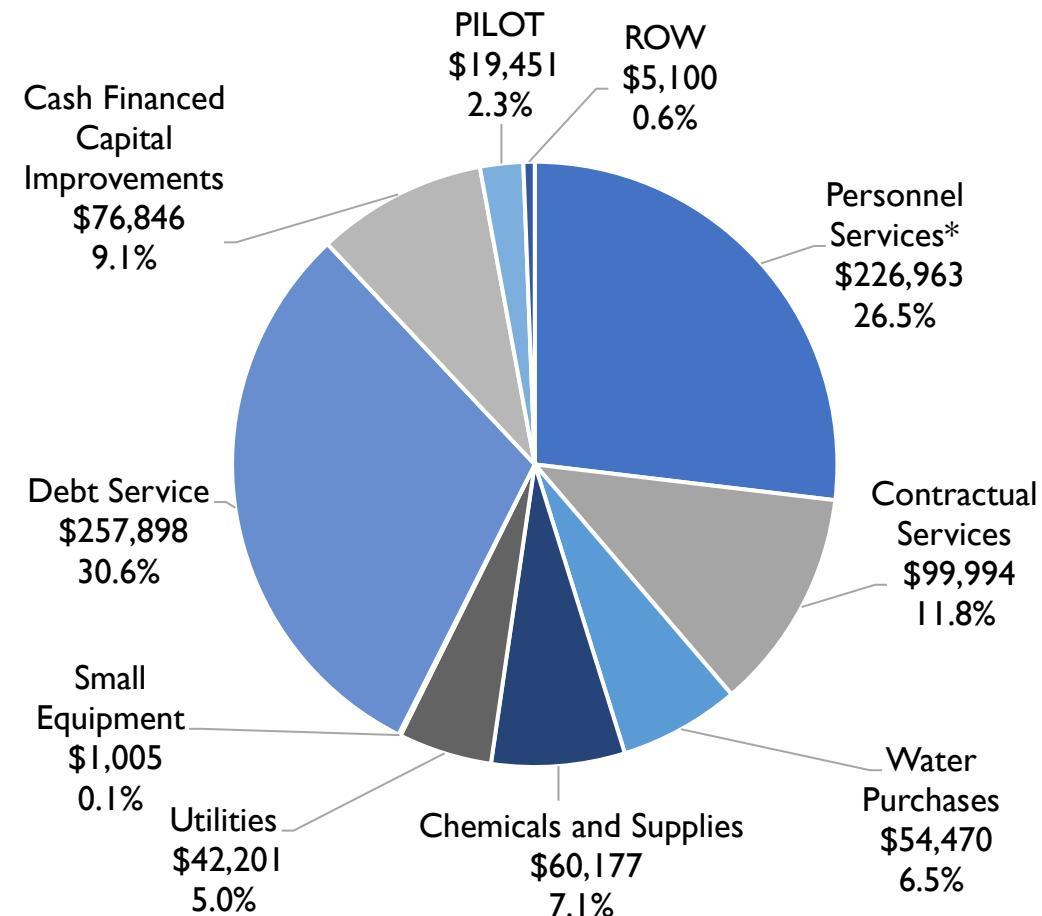
# FY 2026 vs. FY 2027 Expenditure Budgets

\$ in thousands

## Revised FY 2026 \$838,133



## Proposed FY 2027 \$844,105



\* Personnel Services include capital labor charges

# Operating Budget Comparison by Cost Category

- DC Water successfully closed Fiscal Year 2025 with strong financial performance, achieving approximately 93% of the overall budget
- The FY 2026 amended budget reflects reprogramming of \$24 million from debt service to CFCI as an increase in PAYGO to reduce future borrowing costs. The overall budget remains the same.
- The proposed FY 2027 overall operating budget is \$844.1 million, an increase of \$5.9 million or 0.7% compared to the FY 2026 level

(\$000's)	FY 2025			FY 2026			FY 2026	FY 2027	(Increase)/ Decrease	
	Revised	Actual	Variance	Adopted Budget	Budget Reprogramming	Amended Budget	Proposed Budget	\$	%	
Regular Pay	\$ 154,105	\$ 143,899	\$ 10,205	\$ 159,348		\$ 159,348	\$ 167,504	\$ (8,156)	-5.1%	
Benefits	46,425	43,049	3,376	46,914		46,914	47,193	(279)	-0.6%	
Overtime	9,103	10,854	(1,751)	11,200		11,200	12,265	(1,065)	-9.5%	
<b>Total Personnel Services</b>	<b>209,633</b>	<b>197,802</b>	<b>11,831</b>	<b>217,462</b>	-	<b>217,462</b>	<b>226,963</b>	(9,501)	-4.4%	
Chemical and Supplies	55,585	56,834	(1,249)	57,491		57,491	60,177	(2,686)	-4.7%	
Utilities	40,318	39,731	587	41,659		41,659	42,201	(542)	-1.3%	
Contractual Services	102,284	90,012	12,272	102,284		102,284	99,994	2,290	2.2%	
Water Purchases	45,330	43,498	1,833	48,149		48,149	54,470	(6,321)	-13.1%	
Small Equipment	1,364	1,311	53	1,531		1,531	1,005	526	34.3%	
<b>Total Non-Personnel Services</b>	<b>244,881</b>	<b>231,386</b>	<b>13,495</b>	<b>251,114</b>	-	<b>251,114</b>	<b>257,847</b>	(6,733)	-2.7%	
<b>Total Operations &amp; Maintenance</b>	<b>\$ 454,513</b>	<b>\$ 429,188</b>	<b>\$ 25,326</b>	<b>\$ 468,576</b>	<b>\$ -</b>	<b>\$ 468,576</b>	<b>\$ 484,810</b>	<b>\$ (16,234)</b>	<b>-3.5%</b>	
Debt Service	243,969	224,506	19,463	271,489	(24,041)	247,448	257,898	(10,450)	-4.2%	
PILOT & ROW	23,796	23,796	0	24,170		24,170	24,551	(381)	-1.6%	
Cash Financed Capital Improvements (CFCI)	65,963	58,438	7,525	73,897	24,041	97,939	76,846	21,093	21.5%	
<b>Total Non-O&amp;M</b>	<b>333,728</b>	<b>306,740</b>	<b>26,988</b>	<b>369,557</b>	<b>(0)</b>	<b>369,557</b>	<b>359,295</b>	<b>10,262</b>	<b>2.8%</b>	
<b>Total Operating Expenditure</b>	<b>\$ 788,241</b>	<b>\$ 735,928</b>	<b>\$ 52,313</b>	<b>\$ 838,133</b>	<b>\$ (0)</b>	<b>\$ 838,133</b>	<b>\$ 844,105</b>	<b>\$ (5,972)</b>	<b>-0.7%</b>	
Capital Labor Charges	(34,087)	(25,928)	(8,159)	(30,907)		(30,907)	(32,228)	1,321	-4.3%	
<b>Net Operating Expenditure</b>	<b>\$ 754,154</b>	<b>\$ 710,000</b>	<b>\$ 44,154</b>	<b>\$ 807,226</b>	<b>\$ (0)</b>	<b>\$ 807,226</b>	<b>\$ 811,877</b>	<b>\$ (4,651)</b>	<b>-0.6%</b>	

# Operations & Maintenance Budget – FY 2026 vs. FY 2027



**Personnel (\$9.5 million increase)** – Reflects salary adjustments and increased overtime, 5% vacancy rate and maintains the authorized headcount level of 1283 FTEs



**Chemicals (\$1.4 million increase)** – Higher methanol and chemical prices; energy market may affect future costs



**Supplies (\$1.3 million increase)** – Reflects inflationary cost pressures for critical parts and custodial materials



**Utilities (\$0.5 million net increase)** – Anticipates increased capacity prices for electricity, offset by reduced water usage at Blue Plains for various treatment activities



**Water Purchase (\$6.3 million increase)** – Reflects DC Water's 75% share of the Washington Aqueduct's O&M budget



**Contractual Services (\$2.3 million decrease)** – \$2.3 million net decrease due to reallocation of \$7.3 million from software maintenance to capital equipment, consistent with the GASB requirement for SBITA. Areas of cost increases include maintenance, insurance, industrial cleaning, DDOT fees, security, etc.

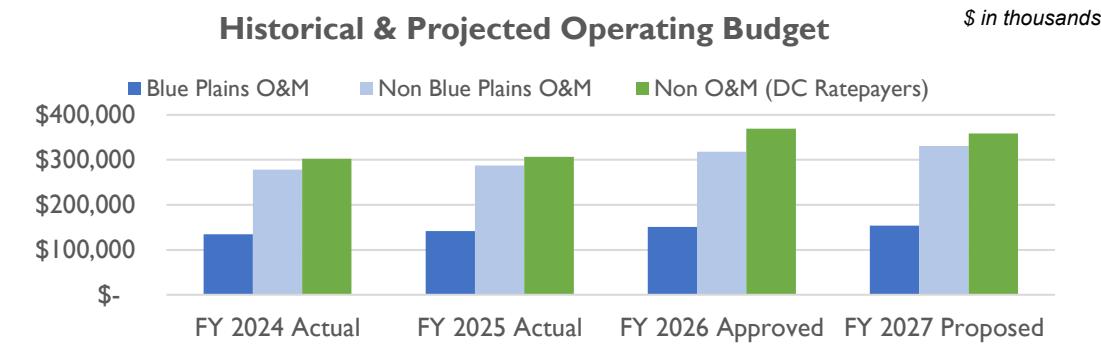


**Small Equipment (\$0.5 million decrease)** – Reflect reduced crane rental at Blue Plains

# Blue Plains' Share of Total O&M Budget

- Blue Plains accounts for approximately 32% of DC Water's core operations & maintenance budget
- Blue Plains' FY 2025 actual costs were 98% of the budget
- FY 2026 approved budget for Blue Plains remains the same
- Proposed FY 2027 operating budget for Blue Plains is \$153.8 million, an increase of \$3.1 million or 2%

## Historical & Projected Operating Budget



(\$000's)	FY 2024 Actual		FY 2025				FY 2026 Approved		FY 2027 Proposed		(\$)	%
			Revised	Actual	Variance	%						
Total Personnel Services	\$ 37,792		\$ 40,870	\$ 38,126	\$ 2,744	93%	\$ 42,432	\$ 42,450	\$ (18)	0%		
Chemicals	43,421		43,878	44,082	(204)	100%	43,955	45,385	(1,430)	3%		
Supplies	6,744		6,805	6,795	10	100%	7,707	8,150	(444)	5%		
Electricity	19,503		22,723	24,169	(1,446)	106%	24,174	25,064	(890)	4%		
Natural Gas	676		1,642	1,205	436	73%	1,079	1,612	(532)	33%		
Water Usage	2,805		3,467	1,668	1,799	48%	3,136	2,130	1,006	-47%		
Others (telecoms, rentals etc)	342		354	315	39	89%	348	349	(1)	0%		
Subtotal - Utilities	23,327		28,185	27,357	828	97%	28,738	29,155	(417)	1%		
Biosolids Hauling	5,063		5,278	4,692	586	89%	5,821	5,821	0	0%		
CHP O&M Fee	5,502		5,691	5,798	(107)	102%	6,090	7,307	(1,217)	17%		
Maintenance & Repairs	4,021		4,056	4,390	(334)	108%	4,907	5,125	(218)	4%		
Others (professional services, research, software, training,etc)	7,392		9,771	9,863	(92)	101%	9,879	9,556	322	-3%		
Subtotal - Contractual Services	21,979		24,796	24,742	54	100%	26,697	27,810	(1,113)	4%		
Small Equipment	1,001		846	877	(31)	104%	1,085	800	285	-36%		
Total Non-Personnel Services	96,472		104,510	103,853	657	99%	108,182	111,301	(3,120)	3%		
<b>Blue Plains O &amp; M Costs</b>	<b>\$ 134,265</b>		<b>\$ 145,380</b>	<b>\$ 141,979</b>	<b>\$ 3,401</b>	<b>98%</b>	<b>\$ 150,613</b>	<b>\$ 153,752</b>	<b>\$ (3,138)</b>	<b>2%</b>		
Non Blue Plains O & M Costs	278,305		309,133	287,209	21,924	93%	317,963	331,058	(13,096)	4%		
<b>Total Operations &amp; Maintenance</b>	<b>\$ 412,570</b>		<b>\$ 454,513</b>	<b>\$ 429,188</b>	<b>\$ 25,325</b>	<b>94%</b>	<b>\$ 468,576</b>	<b>\$ 484,810</b>	<b>\$ (16,234)</b>	<b>3%</b>		

# Blue Plains: Operating Budget Drivers by Cost Category

- The Proposed FY 2027 budget of \$153.8 million for Blue Plains cluster includes an increase of \$3.1 million for the following:



**Personnel Services** – Relatively flat compared to the approved FY 2026 budget



**Contractual Services** – Net increase of \$1.1 million for various **professional services** including the CHP contract; **maintenance requirements** (operational facilities, critical equipment etc.). Also reflect reallocation of \$0.81 million from software maintenance to capital equipment consistent with GASB requirement for subscription-Based Information Technology Agreement(SBITA)



**Utilities** – Increase of \$0.4 million is mainly for electricity costs



**Supplies** – Increase of \$0.4 million due to significant cost increases for critical parts



**Small Equipment** – decrease of \$0.2 million reflect reduced crane rental at Blue Plains

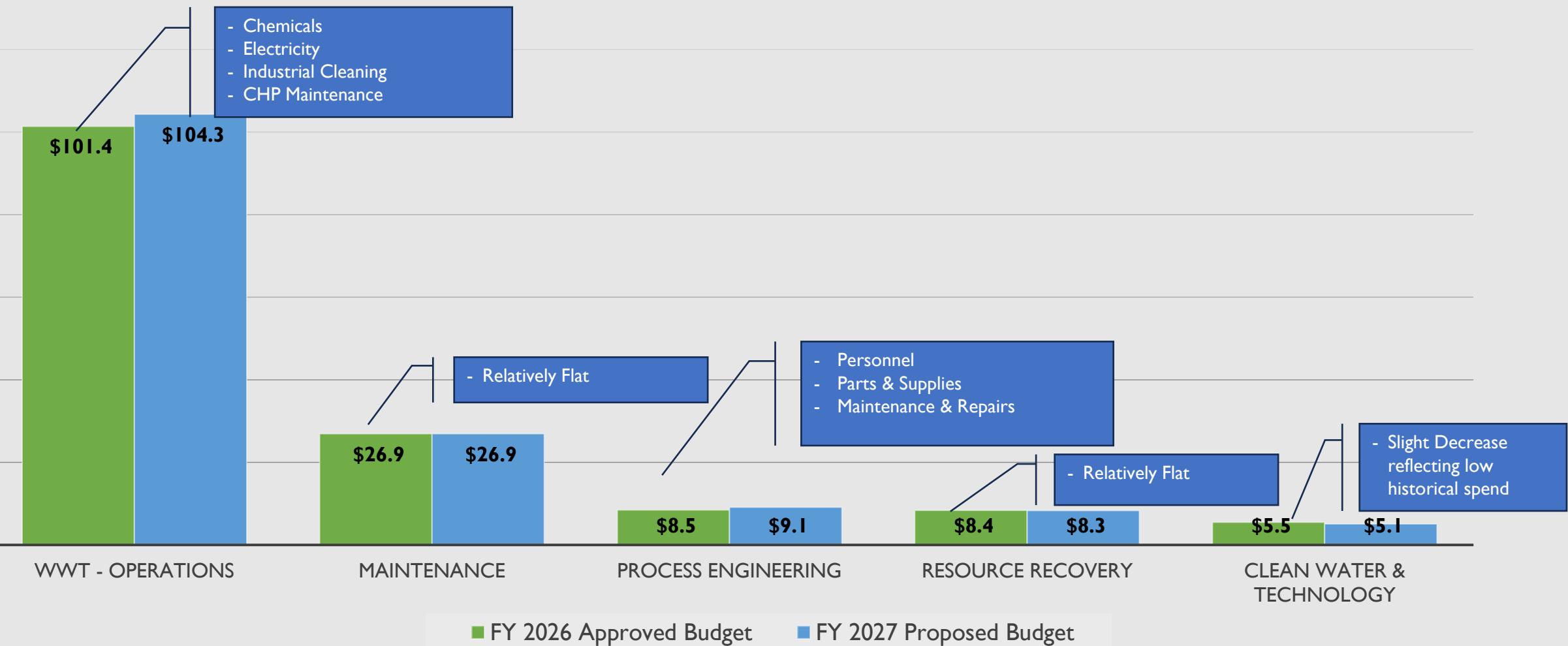


**Chemicals** – Increase of \$1.4 due to significant cost increases for chemicals

# Blue Plains: Operating Budget Drivers by Department

\$ in millions

## FY 2026 Approved vs FY 2027 Proposed





- 💧 Personnel - Overtime during emergencies, increased healthcare cost, lower than anticipated vacancy rate, outcome of compensation assessments and other leave adjustments typically funded by vacancies
- 💧 Supplies & Chemicals - Market volatilities, inflation, increased capacity energy prices based on peak demand, rain events, process optimization
- 💧 Utilities - Market volatilities, onsite energy optimization, solar project output & timeline
- 💧 Professional Services - Biosolids/BLOOM - Hauling/marketing of 70,000 tons, Locate and Mark Utilities – Increased cost and volume
- 💧 Litigation & Insurance - Impacts of unanticipated legal cases and insurance policy requirements

# Wastewater Operations

**Nicholas Passarelli - VP, Wastewater Operations**

**Shawna Martinelli – Director, Operation and Process Engineering**

**Elkin Hernandez – Director, Maintenance Services**

**Chris Peot – Director, Resource Recovery**

**Haydee De Clippeleir – Director, Clean Water Quality and Technology**

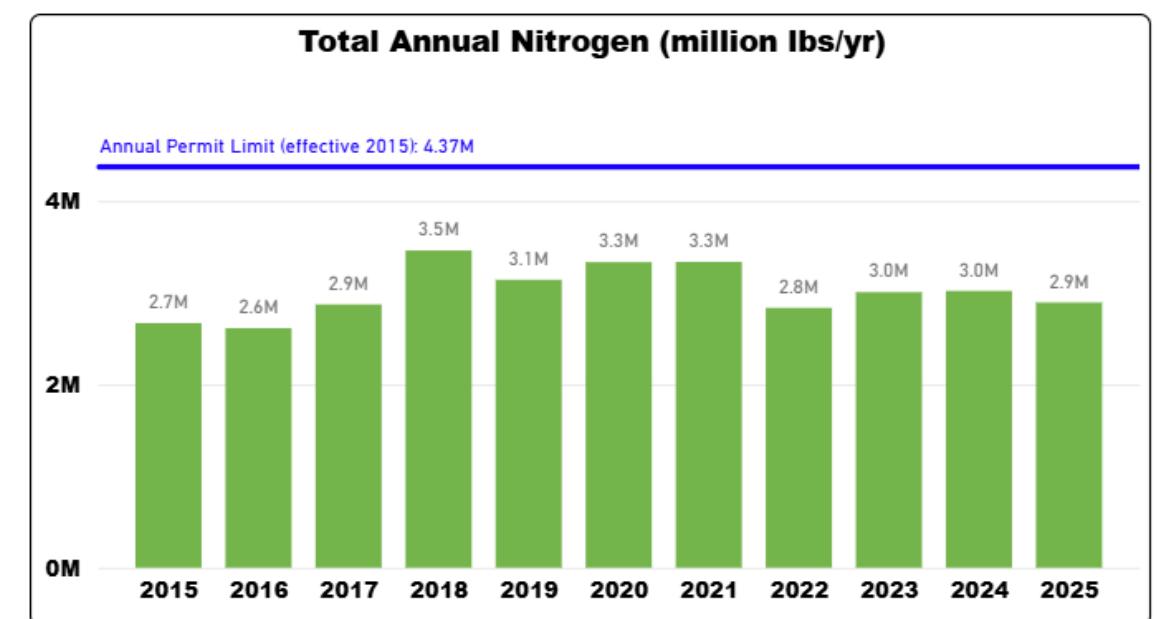
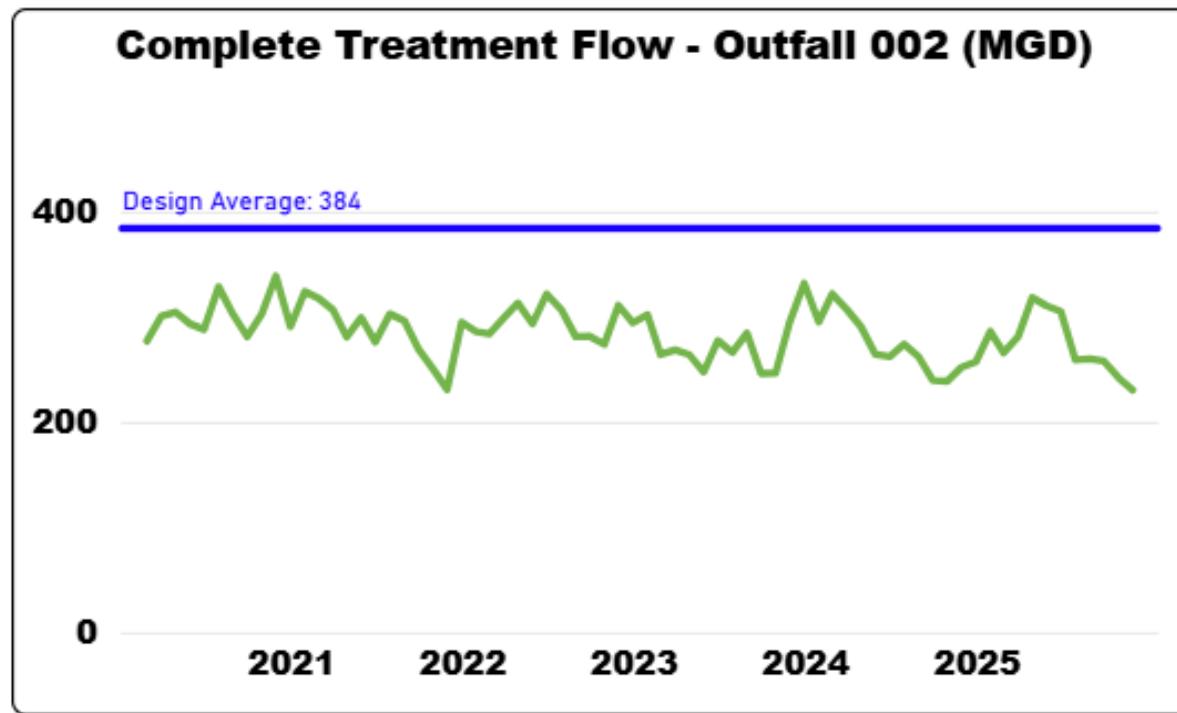
## ❑ Compliance with National Pollutant Discharge Elimination System (NPDES) Permit

- Full compliance with NPDES permit
- Received National Association of Clean Water Agencies (NACWA) Platinum Award for thirteen consecutive years
- FY25 Total volume treated, million gallons (MG)
  - Complete Treatment – 99,480 MG
  - Wet Weather Treatment to Outfall 001 – 100 MG



# Wastewater Operations – BP Performance

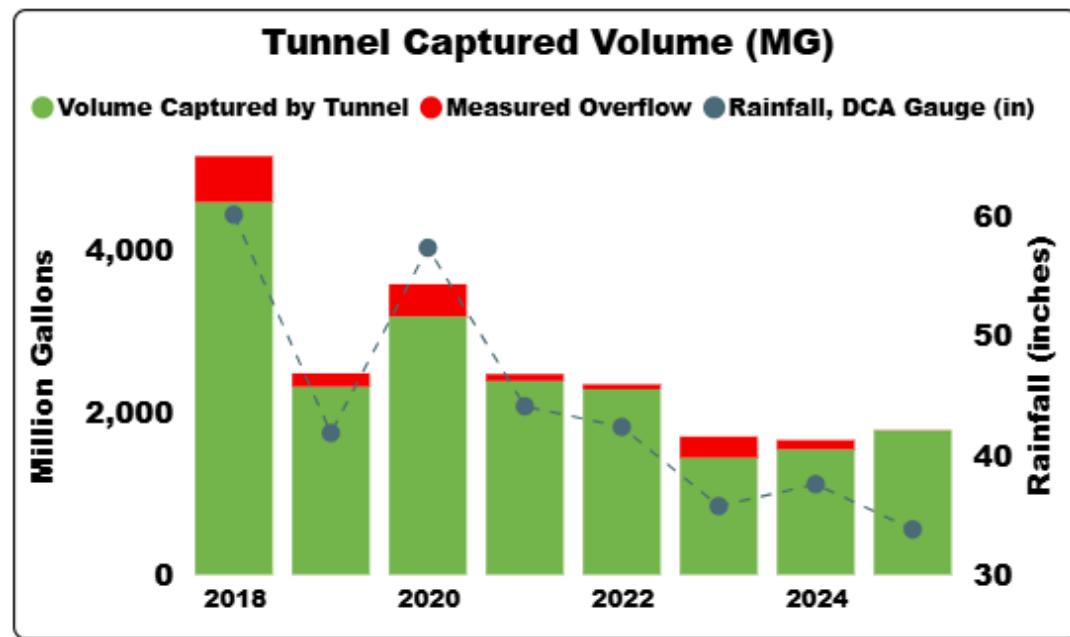
- ❑ FY25: Avg. Complete Treatment Flow (Outfall 002) 273 MGD
- ❑ CY25: approx. 2.89 MLbs TN



# Wastewater Operations - Performance

## Anacostia Tunnel System/Wet Weather Treatment

- Oct 2024 - Sep 2025
  - Over **1.85 billion** gallons captured
  - Over **1,025 tons** of trash, debris, and other solids captured
- Tunnel capture rate since commissioning ~92.2%

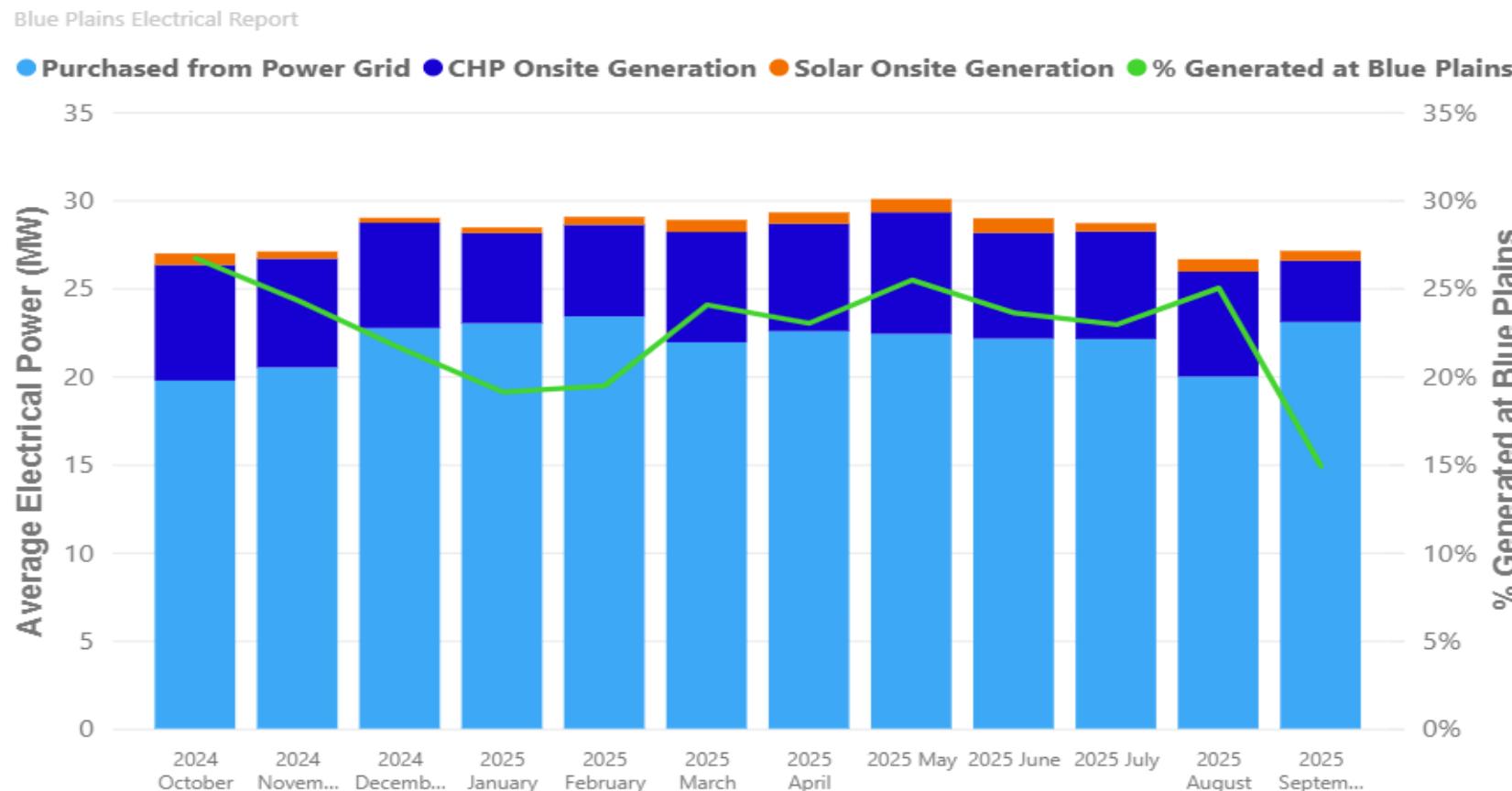


Enhanced Clarification at the Wet Weather Treatment Facility



Trash, Debris and Solids Removal from Screening Shaft at Tunnel Dewatering Pumping Station

CHP facility and the Phase I Solar Panels generated an average of 5.83 MW and 0.56 MW of net power respectively or 23 % of the total energy consumed at Blue Plains for FY25



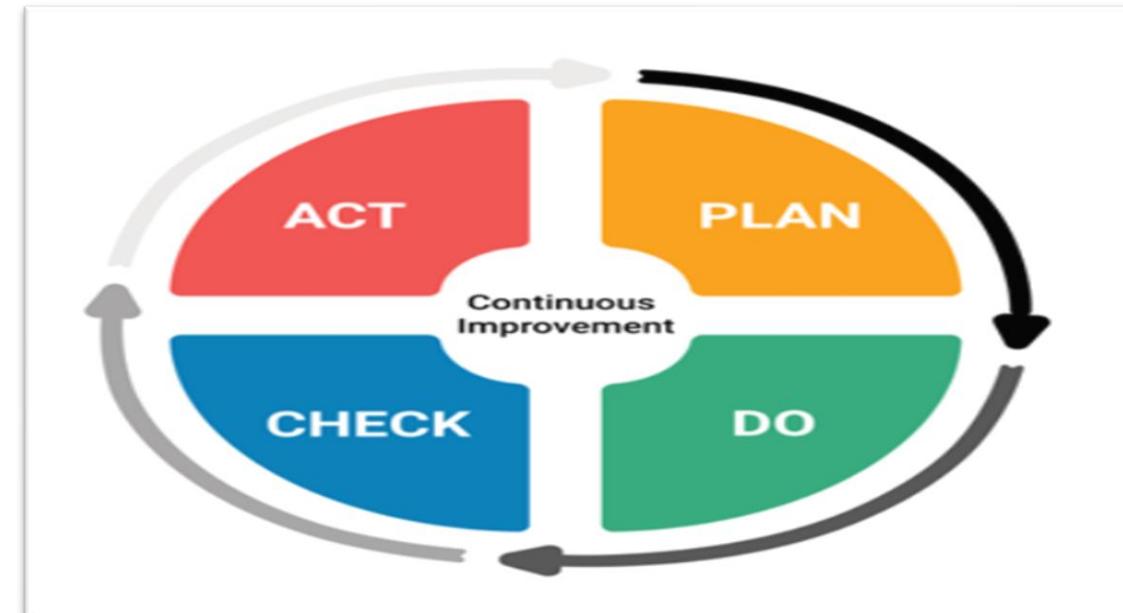
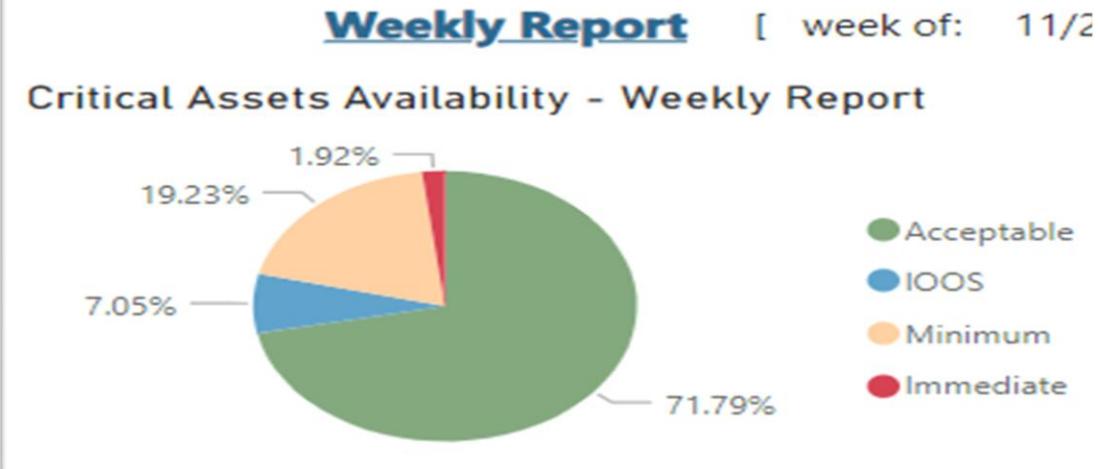
### □ Asset Management/Reliability

- Proactive Maintenance
  - Overhaul of Belt Filter Presses and centrifuges
  - Expanded use of AI-powered real-time vibration platform for preventive maintenance,
- Operator Driven Reliability:
  - iPads provided to all Operations Staff and Maintenance staff
    - ✓ Pads include Mobile Maximo, eLogger, EDS One Drive and other mobile apps.
    - ✓ Process of utilizing and enhancing use of iPads to improve field inspection and reporting, providing for timely and more accurate WOs.
- O&M staff increasingly used plant asset data analytics to understand plant process systems and equipment performance and drive decisions



## ☐ Maintenance Objectives & Strategies

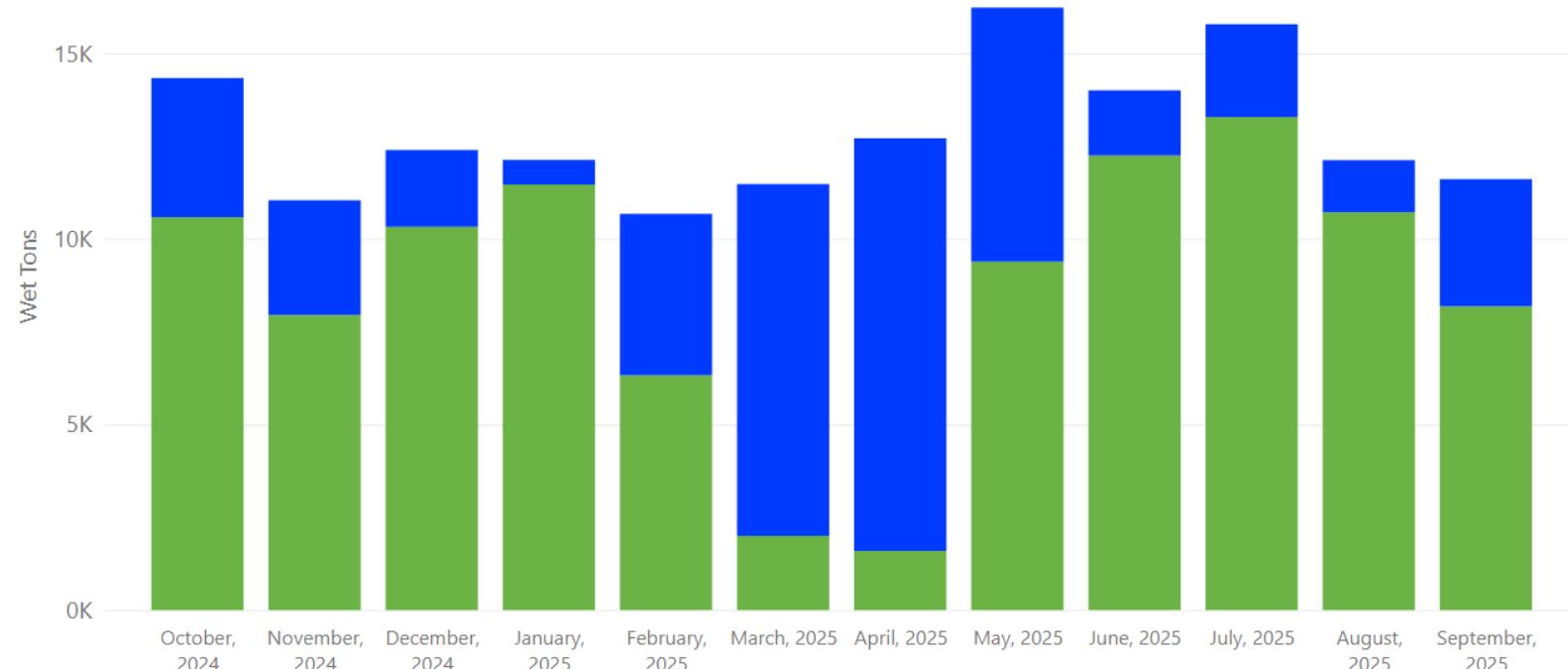
- Ensuring Plant Capacity
  - Critical equipment availability: Target >95% and was met every month during FY 2025
  - Annual monthly average was at **96.3%**
- Sustaining and Improving Asset Reliability – The PDCA cycle of continuous improvement.
  - Optimization of Continue initiatives and programs focused on enhancing the effectiveness and efficiency of our operations.
  - Maintain and expand training efforts to develop and sustain the skills necessary for implementing best maintenance practices.



- ❑ Biosolids produced (Actual for FY25) ~ 423 wet tons/day
- ❑ Met EPA's Class A Exceptional Quality requirements
- ❑ 50,292 wet tons marketed as BLOOM
- ❑ Estimate used for FY26 & FY27 ~ 450 wet tons/day

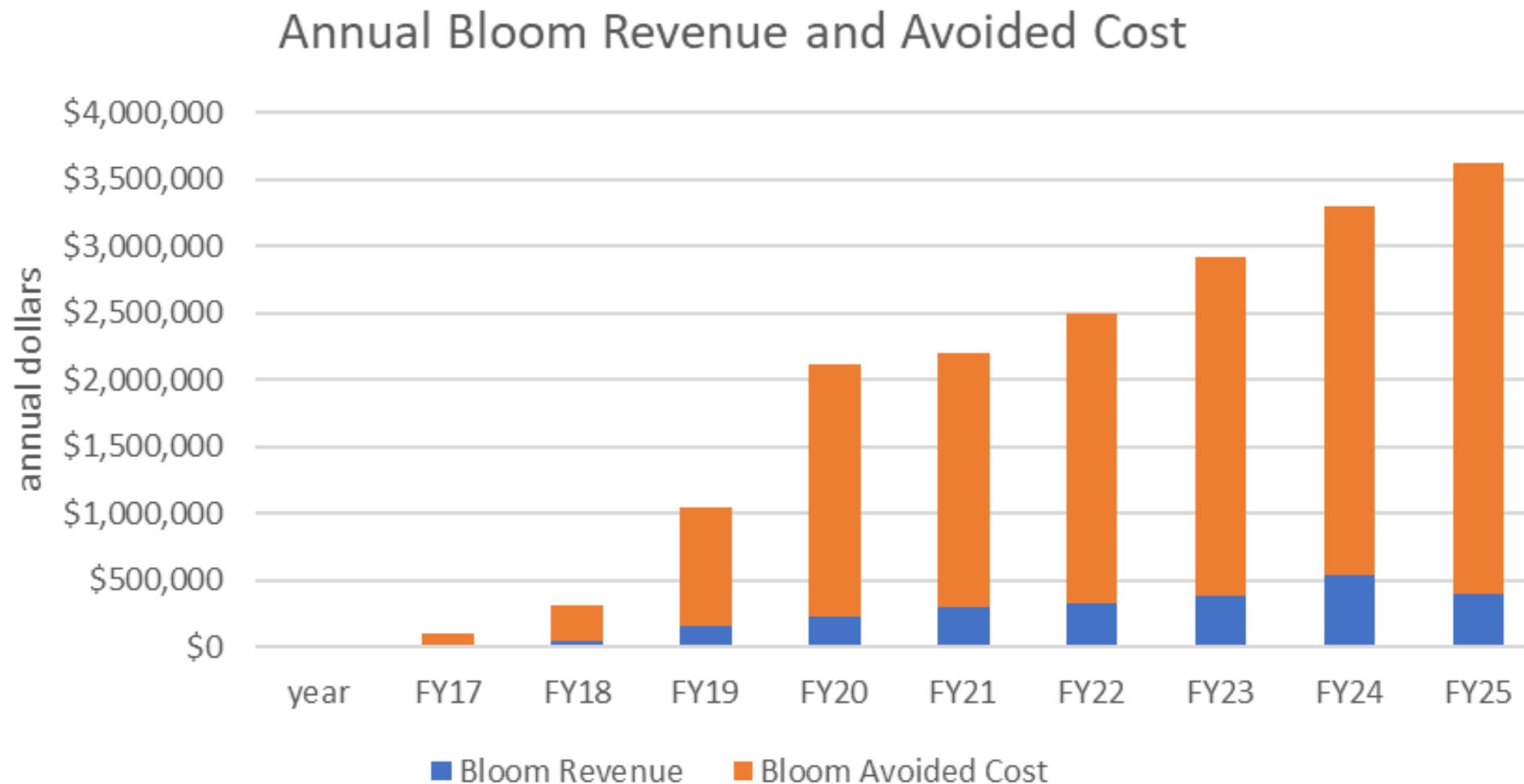
Total Production of Class A Biosolids and Beneficial Reuse by Type

● Land Application ● Marketing as Bloom

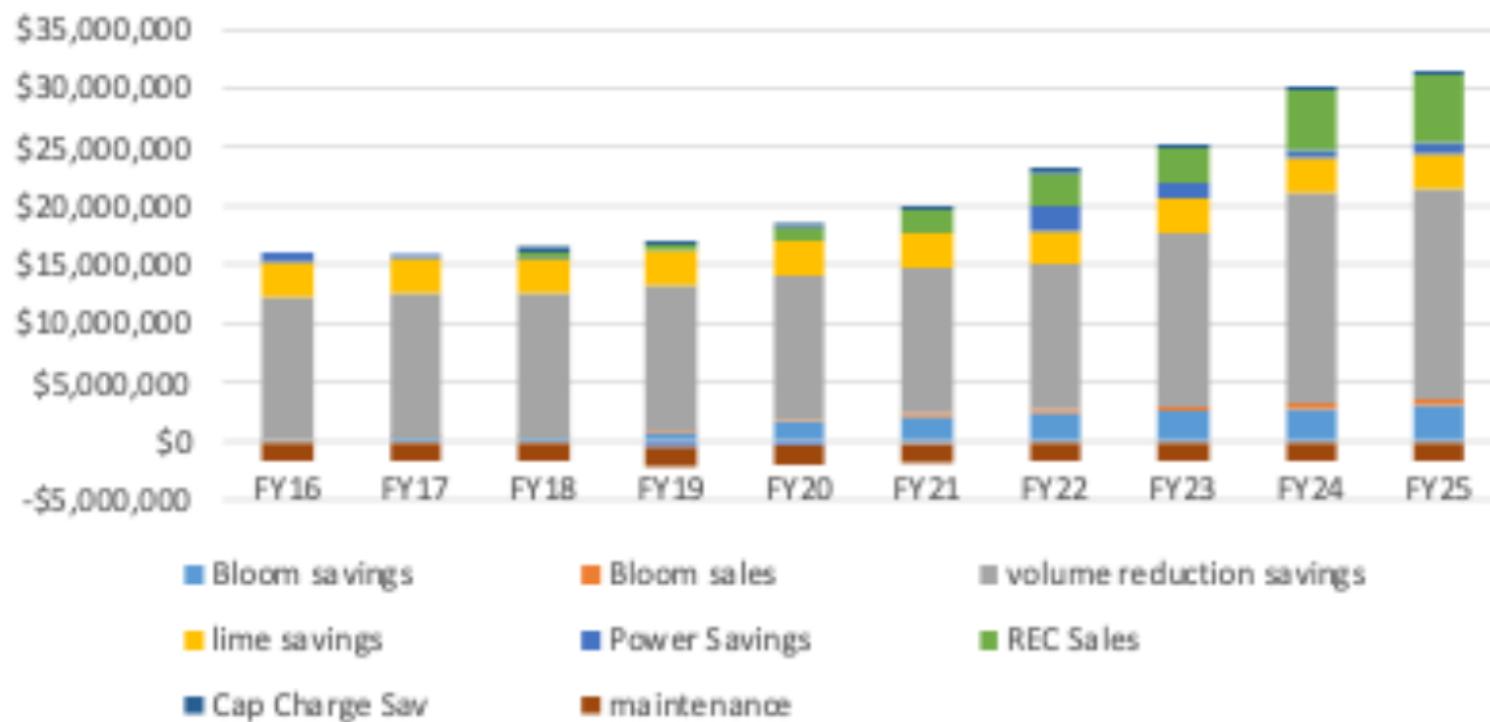


# Annual (not cumulative) Bloom Revenue and Savings

Bloom revenue last year ~\$400K, with an additional \$3.2M in savings



Class A Savings and Revenue



- ✓ **Cost Reduction and Revenue Generation**
- ✓ **Avg annual savings and revenue**  
- \$22M, total savings and revenue for first 10 yrs (estimated for FY25) = \$223M
- ✓ **Simple payback on \$295M – 14 yrs (original estimate was 19 yrs)**
- ✓ **12.5 yrs if we include the steam savings**
- ✓ **Reduced our carbon footprint by 1/3, or 50,000 metric tons of CO<sub>2</sub>e emissions annually**

### Existing Projects: Total of over **\$3.1M** in power savings

- **Phase I Solar** (peak 3.5 MW) ~ savings **\$561K** in FY25 in power costs & reduction of carbon footprint
- **CHP Facility** power savings totaled **\$2.5M** in FY25

### New Project:

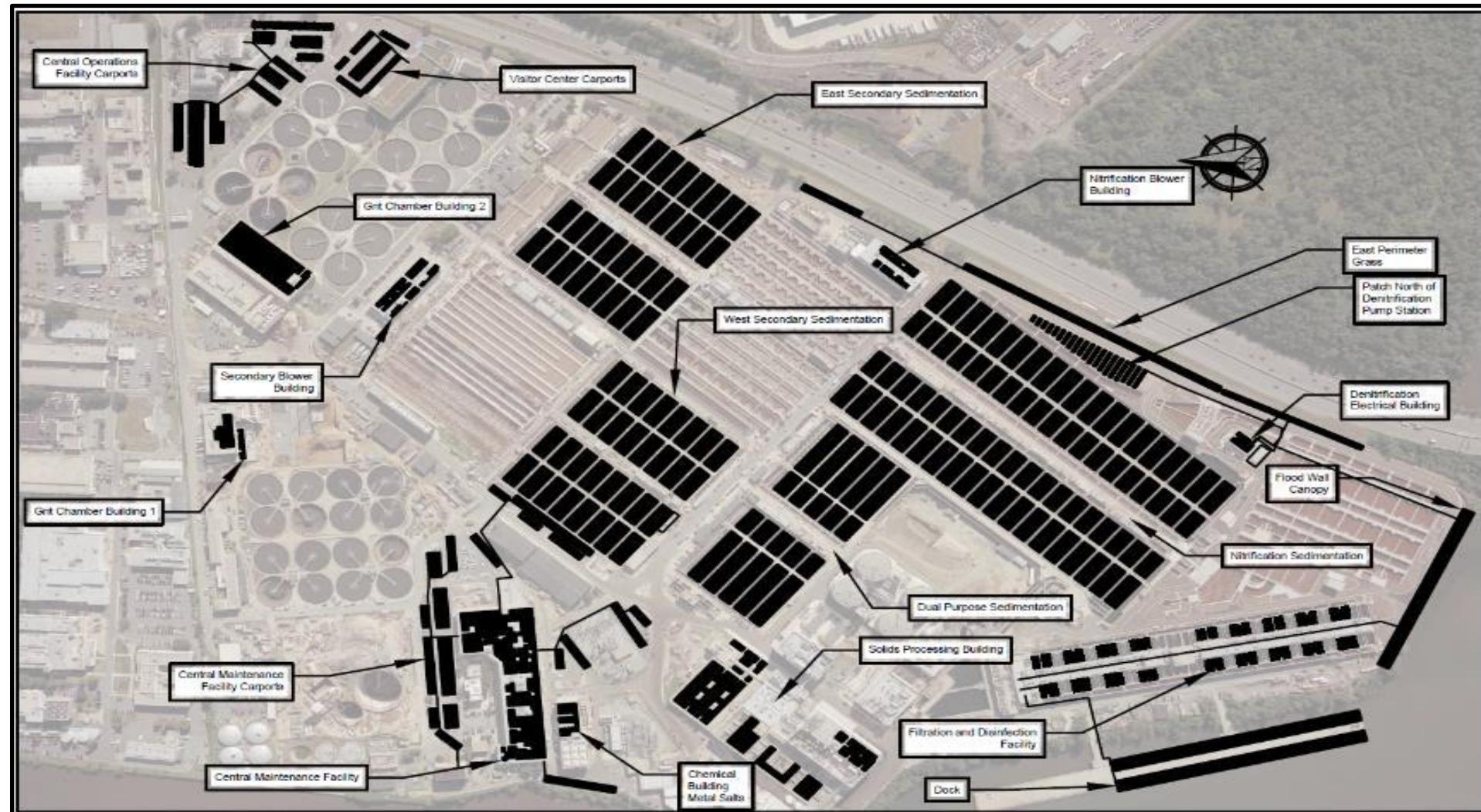
- **Curing Pad Solar**: project to start up in FY26-Q2. Estimated generation is 0.5 MW of power, with generation of \$220K/yr of SRECs and \$80,000 in power savings.

Curing Pad Roof Solar

### Future Projects:

- **Phase IIA and Phase II Solar** projects
  - **Phase IIA Solar**: (peak ~1 MW) in planning now
  - **Phase II Solar**:
    - Estimated additional peak Additional 15 to 20 MW potential
    - Potential for an additional \$1.8M/yr in power savings
    - Additional carbon footprint reduction
    - Tentative delivery FY30/31





Map showing Phase 1 & 2 Solar Panels

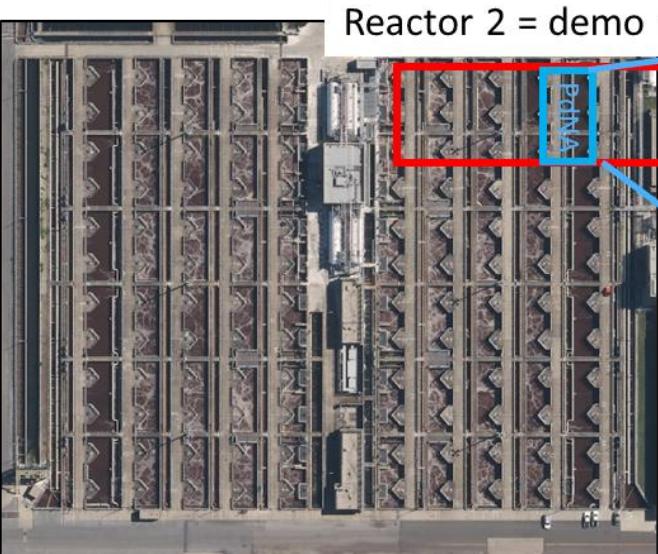
## Partial Denitrification Anammox (PdNA) Demonstration pilot

### Drivers for implementation:

- Increasing N removal capacity of current infrastructure
- Decreasing dependency on methanol

### Objective is to optimize IFAS full-scale design for PdNA:

- Screen area needed and screen cleaning
- Mixing needed
- Hydraulic limitation



Reactor 2 = demo reactor  
Integrated Fixed film activated sludge (IFAS)



Optimized mixing



Plastic media

- For anammox retention
- Heavy media

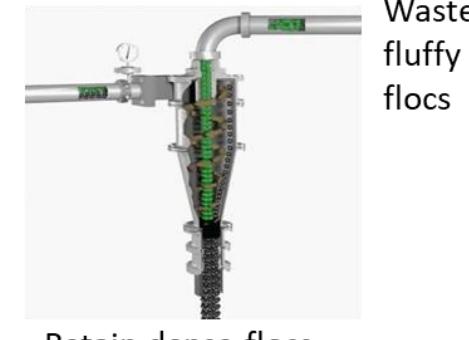
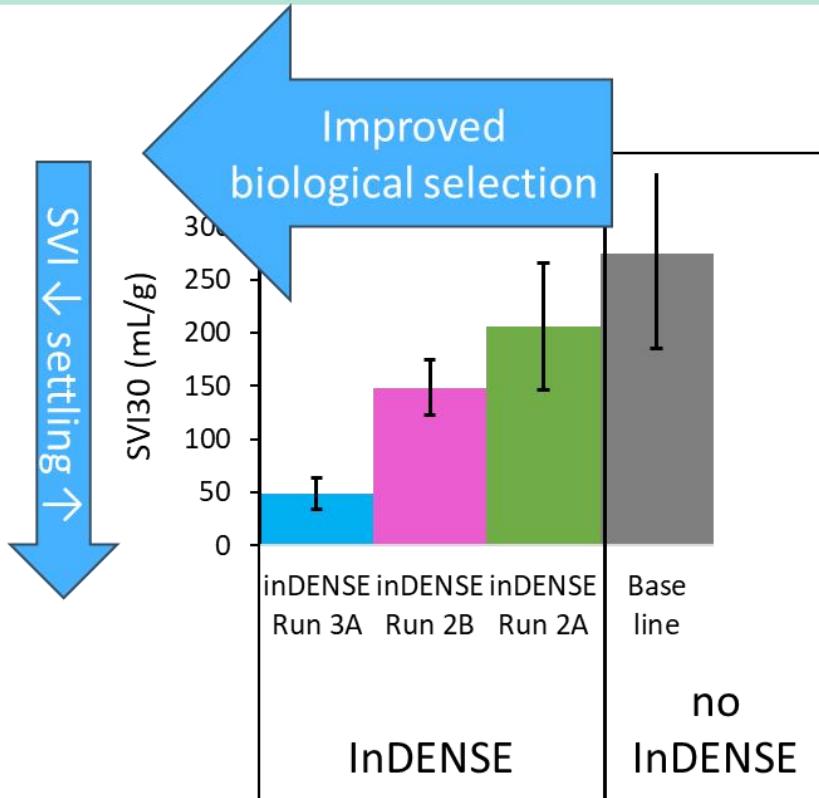


Influent and effluent screen to retain media

## Densification of secondary treatment to enhance treatment capacity

### Drivers for implementation:

- Increasing secondary treatment capacity
- Avoid the need to build additional reactor volume



### How?

- By improving settling properties by selecting for denser flocs
- Using hydrocyclone to selectively waste less dense fraction
- Manage feast-famine conditions to biologically select for better settling sludge

# 10 Minutes Break

# Capital Program Overview

**Paul Guttridge - Director, CIP Infrastructure Management**

# dc

## DC Water Budget Overview

### FY2026-2035 Proposed Capital Investments of **\$9.7 billion**

## REGULATORY



LEAD  
FREE  
DC

**\$1.04 billion**

Continue eliminating  
lead service lines  
and meet regulatory  
requirements.



**\$1.15 billion**

Fully funds DC Water  
Clean Rivers projects to  
meet Consent Decree  
requirements

## RISK-BASED



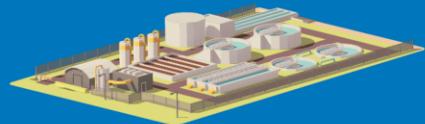
**Sewer  
Infrastructure  
\$2.86 billion**

Rehab of high risk trunk sewers,  
pump stations and structures that  
control flow.



**Water  
Infrastructure  
\$1.74 billion**

Rehab critical valves, large diameter  
transmission main assessments  
and resilience.



**Blue Plains \$1.59 billion**

Funds rehabilitation and upgrades  
including filters, primary treatment,  
and discovery center for Pure  
Water DC.



**Washington  
Aqueduct  
\$514 million**

Invests in the Aqueduct's  
capital infrastructure for potable  
water treatment.



**Capital Equipment  
\$415 million**

Invests in process equipment, specialized  
vehicles, IT and water meters.



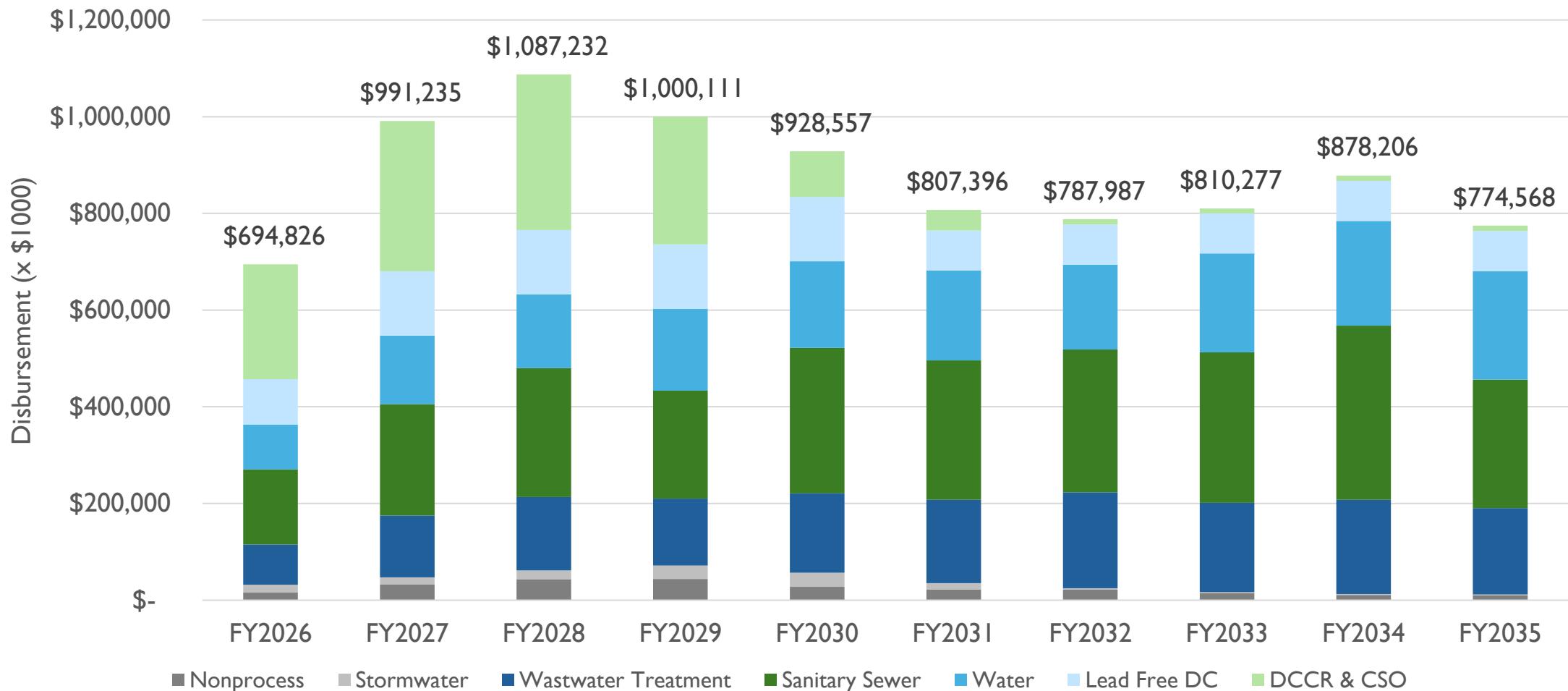
**Non-Process Facilities  
\$243 million**

Renovates Non-Process Facilities including  
at Blue Plains, Main Pump Station, and  
Bryant Street Pump Station.



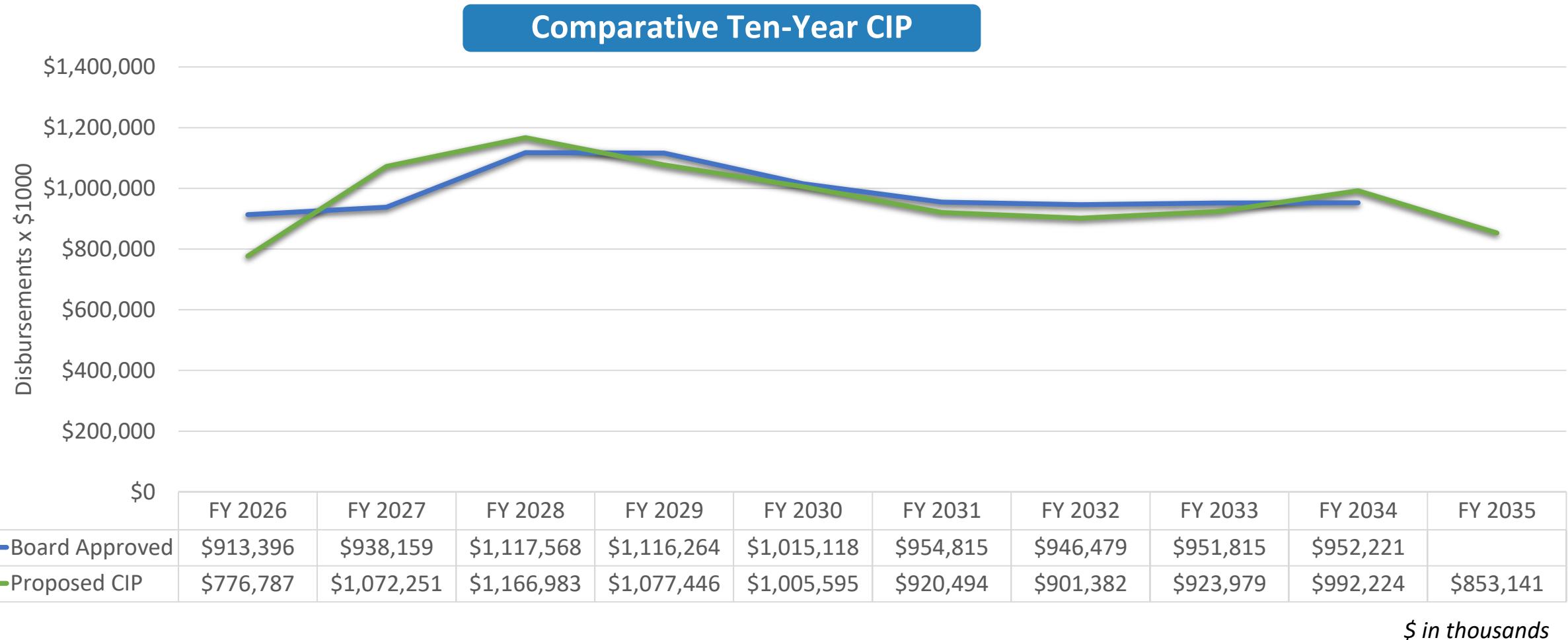
**Separate Stormwater  
\$127 million**

Rehab stormwater pump stations,  
address MS4 permit obligations.



- DCCR spending peaks in FY28 and concludes in FY31
- Budgets for Water and Sewer and Wastewater achieve a steady state
- Lead Free DC budgeted for 10 years +

## Comparison: Proposed CIP vs Currently Approved



- Proposed CIP spending profile remains similar to current approved

Service Area	Change in 10-Year CIP \$Millions	Driver	Joint Use?
Non-Process	 \$30	HVAC, roofing and safety upgrades	Both
Wastewater Treatment	 \$169	High priority rehabilitations to maintain permit compliance	Yes
DCCR/CSO	 \$175	Increased budget for Piney Branch Tunnel due to NPS requirements	Both
Stormwater	 \$62	Rehab storm pumping stations to mitigate flooding (highest risk)	No
Sanitary Sewer	 \$21	Focus on structures that control flow and large diameter sewers (highest risk)	Both
Water	 \$89	Focus on critical valves, inspections of transmission mains and resiliency (highest risk)	No
Capital Equipment	 \$63	Reallocation of Subscription Software expenses & acceleration of the AMI metering program	Both
Meter Replacement /AMR/CIS/ERP	 \$1	Fund AMR and lost water assessments	No
Washington Aqueduct	 \$14	Fund DCW share of CIP	No

# **Blue Plains and Joint Use Pump Station Projects**

**Ryu Suzuki, PE, DBIA**

**Director, Wastewater Engineering**

**Daniel Nguyen, PE, Assoc. DBIA,  
Senior Manager, Capital Delivery**

## BC01 – Headworks Influent and Effluent Structures Rehabilitation

- Total Estimated Project Cost - **\$32.6M (contract value)**
- FY 2026 – FY 2028 Planned Disbursements - **\$23.8M**
- Construction Physical Completion – **18%**
- Total Wholesale Customer Share\* - **58.8%**

## Program – Liquid Processing

	Start	Finish
Construction	July 2024	August 2027



## JF01 Construction of Flood Seawall Segments A, B & D

- Total Estimated Project Cost - **\$32.5M (contract value TBD)**
- FY 2026 – FY 2028 Planned Disbursements - **\$31.2M**
- Construction Physical Completion - **0%**
- Total Wholesale Customer Share\* - **58.8%**
- Potential FEMA grant - **75% of \$20M**

## Program – Plantwide

	Start	Finish
Progressive Design - Build	July 2025	January 2029



## Headworks and Primary Upgrades Portfolio CMAR Contract

- Total Estimated Project Cost - **\$267M (BQ02 - \$134.3M and I701 – \$132.5M)**
- FY 2026 – FY 2028 Planned Disbursements - **\$60.2M (BQ02) and \$54.7M (I701)**
- Construction Physical Completion - **0% (both projects)**
- Total Wholesale Customer Share\* - **58.8%**

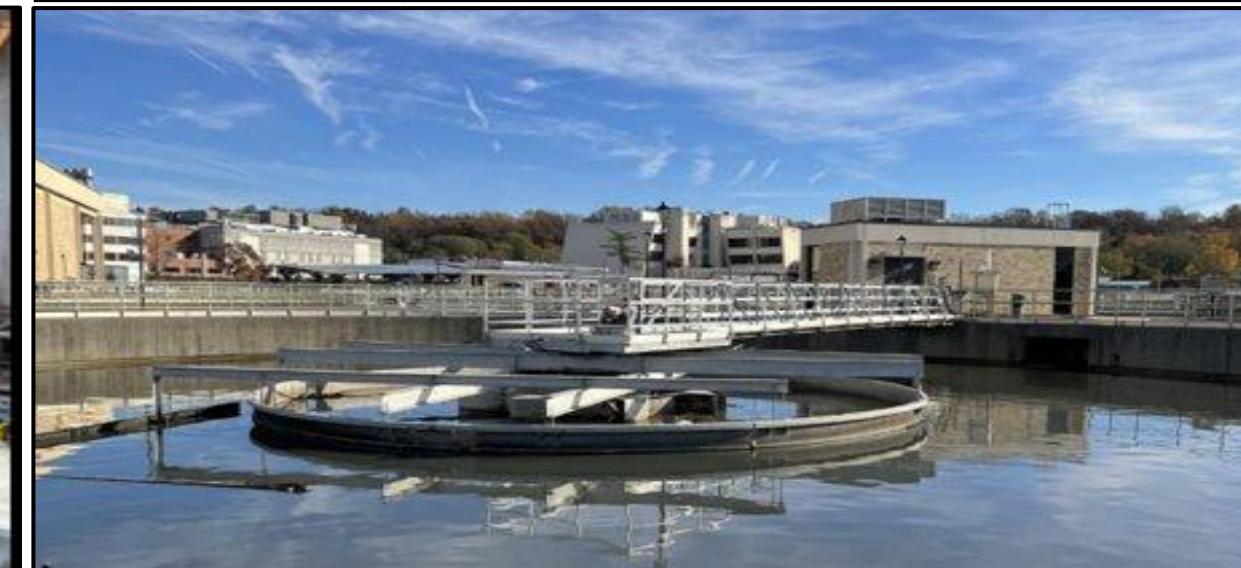
### BQ02 – Headworks Electrical Upgrades

	Start	Finish
<b>Design</b>	June 2020	September 2026
<b>Construction</b>	April 2026	January 2032



### I701 – Primary Treatment 20 Year Upgrades

	Start	Finish
<b>Design</b>	July 2024	January 2028
<b>Construction</b>	April 2027	October 2030



## Filter Underdrain and Backwash System Upgrades CMAR Portfolio Contract

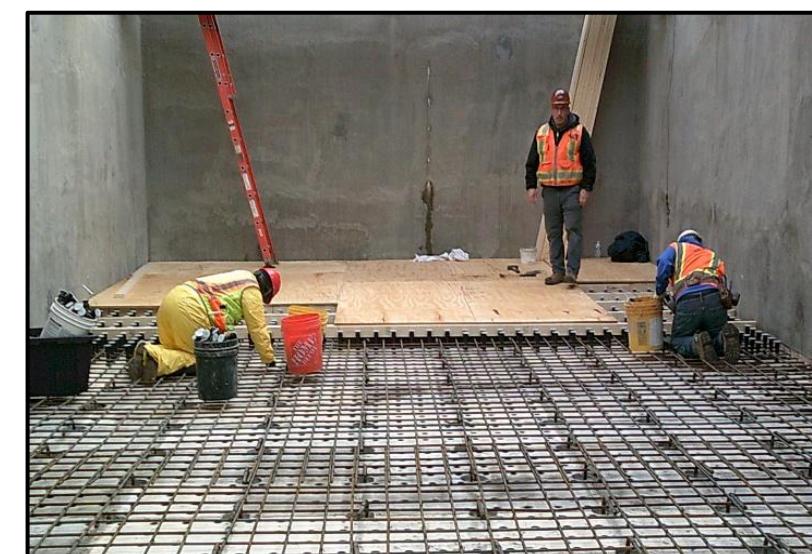
- Total Estimated Project Cost - **\$154M (IY10 - \$153M, IY11 - \$660K)**
- FY 2026 – FY 2028 Planned Disbursements - **\$77.2M (IY10 only)**
- Construction Physical Completion - 0%
- Total Wholesale Customer Share\* - 58.8%

### IY10 - Filter Underdrain and Backwash System (FUBS)

	Start	Finish
Design	March 2022	April 2026
Construction	January 2026	January 2031

### IY11 - Miscellaneous Improvements to Filtration Facility (MIFF)

	Start	Finish
Design	March 2026	April 2027
Construction	April 2027	January 2031 (TBD)



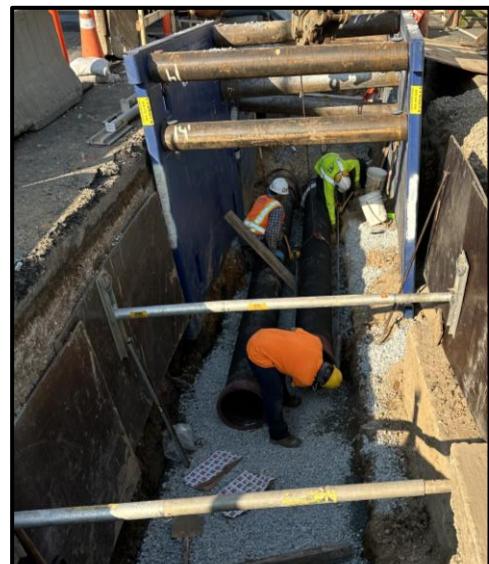
# Blue Plains and Joint Use Pump Stations Major Projects

## MFU 8 – Miscellaneous Facilities Upgrade 8 Contract

- Total Estimated Contract Value - **\$160M**
- FY 2026 – FY 2028 Planned Disbursements - **\$73M**
- Construction Physical Completion - **51%**
- Blue Plains - Total Wholesale Customer Share\* - **58.8%**
- Joint Use Pump Stations – Total Wholesale Customer Share\*\* - 10.3% for **Main PS**, Total Wholesale Customer Share\*\* - 50.2% for **Potomac PS**

## Program – Plantwide Projects

	Start	Finish
Construction	April 2023	June 2030



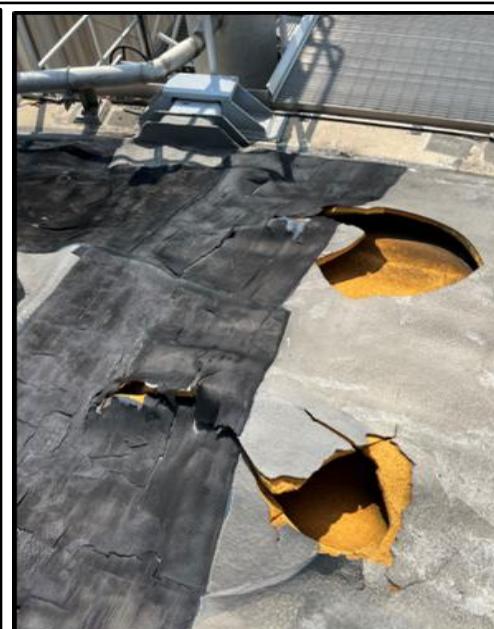
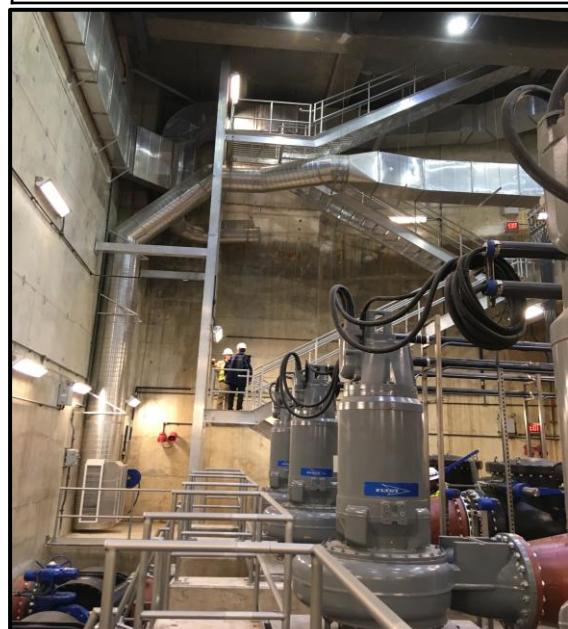
# Blue Plains and Joint Use Pump Stations Major Projects

## MFU 9 – Miscellaneous Facilities Upgrade 9 Contract CMAR MSA

- Total Estimated Contract Value - **\$200M**
- FY 2026 – FY 2028 Planned Disbursements - **\$58M**
- Construction Physical Completion - **0%**
- Blue Plains - Total Wholesale Customer Share\* - **58.8%**
- Joint Use Pump Stations – Total Wholesale Customer Share\*\* - 10% for **East Side PS**, Total Wholesale Customer Share\*\* - 75.6% for **Rock Creek PS**

## Program – Plantwide Projects

	Start	Finish
<b>Construction</b>	July 2026	July 2033



52

# Joint Use Pump Stations

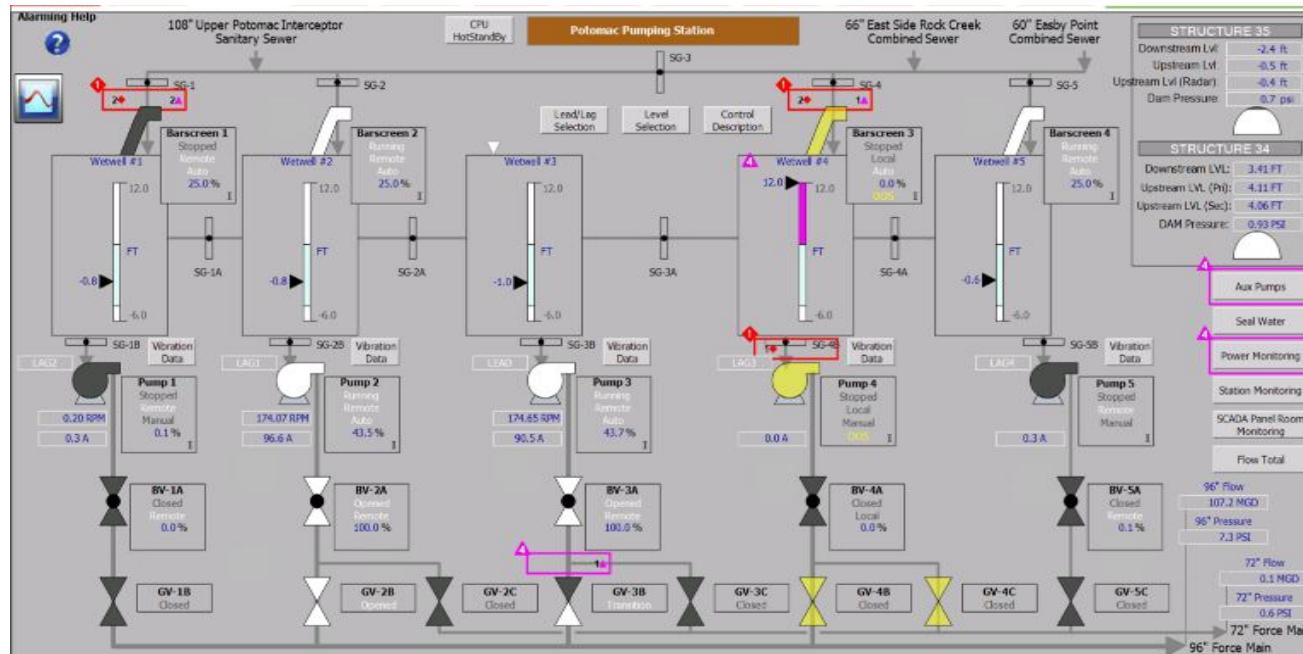


\* Represents WSSC, Fairfax, Loudoun & PI

## MC – Sewer SCADA System Upgrades

- Total Estimated Project Cost - **\$7.5M**
- FY 2026 – FY 2028 Planned Disbursements - **\$2.0M**
- Construction Physical Completion – **64%**
- Total Wholesale Customer Share\* - **6%**

	Start	Finish
Design/ Construction	June 2022	June 2027



# **Major Sewer Projects**

**Ryu Suzuki, PE, DBIA**

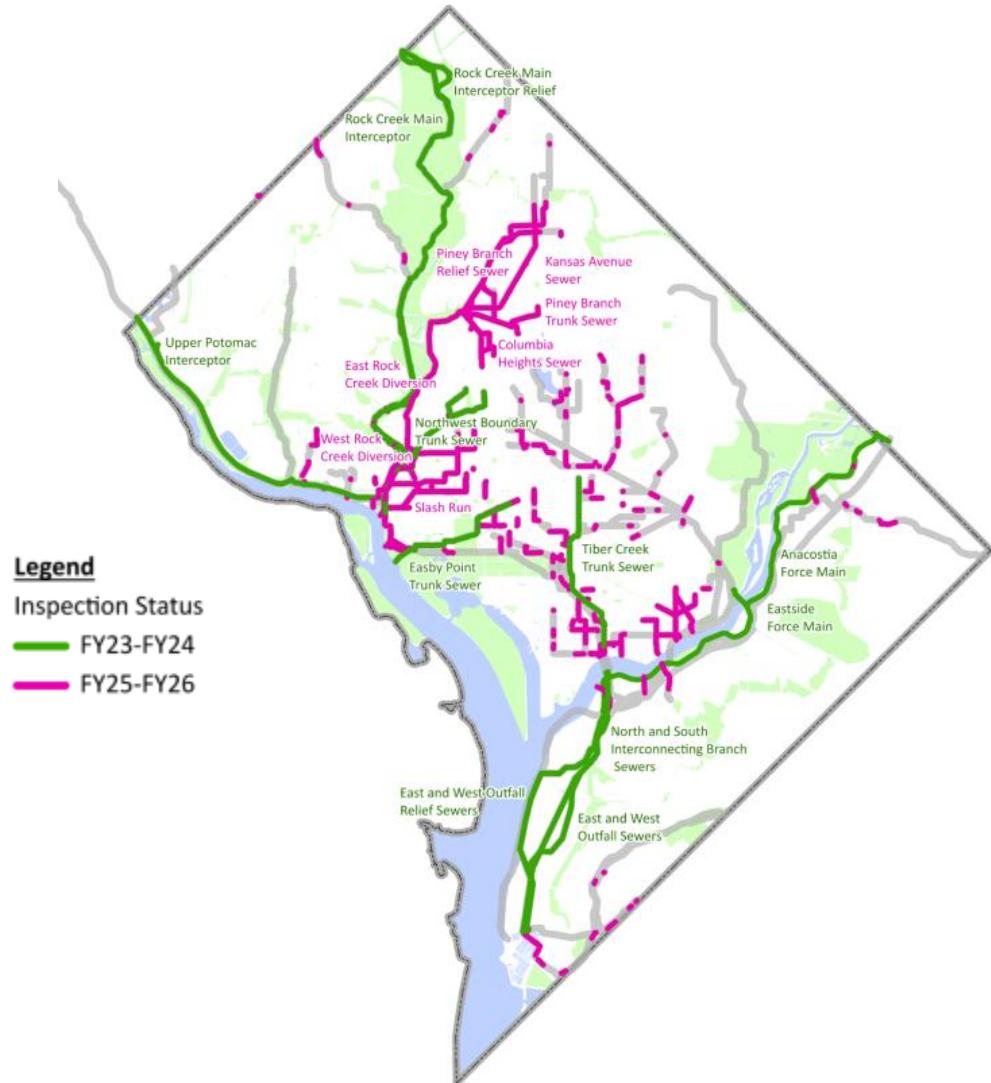
**Director, Wastewater Engineering**

**Haile Tsehayu, PE, Assoc. DBIA**

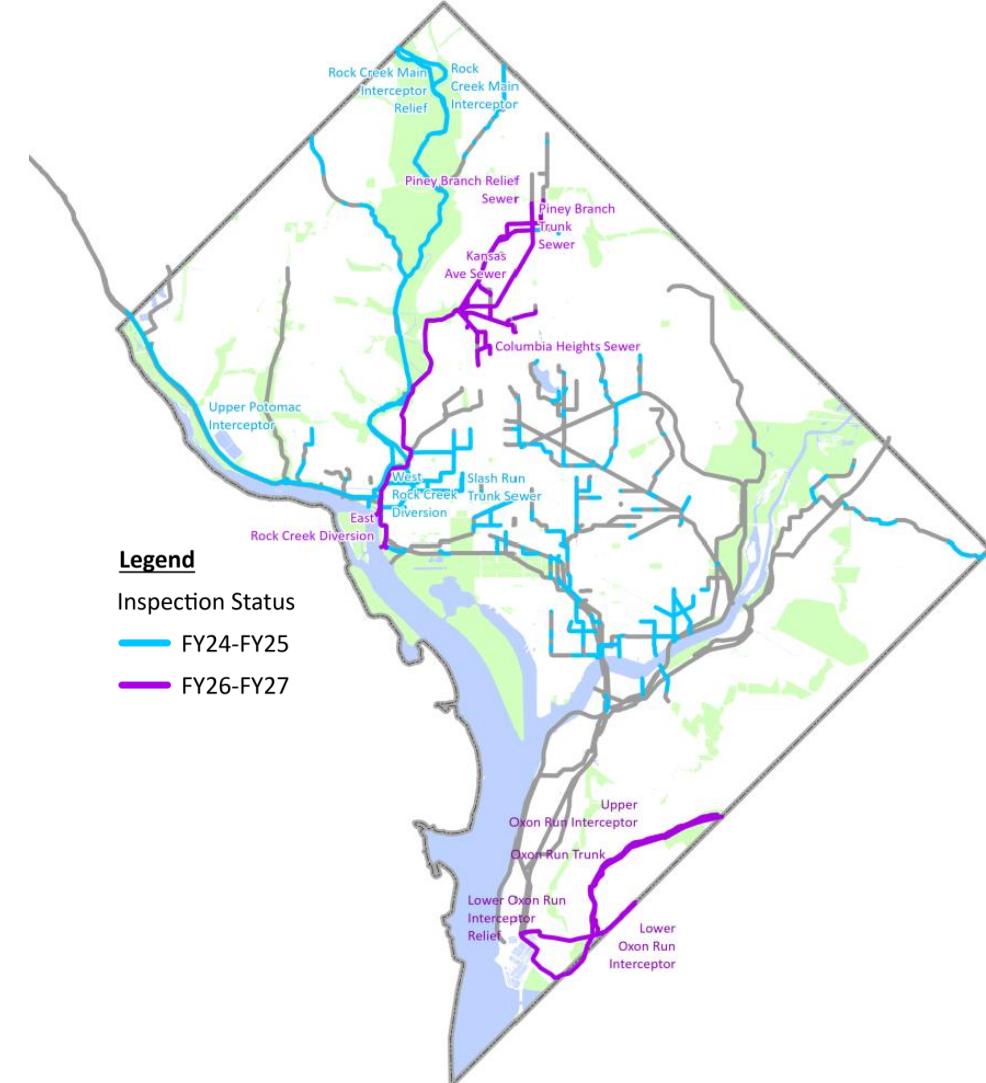
**Senior Manager, Capital Delivery**

# Major Sewers Condition Assessment

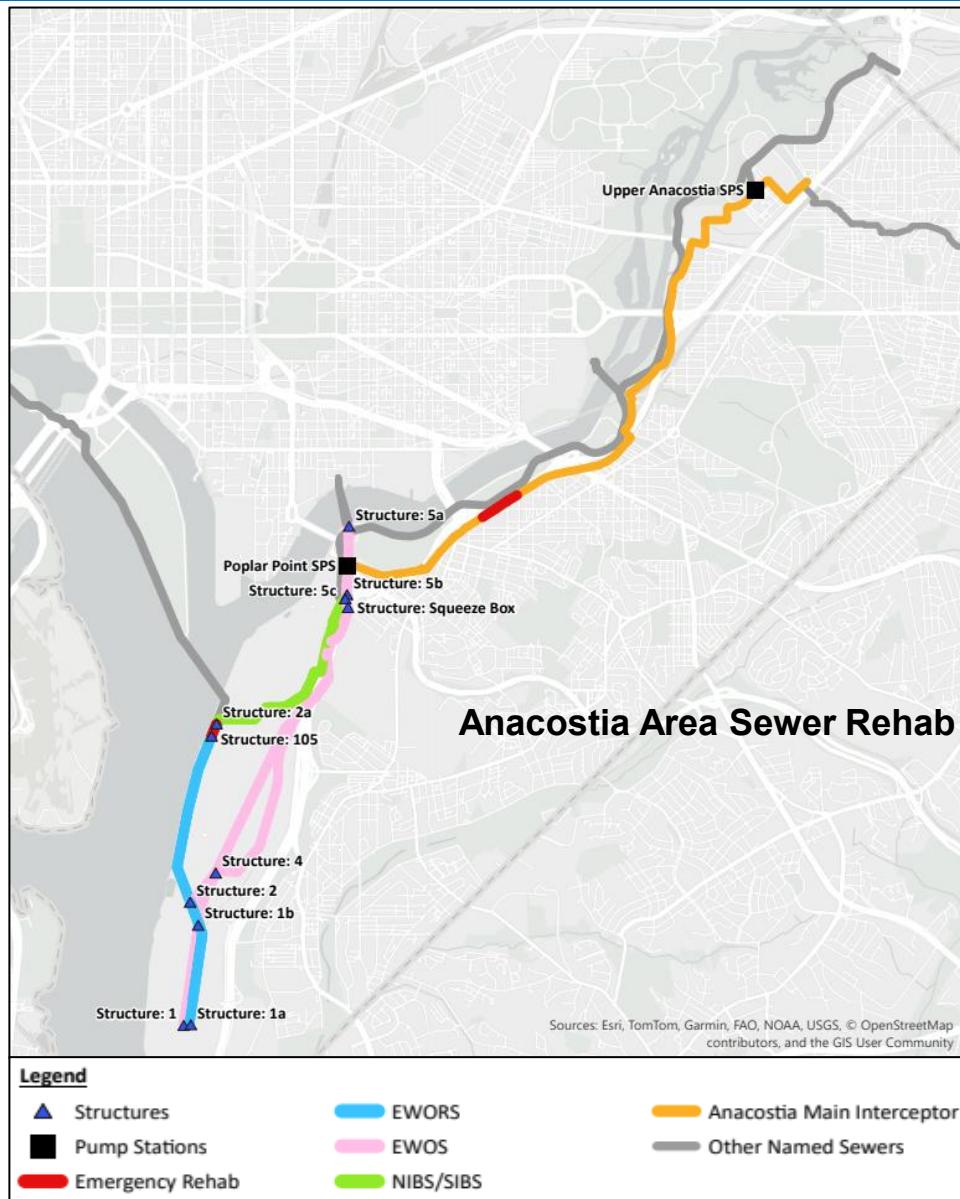
Inspection Plan at the end of FY24



Inspection Plan at the end of FY25



# Anacostia Area Sewers Rehabilitation



## SCOPE OF WORK

- Rehabilitation of **Anacostia Main Interceptor**
- Rehabilitation of the **Outfall and Interconnecting Branch Sewers**, 60" to 174" diameter
- Installation of new cathodic protection system and bypass access points, heavy cleaning

## COST SPLIT VALUES

Asset	DC %	WSSC %	Fairfax %	Loudoun %	Other PI Users %
EWOS	91	9	0	0	0
EWORS	39.4	44.8	11.9	3.2	0.7
AMI	0 - 88.8	11.2 - 100	0	0	0
NIBS/SIBS	24.2	75.8	0	0	0

**Delivery Method:** *Progressive Design-Build*

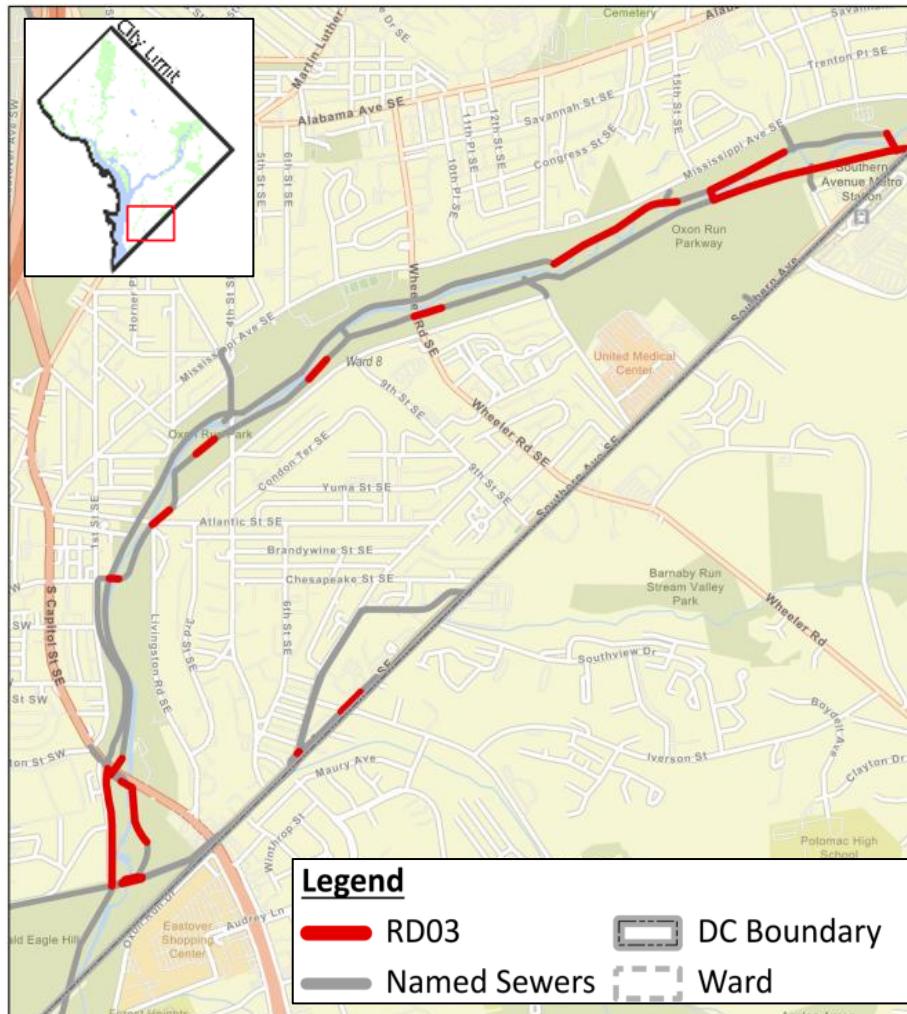
**FY 2026-FY2028 Planned Disbursements: \$55.1M**

**ESTIMATED CONTRACT VALUE:** *>\$431M*

**STATUS:** *Procurement Phase*

- **Anticipated Notice to Proceed:** March 2026

# RD03 Oxon Run Sewer Rehab



## SCOPE OF WORK

- 7,000 LF of sewer to potentially be relocated outside of floodplain based on stream modification design
- Two 30% Proposed Design Alternative currently under review by DC Water

## COST SPLIT VALUES

DC %	WSSC %	Fairfax %	Loudoun %	Other PI Users %
24.9*	75.1*	0	0	0

\*cost split percentage could change based on segment/final scope

**Delivery Method:** Design-Bid-Build

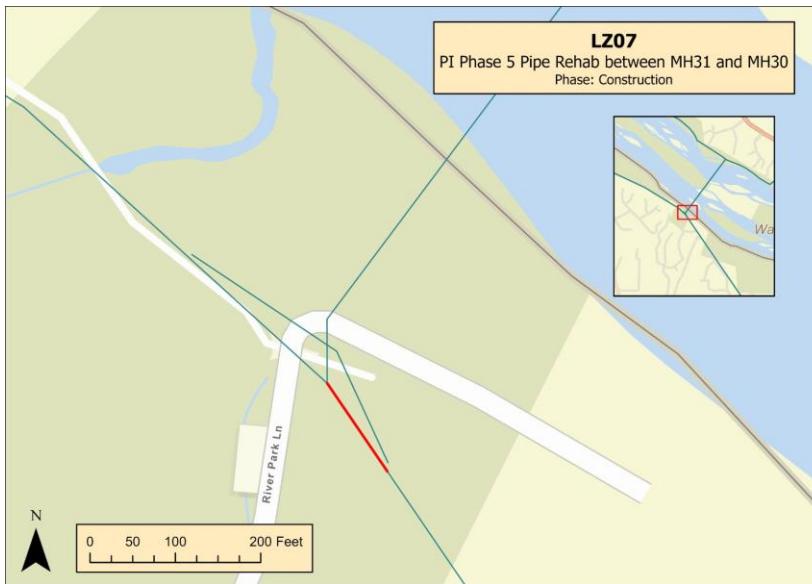
**FY 2026-FY2028 Planned Disbursements: \$22.9M**

**ESTIMATED CONTRACT VALUE: >\$TBD**

**STATUS:** Design Phase

- Construction Start:** ~Spring 2027

# LZ07 – PI Pipe Rehab between MH31 & MH30



## SCOPE OF WORK

- Install three new MH structures (MH31, MH31.5, MH30.59) including an Energy Dissipator at new MH31 and replacement of old RCP infrastructure with HOBAS pipe (corrosive resistant).
- Ongoing Work:** Installation of MH risers, operational monitoring of flow at newly installed infrastructure, and backfilling of project site.
- Future Work:** Spring 2026, full restoration of Potomac Heritage Trail, resurfacing of River Park Ln Private Access Roadway, and Site & Landscape restoration.

## COST SPLIT VALUES

DC %	WSSC %	Fairfax %	Loudoun %	Other PI Users %
0	Varies*	Varies*	Varies*	Varies*

\*cost split varies with project phase and components

**Delivery Method:** Progressive Design-Build

**FY 2025-FY2027 Planned Disbursements: \$15M**

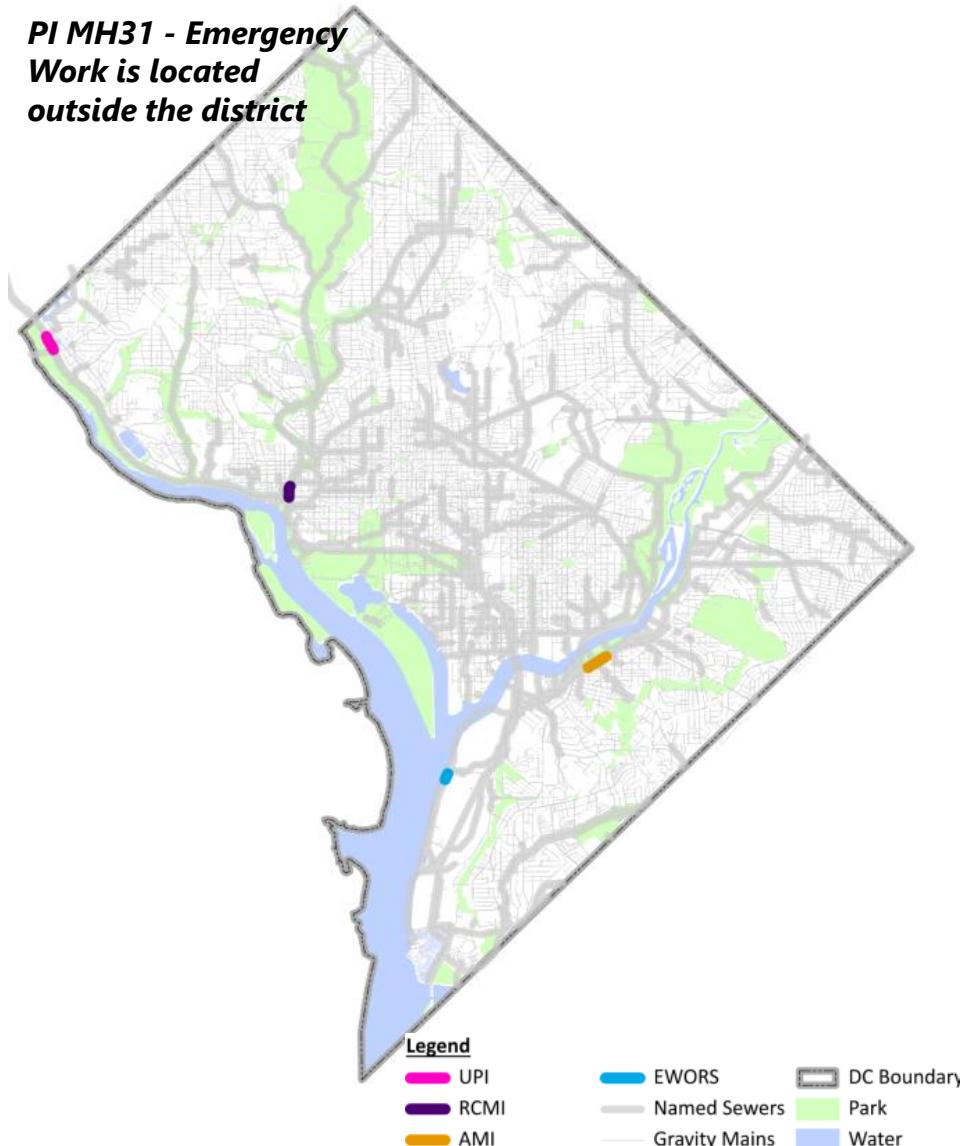
## ESTIMATED CONTRACT VALUE

*Original Scope: \$33M*

*Emergency Portion: >\$9M*

**STATUS:** Construction: Ongoing – May/June 2026 (currently, 89% Complete)

# High Priority Projects



## SCOPE OF WORK

- AMI:** Rehabilitation of ~2,100 LF of sewer line
- EWORS:** Rehabilitation of ~ 470LF of EWORS
- Other Upcoming Projects:** Rehabilitation of UPI and RCMI based on recent inspections.
- AFM:** Rehabilitation of ~2000 LF of sewer line and replacement of 28 ARVs.

## COST SPLIT VALUES – Project Specific

Asset	DC %	WSSC %	Fairfax %	Loudoun %	Other PI Users %
AMI	83.97	16.03	0	0	0
AFM*	7 – 24.2	75.8 - 93	0	0	0
EWORS	39.4	44.8	11.9	3.2	0.7
RCMI*	41.8 - 62.4	37.6 - 58.2	0	0	0
UPI	10.4	89.6	0	0	0

\*cost split percentage could change based on segment/final scope

**Delivery Method:** IR&R/Emergency Contract/Linear MSA CMAR

**FY 2026-FY2028 Planned Disbursements: \$67.1M\***

\*For AFM, AMI, EWORS Only

## ESTIMATED CONTRACT VALUE

AMI: > 12M

EWORS: >30 M

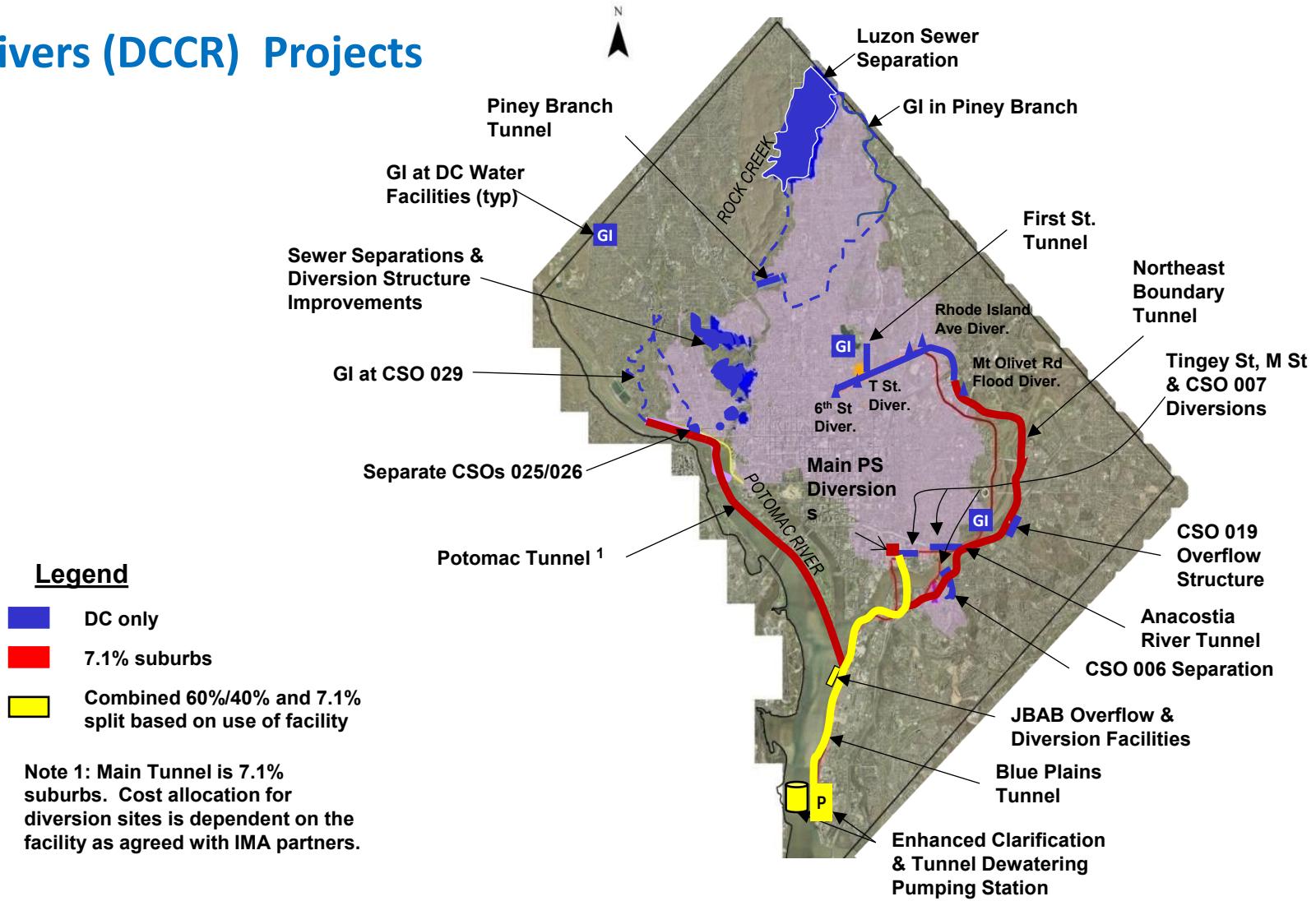
AFM: > 40 M

**STATUS:** Ongoing

# **DCCR/CSO and Potomac Interceptor Projects**

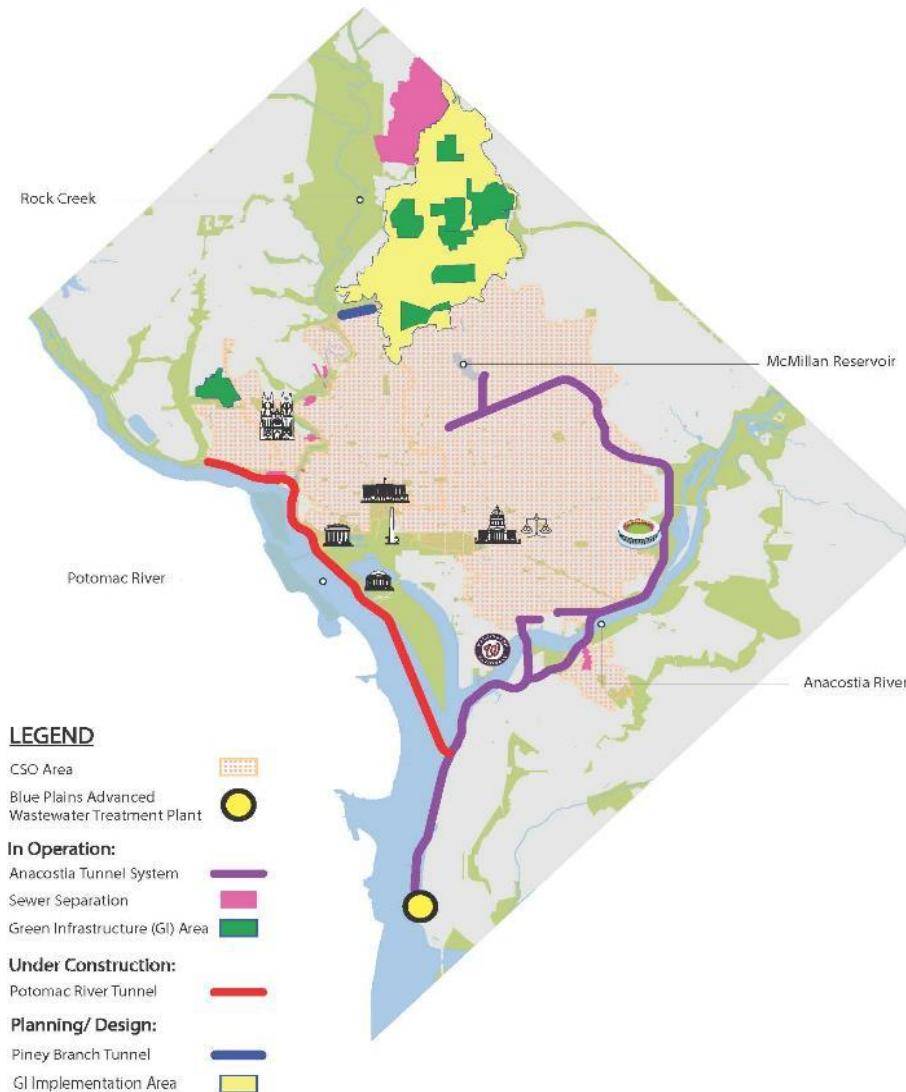
**Seth Charde, PLA, LEED AP  
Senior Advisor**

## DC Clean Rivers (DCCR) Projects



# Project Snapshot

Area	Status	MJUF?
<b>Anacostia</b>		
Anacostia Tunnel System	<ul style="list-style-type: none"> <li>• All controls in service</li> <li>• Northeast Boundary Tunnel in closeout status during FY25</li> </ul>	Yes
<b>Potomac</b>		
Potomac River Tunnel	<ul style="list-style-type: none"> <li>• In construction (2023 - 2030)</li> <li>• Design-builder has mobilized to West Potomac Park, CSO 020, 022, 024, 027 and 028</li> </ul>	Yes
<b>Rock Creek</b>		
Green Infrastructure Project C	<ul style="list-style-type: none"> <li>• In construction 2025 - 2027</li> </ul>	No (DC only)
Piney Branch Tunnel	<ul style="list-style-type: none"> <li>• In construction (Early Work Package)</li> <li>• Construction 2025 - 2029</li> </ul>	



## CZ – Potomac River Tunnel Contract B - Tunnel System Construction

- FY 2026 – FY 2028 Planned Disbursements - \$459.3M
- Total Estimated Project Cost- \$910.4M (capital only)
- Physically Complete – 31%
- Total Wholesale Customer Share\* - 6.1%

Phase	Start	Consent Decree Deadline
Construction	Nov 2023	Feb 2030



South Tunnel Boring Machine at Factory Acceptance Test

## CY – Divisions J - Northeast Boundary Tunnel

- FY 2026 – FY 2028 Planned Disbursements - \$3.9M
- Total Estimated Project Cost- \$632.2M (capital only)
- Physically Complete – 99.9%
- Total Wholesale Customer Share\* - 3.3%

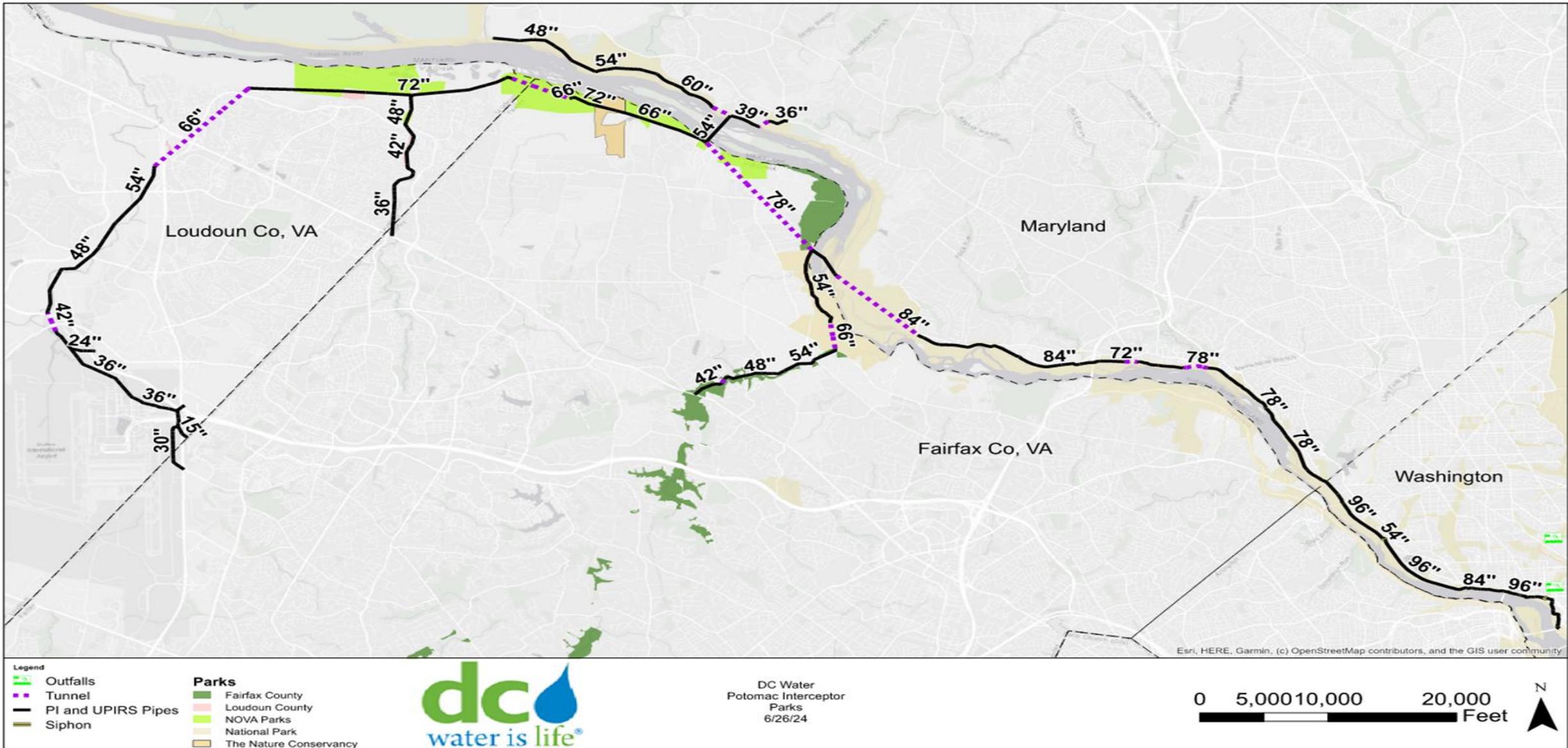
Phase	Start	Consent Decree Deadline
Construction	Sept 2017	<ul style="list-style-type: none"> <li>• Project in closeout.</li> <li>• Placed in operation Sept 2023 ahead of Mar 2025 Consent Decree Deadline</li> </ul>



Northeast Boundary Tunnel Prior to Placing in Operation

\* Represents WSSC, Fairfax, Loudoun & PI

# Potomac Interceptor - Overview



# PI-00: High Priority (MH19 – MH18)



This segment of the Potomac Interceptor (PI) was slip-lined in January 2026. DC Water rehabilitated the first 800 feet of the pipe downstream from MH-19 by means of slip-lining. The 800 feet is the distance between M-19 and the first pipe bend. The remaining segments will be rehabilitated under PI-01 and will require an Environmental Assessment under NEPA, as this work will take place on NPS property.

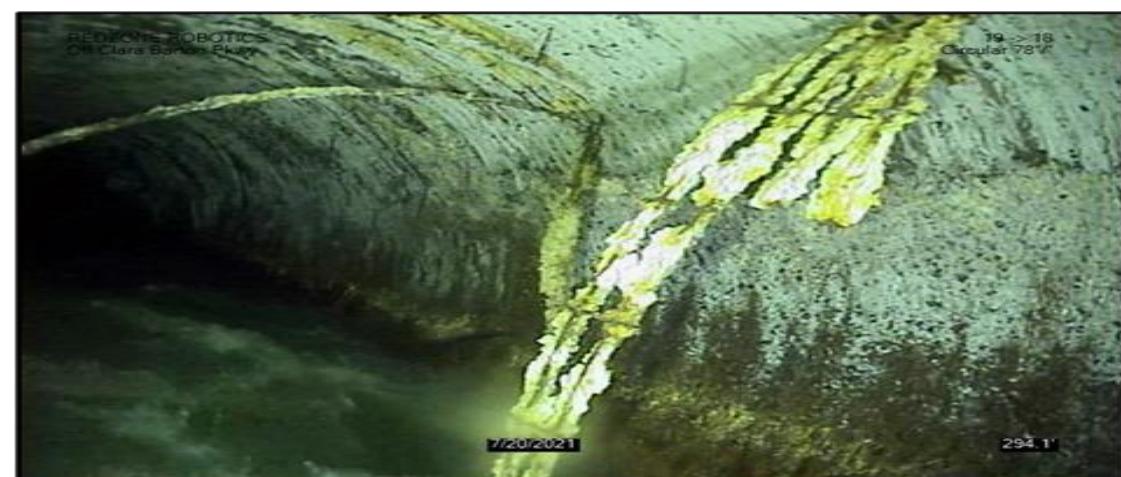


# PI-01: Rock Run (Rock Run)



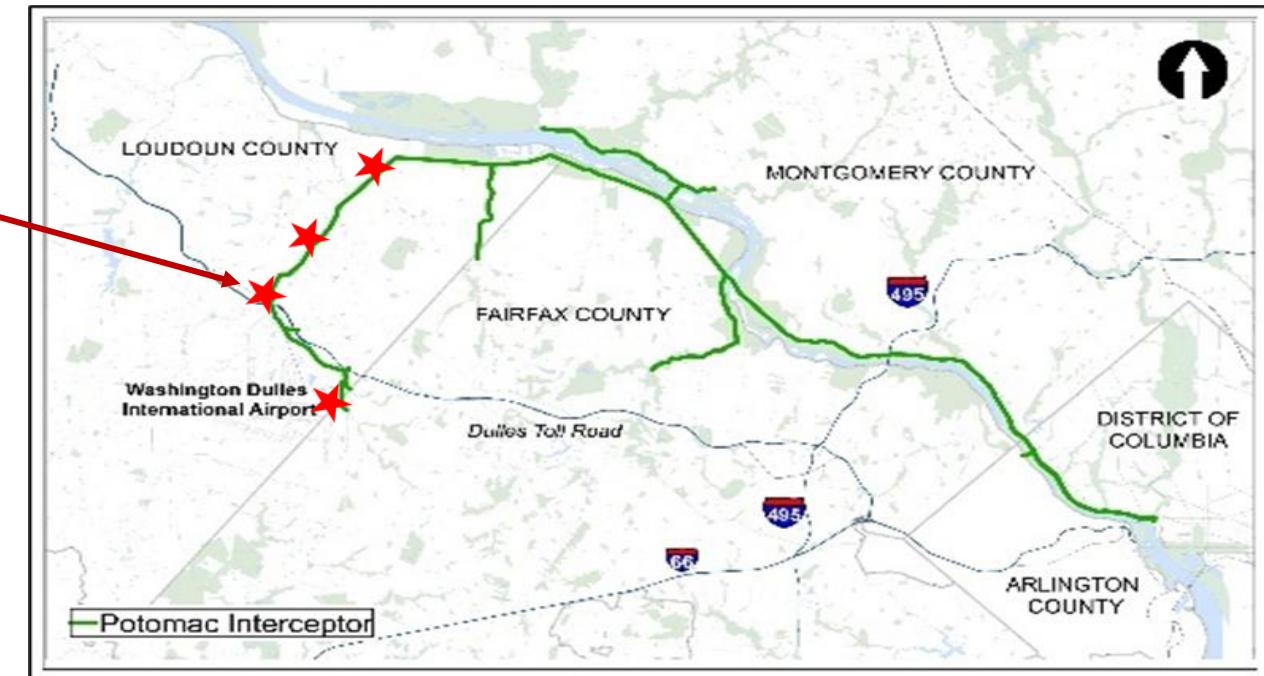
## Scope includes:

- Rehabilitation of approximately 10,300 feet of 72" – 96"" RCP using a Geopolymer
- Temporary bypass pumping with a capacity of up to 70 million gallons per day (MGD)
- Installation of suction and discharge chambers
- Resiliency design of the PI at the Cabin John Creek
- Traffic control on Clara Barton Parkway
- Compliance with Environmental Assessment (EA)



Scope includes:

- MH-49 to MH-51
  - 3,230 LF of 72" RCP
  - Geopolymer rehabilitation
- MH-57 to MH-58
  - 1,201 LF of 54" RCP
  - CIPP rehabilitation
- MH-72 to MH-73.8
  - 492 LF of 48" RCP
  - CIPP rehabilitation
- MH-116 to MH-118.2
  - 951 LF of 30" RCP
  - CIPP rehabilitation



# Potomac Interceptor Projects

## PI-00 - High Priority (MHI9-MH18)

- FY 2026 – FY 2028 Planned Disbursements - \$8M
- Rehabilitation of 800 LF of sewer lines in National Park Service Property
- Total Estimated Project Cost - \$8M\*
- Construction Physical Completion - 85%

### Cost Split

DC %	WSSC %	Fairfax %	Loudoun %	Other PI Users %
0%	30.90%	45.10%	19.60%	4.40%

### Project Status: Design Phase

	Start	Finish
Design	Nov. 2024	Jan. 2025
Construction	Oct. 2025	April 2026



## PI-01 Rock Run (Clara Barton to Cabin John)

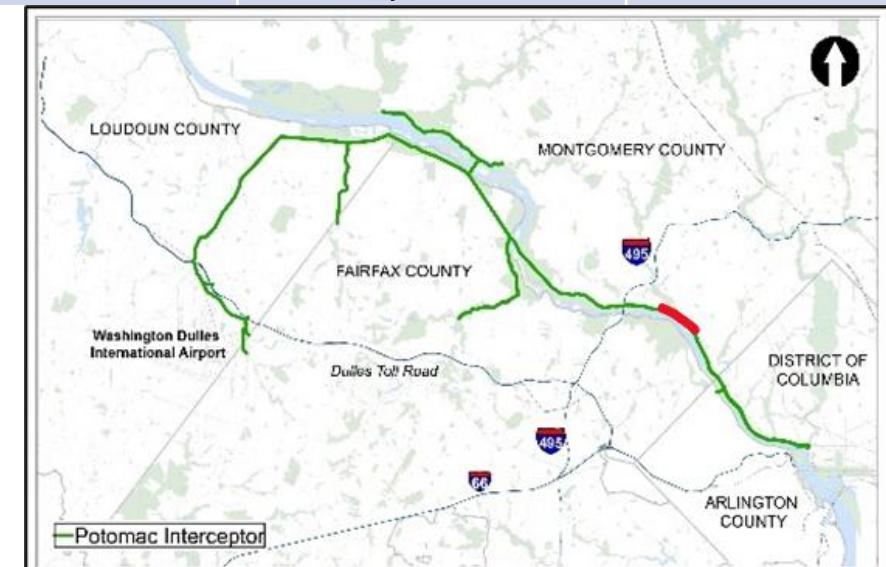
- FY 2026 – FY 2028 Planned Disbursements - \$100M
- Rehabilitation of 10,300 LF of sewer lines in National Park Property
- Total Estimated Project Cost - \$112M\*
- Construction Physical Completion - 0%

### Cost Split

DC %	WSSC %	Fairfax %	Loudoun %	Other PI Users %
0%	30.90%	45.10%	19.60%	4.40%

### Project Status: Design Phase

	Start	Finish
Design	Nov. 2024	Dec. 2026
Construction	Jan. 2027	Dec. 2028



# Potomac Interceptor Projects

## PI-02 – Broad Run/ FFX Repairs

- FY 2025 – FY 2027 Planned Disbursements - \$8M
- Rehabilitation of 6,000 LF of sewer lines in Virginia
- Total Estimated Project Cost - \$10M\*
- Construction Physical Completion - 0%

### Cost Split

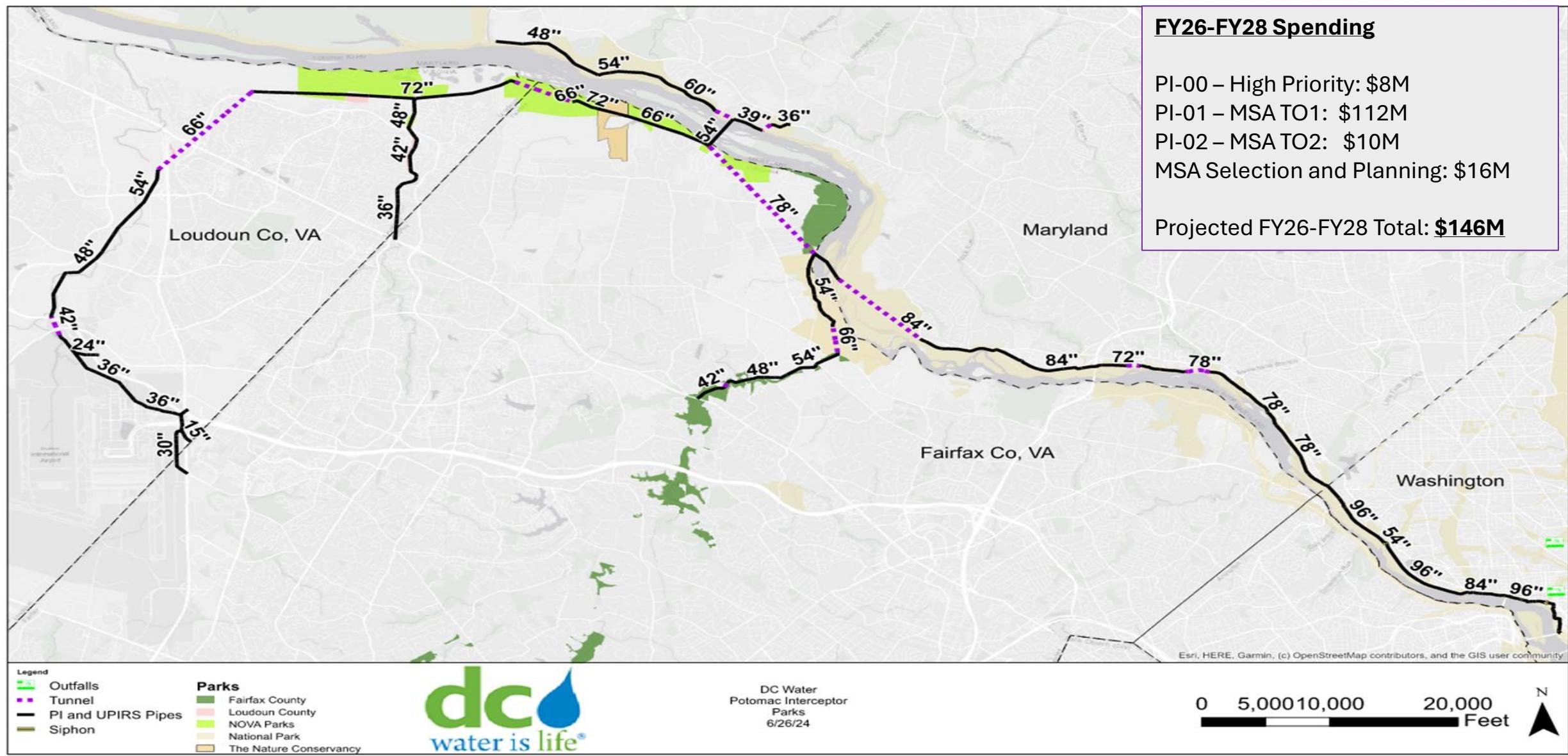
DC %	WSSC %	Fairfax %	Loudoun %	Other PI Users %
0%	0%	43.20%	49.09%	3.50%

### Project Status: Design Phase

	Start	Finish
Design	Nov. 2024	Jul. 2026
Construction	Sept. 2026	July 2028



# Potomac Interceptor - Summary



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Senior Financial Analyst, Budget	Yulkiana Delgado	<a href="mailto:Yulkiana.Delgado@dcwater.com">Yulkiana.Delgado@dcwater.com</a>	202-787-2647
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Staff Accountant, Grants and Wholesale Billing	Saroj Bhandari	<a href="mailto:Saroj.Bhandari@dcwater.com">Saroj.Bhandari@dcwater.com</a>	202-787-2041
Finance Liaison, Budget	Rodea Hines	<a href="mailto:Rodea.Hines@dcwater.com">Rodea.Hines@dcwater.com</a>	202-787-2523

# Thank You

## Q&A

# Appendix

# **Rolling Owner Controlled Insurance Program (ROCIP) & PRT Owner Controlled Insurance Program (OCIP)**

**Tanya DeLeon  
Manager, Risk**



An Owner Controlled Insurance Program - OCIP is an alternative insurance program in which a project owner provides and maintains insurance coverages to protect the owner, design builders, prime contractors and subcontractors working on identified projects; OCIP's are typically used on large construction projects involving multiple contractors and subcontractors.

OCIPs provide an opportunity to achieve:

- Strengthened construction risk management, risk reduction, alternative insurance program
- Multiple interest coverage using master insurance policies
  - allows for multiple insureds to be bundled (or wrapped up) into one combined and controlled program
- Mutually identified insurance coverage including higher limits
- Uniform insurance claims handling, loss prevention and safety
- Joint defense, limited cross-liability and coordinated post-loss management

**A “Rolling” OCIP (ROCIP) covers a long-term capital improvement program or similar group of separate projects.**

- Insurance Plan Components
  - Combined Workers Compensation and General Liability **paid** loss rating plan includes a fixed premium rate based upon Contractor site payroll
  - Deductible \$500,000 per line per loss deductible \$750,000 all lines per loss “clash”
  - Maximum aggregate stop loss rate locked, amount variable based on actual contractor payroll
- General Liability Limits are \$2 million/\$4 million per Occurrence/ Aggregate
  - Extended Term Completed Operations
- Excess General Liability limits are \$200 million – **ROCIP 4 limit increased**
- Excess General Liability limits are \$200 million – **ROCIP 5 limit continued**
- Workers Compensation limits are statutory (DC)
- Employers Liability limits are \$1 million
- Excess General Liability limits are \$200 million – **ROCIP 6 limit continued**
- Workers Compensation limits are statutory (DC)
- Employers Liability limits are \$1 million
- Contractor's Pollution Liability Limits are \$10 million per occurrence
- Builder's Risk Liability Limits are \$100 million
- Excess General Liability limits are \$200 million – **PRT OCIP limit continued**
- Workers Compensation limits are statutory (DC) Employers Liability limits are \$1 million

## Broader Insurance Coverage with Higher Limits

- All enrolled contractors have dedicated limits and comprehensive coverage
- \$200 million in excess liability coverage under the ROCIP
- Completed Operations coverage extended to Statute of Repose (Ten Years)

## Lower Construction Costs with Reduced Avoided Insurance Costs

- Purchasing insurance for the Contractors on a wholesale basis generates insurance savings for DC Water; on target for significant avoided costs savings as demonstrated by successful avoided contractor costs for ROCIP 1,2,3,4 & 5
- DC Water has maximized its purchasing power because of the large volume of the Capital Improvement Program

## Enhanced Risk Services for Claims Handling and Loss Prevention

- Quarterly insurance claim review with Insurers/ Adjusters
- All enrolled contractors are required to adhere to DC Water safety standards for their safety programs for their work
- Centralized oversight of all Contractor safety
- Additional safety staff reflects strong commitment to safety by DC Water

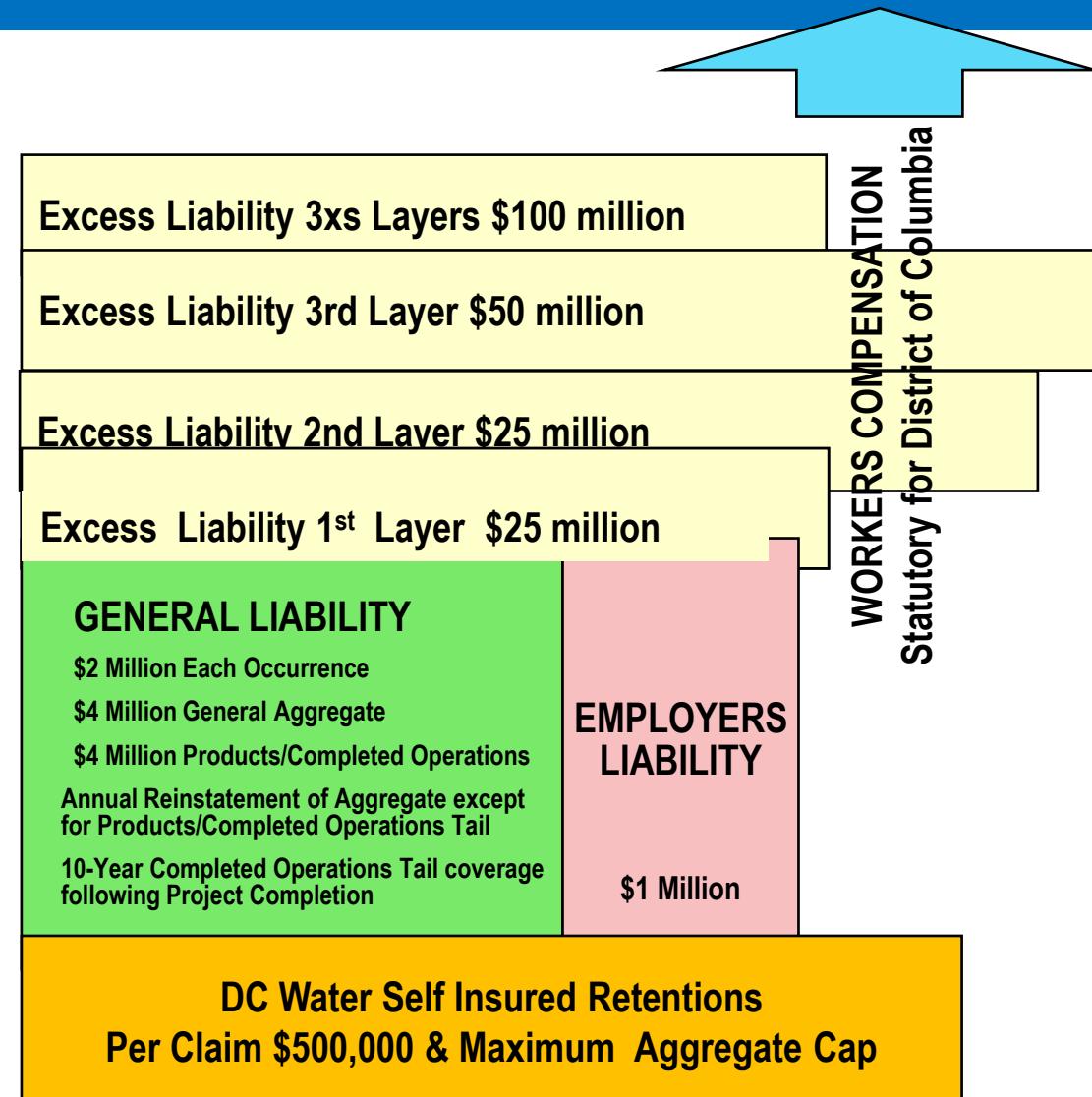
- Reduced Litigation
  - Single insurance carrier for all enrolled Contractors minimized claim costs No subrogation suits, Status ~14 Open claims
- Insurance requirements are no obstacle for Contractors
  - Allows and encourages Design Builders & Prime Contractors to hire sub-contractors that might not be able to work without ROCIP program in place
  - Contractors without high limits of insurance can win bids
  - Helps local small business build experience to develop their businesses
  - Qualified Minority Business Enterprise and Women Business Enterprise participants may evolve and end up bidding as Prime Contractors on future jobs
  - DC Water Minority Business Enterprise and Women Business Enterprise participation rate has been above national wrap-up average participation rate

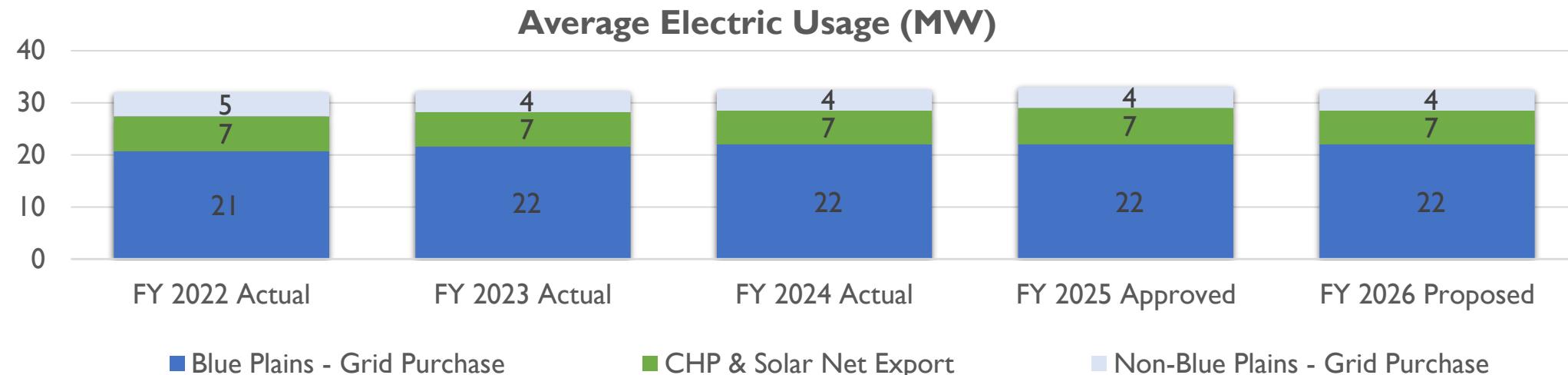
- DC Water began the ROCIP program in FY 2005. Programs are typically 3-5 years with completion date requirements that go beyond the 3 to 5-year periods

Program	Fiscal Years	Coverage Period
ROCIP I	FY 2005 to FY 2008	October 2004 to April 2012
ROCIP II	FY 2009 to FY 2011	October 2009 to April 2016
ROCIP III	FY 2012 to FY 2016	October 2012 to October 2017
ROCIP IV • 1st Extension • 2nd Extension • 3rd Extension	FY 2016 to FY 2021 • Extended for 6 months • Extended for 1 year • Extended for another year	October 2015 to April 2021 • Thru October 15, 2021 • Thru October 15, 2022 • Thru October 15, 2023
ROCIP V	FY 2021 to FY 2024	November 2020 to November 2023
ROCIP VI (Builder's Risk/Pollution Liability)	FY 2024 to FY 2029	November 2023 to November 2028
PRT OCIP	FY 2024 to FY 2031	November 2023 to November 2030

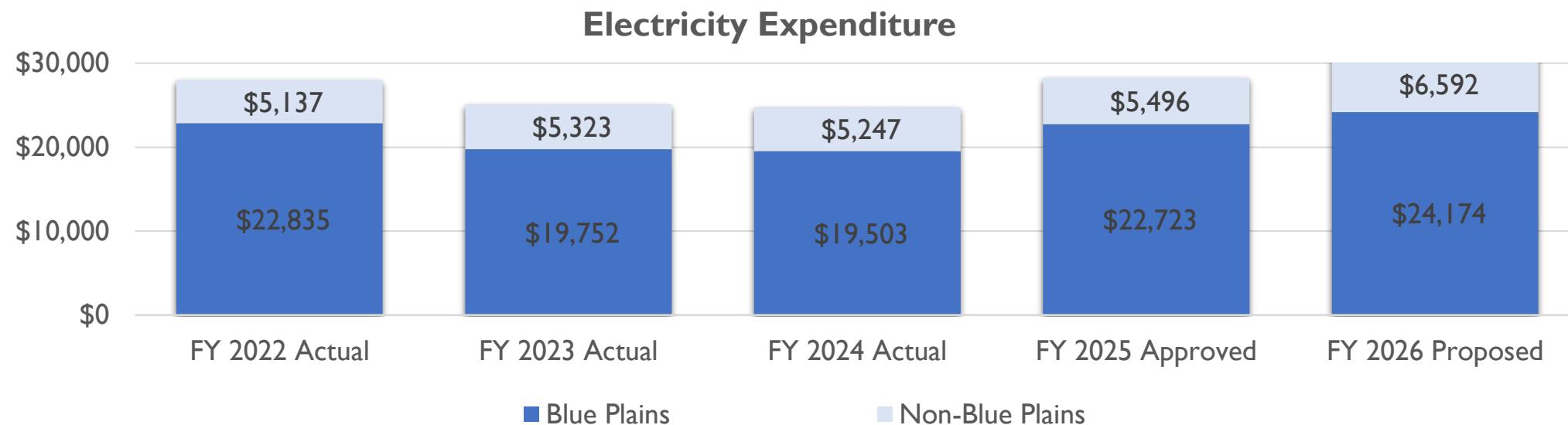
	<b>ROCIP 1</b>	<b>ROCIP 2</b>	<b>ROCIP 3</b>	<b>ROCIP 4</b>
<b>Program Term</b>	Oct 2004 to Oct 2009	Oct 2009 to Oct 2014	Oct 2012 to Oct 2017	Oct 2015 to Oct 2020
<b>Extensions Granted</b>	Until Apr 2012	Until Sep 2016	Until Jul 2018	Until Oct 2023
<b>Projects Enrolled</b>	65	47	46	55
<b>Program Status</b>	Closed	Closed	Closed	Closed
<b>Contractors Enrolled/Excluded</b>	393/10	688/82	688/153	712/245
<b>CV Awarded To Date</b>	\$598M	\$1.18B	\$1.19B	\$1.2B
<b>Original Payroll Estimate</b>	\$105M	\$151M	\$161M	\$230M
<b>Reported Payroll</b>	\$102M	\$213M	\$220M	\$279M
<b>Avoided Costs</b>	\$5,408,757	\$11,343,198	\$9,740,869	\$3,452,647
<b>Primary Carrier</b>	ACE/ESIS	ACE/ESIS	ACE/ESIS	ACE/ESIS
<b>Excess Carriers</b>	Chartis, Zurich, Great American, Westchester	Chartis, Zurich, Great American, Westchester	Chartis, XL, Starr, Great American	AIG, Starr, Great American, Ironshore

	ROCIP 5	ROCIP 6	PRT OCIP
<b>Program Term</b>	Nov 2020 to Nov 2025	Nov 2023 to Nov 2028	Nov 2023 to Nov 2030
<b>Projects Enrolled</b>	35	12	1
<b>Program Status</b>	Ongoing	Ongoing	Ongoing
<b>Contractors Enrolled/Excluded</b>	249/173	45/14	30/44
<b>CV Awarded To Date</b>	\$599M	\$619M	\$820M
<b>Original Payroll Estimate</b>	\$92M	\$191M	\$100M
<b>Reported Payroll</b>	\$71M	\$3M	\$8
<b>Avoided Costs</b>	\$2,359,802	\$0	\$0
<b>Primary Carrier</b>	Zurich	Zurich	Zurich
<b>Excess Carriers</b>	Zurich, Starr, Great American, Swiss Re, BH, Chubb, Lexington, Starr, Ironshore	Zurich, Chubb, Starr, Ascot, AXA XL, Liberty, QBE, Great American, Vantage, Arch, Chubb Bermuda, Lloyds, Swiss Re, LiFT (Lex & Ascot), Ironshore	Zurich, Chubb, Starr, Ascot, AXA XL, Sompo, QBE, Great American, Vantage, Arch, Chubb Bermuda, Lloyds, LiFT (Lex + Ascot), Swiss Re, Liberty, Chubb Bermuda, Hamilton Re Bermuda, Arch, Munich Re





\$ in thousands

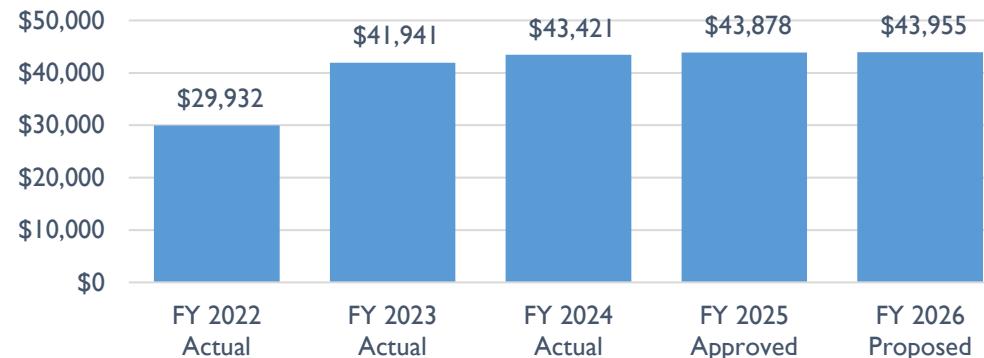


# O&M Trends: Chemicals, Supplies and Biosolids

\$ in thousands

Reflects current prices and subject to market volatility

## Chemicals



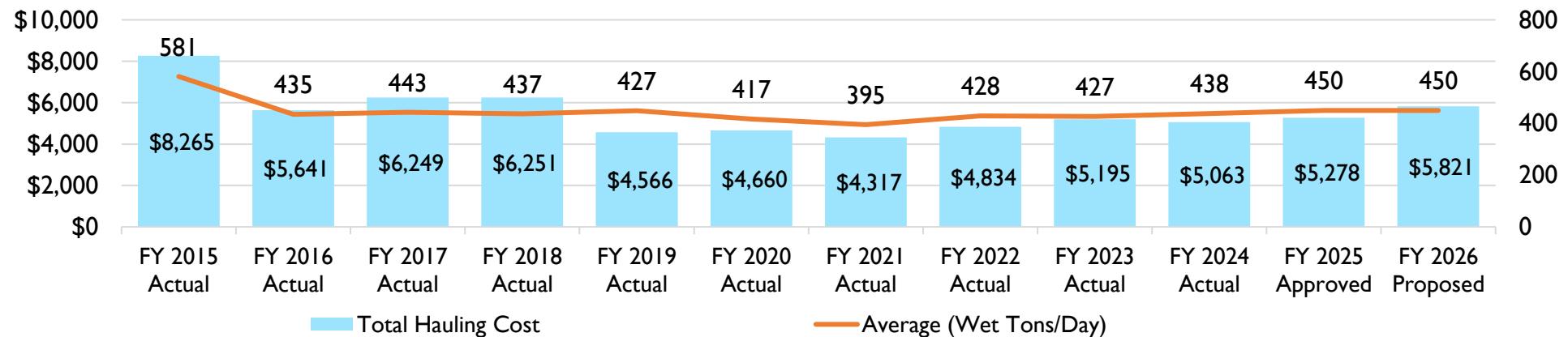
Reflects inflationary cost pressures and substantial cost increases for critical parts

## Supplies



Reflects recent rising tonnage and higher hauling costs

## Biosolids Production & Hauling Costs



- **Billing Methodology –**
  - Prior- billed after program is closed
  - Current (since 2020):- estimate bill and true up after program closed and audited
- **Past Billing (ROCIP (I, II, III, IV, V and PRT)-**
  - We billed \$15.8 million to IMA Partners for ROCIP I, II, and III during FY2020 Q3 Capital Billing (July 2020) out of total costs of \$58.4 million.
  - We billed IMA Partners for estimated \$3 million in ROCIP IV costs during FY2021 Q3 Capital Bill in July 2021.
  - We billed \$157k to IMA Partners in ROCIP I, II, III, IV and V during FY2023 Q4 Capital Billing in October 2023.
  - We billed \$1.1 million to IMA Partners for ROCIP III, IV, V and PRT during FY2024 Q3 Capital Billing in July 2024.
  - We billed \$1.2 million to IMA Partners for ROCIP I, II, III, IV, V, VI and PRT during FY2025 Q3 Capital Billing in July 2025.
- **FY25 ROCIP Billing (ROCIP V estimate and residual for prior programs)-**
  - Current total FY25 ROCIP disbursements eligible for billing are follows:

ROCIP Program	As of June 30, 2025
ROCIP I	2,390,433
ROCIP II	8,616,561
ROCIP III	5,017,039
ROCIP IV	2,844,330
ROCIP V	1,506,121
ROCIP VI	167,921
ROCIP PRT	697,342
<b>Total</b>	<b>21,239,747</b>

# General Billing Appendix

\$ in thousands

FY 2026 PROJECTED IMA-ELIGIBLE OPERATING COSTS					
DEPARTMENT	Proposed Budget	WSSC	Fairfax	Loudoun	Total
Wastewater Treatment - Operations	101,362	43,670	10,221	4,982	58,873
Wastewater Treatment - Process Engineering	8,468	3,648	854	416	4,918
Maintenance Services (DMS)	26,945	11,609	2,717	1,324	15,650
Wastewater Engineering	4,862	2,095	490	239	2,824
Resource Recovery	8,354	3,599	842	411	4,852
Clean Water Technology	5,486	2,364	553	270	3,186
<b>Subtotal Direct Costs</b>	<b>155,476</b>	<b>66,984</b>	<b>15,678</b>	<b>7,642</b>	<b>90,304</b>
Indirect Costs	31,095	13,397	3,136	1,528	18,061
User Fees	2,731	2,161	395	176	2,731
<b>Subtotal DC Water Costs</b>	<b>-</b>	<b>82,541</b>	<b>19,209</b>	<b>9,347</b>	<b>111,096</b>
Contracted Biosolids Cost Managed by WSSC	0	(5,739)	0	0	(5,739)
<b>FY 2026 Estimated Blue Plain O&amp;M Costs</b>	<b>-</b>	<b>76,801</b>	<b>19,209</b>	<b>9,347</b>	<b>105,357</b>
<b>FY 2026 Estimated MJUF O&amp;M Costs</b>	<b>-</b>	<b>3,852</b>	<b>2,390</b>	<b>1,703</b>	<b>7,945</b>
<b>FY 2026 Estimated MJUF O&amp;M Costs</b>	<b>-</b>	<b>18</b>	<b>4</b>	<b>2</b>	<b>25</b>
<b>FY 2026 Estimated Revenues and Collections from the IMA's</b>		<b>80,672</b>	<b>21,603</b>	<b>11,052</b>	<b>113,326</b>

\*\*Based on approved budget for FY26.

# FY 2027 O&M Wholesale-Eligible

\$ in thousands

FY 2027 PROJECTED IMA-ELIGIBLE OPERATING COSTS					
DEPARTMENT	Proposed Budget	WSSC	Fairfax	Loudoun	Total
Wastewater Treatment - Operations	104,331	44,949	10,521	5,128	55,470
Wastewater Treatment - Process Engineering	9,118	3,928	919	448	5,296
Maintenance Services (DMS)	26,914	11,595	2,714	1,323	15,632
Wastewater Engineering	8,960	3,860	904	440	5,204
Resource Recovery	8,325	3,587	840	409	4,836
Clean Water Technology	5,063	2,181	511	249	2,941
<b>Subtotal Direct Costs</b>	<b>162,712</b>	<b>70,101</b>	<b>16,408</b>	<b>7,998</b>	<b>94,507</b>
Indirect Costs	40,678	17,525	4,102	2,000	23,627
User Fees	2,731	2,161	395	176	2,731
<b>Subtotal DC Water Costs</b>	<b>-</b>	<b>89,787</b>	<b>20,905</b>	<b>10,173</b>	<b>120,865</b>
Contracted Biosolids Cost Managed by WSSC	-	(5,209)	0	0	(5,209)
<b>FY 2027 Estimated Blue Plain O&amp;M Costs</b>	<b>-</b>	<b>84,578</b>	<b>20,905</b>	<b>10,173</b>	<b>115,656</b>
<b>FY 2027 Estimated MJUF O&amp;M Costs</b>	<b>-</b>	<b>3,902</b>	<b>2,420</b>	<b>1,725</b>	<b>8,047</b>
<b>FY 2027 Estimated MJUF II O&amp;M Costs</b>	<b>-</b>	<b>18</b>	<b>4</b>	<b>2</b>	<b>25</b>
<b>FY 2027 Estimated Revenues and Collections from the IMA's</b>		<b>88,498</b>	<b>23,329</b>	<b>11,900</b>	<b>123,728</b>

\*Based on current proposed budget for FY27.

# FY 2026 Capital Wholesale-Eligible\*

\$ in thousands

**FY2026**

## Categories

Categories	Proposed Budget	WSSC	Fairfax	Loudoun	Total
Project Costs & Labor*	694,826	72,368	25,028	13,504	110,900
Equipment	29,401	6,440	1,414	684	8,538
<b>Subtotal (Excludes Capital Indirect)</b>	<b>724,227</b>	<b>78,808</b>	<b>26,442</b>	<b>14,188</b>	<b>119,438</b>
Indirect		6,268	1,792	1,082	9,142
<b>Total Costs</b>	<b>724,227</b>	<b>85,076</b>	<b>28,234</b>	<b>15,270</b>	<b>128,580</b>
<b>FY 2026 Estimated Capital Costs for Wholesale Customers</b>	<b>\$ 85,076</b>	<b>\$ 28,234</b>	<b>\$ 15,270</b>	<b>\$ 128,580</b>	

\*Based on current 10-year CIP Projection.

# FY 2027 Capital Wholesale-Eligible\*

\$ in thousands

**FY2027**

Categories	Proposed Budget	WSSC	Fairfax	Loudoun	Total
Project Costs & Labor*	991,234	105,096	34,285	15,766	155,147
Equipment	39,664	8,340	2,012	998	11,350
<b>Subtotal (Excludes Capital Indirect)</b>	<b>1,030,898</b>	<b>113,436</b>	<b>36,297</b>	<b>16,764</b>	<b>166,497</b>
Indirect		9,102	2,455	1,264	12,820
<b>Total Costs</b>	<b>1,030,898</b>	<b>122,538</b>	<b>38,752</b>	<b>18,027</b>	<b>179,317</b>
<b>FY 2027 Estimated Capital Costs for Wholesale Customers</b>	<b>\$ 122,538</b>	<b>\$ 38,752</b>	<b>\$ 18,027</b>		<b>\$ 179,317</b>

\*Based on Current 10-Year CIP Projection.

(Cash Disbursements \$ in thousands)	FY2026 - FY2035 Capital Improvement Program											Last Year's 10-yr	(Increase) Decrease	Lifetime Budget	
	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	10-yr Total				
NON PROCESS FACILITIES	Program	1000													
Facility Land Use	ALU	15,467	32,671	43,535	43,848	27,523	22,366	22,277	14,582	10,820	10,303	243,392	213,052	30,340	412,191
	<b>Subtotal</b>	<b>15,467</b>	<b>32,671</b>	<b>43,535</b>	<b>43,848</b>	<b>27,523</b>	<b>22,366</b>	<b>22,277</b>	<b>14,582</b>	<b>10,820</b>	<b>10,303</b>	<b>243,392</b>	<b>213,052</b>	<b>30,340</b>	<b>412,191</b>
WASTEWATER TREATMENT															
Liquid Processing	BLP	37,432	62,890	78,208	76,148	101,432	93,828	131,267	135,146	125,731	109,722	951,804	1,050,807	(99,003)	1,419,040
Plantwide	BPW	36,576	48,741	52,539	43,570	51,136	50,246	45,654	28,592	11,253	7,649	375,957	402,717	(26,760)	632,318
Solids Processing	BSP	8,944	15,905	20,917	18,619	11,838	28,377	21,532	21,006	57,706	61,641	266,485	309,264	(42,779)	427,942
Enhanced Nitrogen Removal Facilities	BTN	246	-	-	-	-	-	-	-	-	-	246	666	(420)	191,177
	<b>Subtotal</b>	<b>83,199</b>	<b>127,537</b>	<b>151,664</b>	<b>138,337</b>	<b>164,406</b>	<b>172,451</b>	<b>198,453</b>	<b>184,744</b>	<b>194,690</b>	<b>179,012</b>	<b>1,594,492</b>	<b>1,763,454</b>	<b>(168,962)</b>	<b>2,670,477</b>
COMBINED SEWER OVERFLOW															
DC Clean Rivers Program	CLT	226,435	279,237	286,251	246,763	75,192	34,630	-	-	-	-	1,148,507	1,071,566	76,941	3,560,771
Combined Sewer Overflow Program	CSO	11,047	31,779	35,442	17,484	19,225	7,984	11,098	10,000	11,000	11,000	166,059	67,484	98,575	201,679
	<b>Subtotal</b>	<b>237,482</b>	<b>311,016</b>	<b>321,693</b>	<b>264,247</b>	<b>94,417</b>	<b>42,614</b>	<b>11,098</b>	<b>10,000</b>	<b>11,000</b>	<b>11,000</b>	<b>1,314,566</b>	<b>1,139,050</b>	<b>175,516</b>	<b>3,762,450</b>
STORMWATER															
Storm Local Drainage Program	DLD	2,634	5,728	5,283	5,501	4,472	1,352	407	406	406	406	26,595	20,433	6,162	39,153
Storm On-Going Program	DOG	614	1,217	1,634	1,657	248	561	368	768	617	373	8,057	7,336	721	10,413
Storm Pumping Facilities	DPF	11,747	5,785	8,602	16,884	15,861	6,568	-	-	-	-	65,446	29,933	35,513	84,738
Stormwater Program Management	DSM	585	519	970	871	1,848	-	-	-	-	-	4,793	3,896	897	14,849
Stormwater Trunk/Force Sewers	DTS	969	1,491	1,697	2,928	6,779	4,440	1,543	1,076	1,076	534	22,534	4,242	18,292	41,383
	<b>Subtotal</b>	<b>16,550</b>	<b>14,740</b>	<b>18,186</b>	<b>27,841</b>	<b>29,208</b>	<b>12,921</b>	<b>2,318</b>	<b>2,250</b>	<b>2,099</b>	<b>1,313</b>	<b>127,426</b>	<b>65,840</b>	<b>61,586</b>	<b>190,536</b>
SANITARY SEWER															
Sanitary Collection System	SCS	15,894	20,632	28,321	18,700	33,911	62,486	36,292	11,833	11,833	11,074	250,976	685,262	(434,286)	677,291
Sanitary On-Going Projects	SOG	15,454	18,638	28,042	13,572	15,297	15,289	15,756	15,169	15,169	15,169	167,555	456,991	(289,436)	265,252
Sanitary Pumping Facilities	SPF	8,096	12,126	10,187	7,416	15,693	32,497	48,364	34,847	20,484	8,240	197,951	190,481	7,470	254,616
Sanitary Program Management	SSM	16,400	20,398	10,309	6,604	5,995	5,995	6,012	7,732	7,500	7,100	94,045	41,801	52,244	200,562
Interceptor/Trunk Force Sewers	STS	99,526	158,919	189,968	176,943	229,760	172,124	188,824	241,475	305,060	224,000	1,986,599	1,344,073	642,526	2,817,552
	<b>Subtotal</b>	<b>155,371</b>	<b>230,713</b>	<b>266,827</b>	<b>223,235</b>	<b>300,656</b>	<b>288,391</b>	<b>295,248</b>	<b>311,056</b>	<b>360,046</b>	<b>265,583</b>	<b>2,697,126</b>	<b>2,718,608</b>	<b>(21,482)</b>	<b>4,215,274</b>
WATER															
Water Distribution Systems	WDS	58,259	87,333	87,620	96,097	107,036	111,467	120,433	145,279	160,456	171,636	1,145,616	1,212,588	(66,972)	2,278,645
Lead Free DC Program	WLP	93,954	132,752	133,000	133,000	133,000	83,000	83,000	83,000	83,000	83,000	1,040,707	1,098,207	(57,500)	1,783,489
Water On-Going Projects	WOG	13,646	15,927	12,173	20,990	29,536	16,957	14,081	27,014	24,932	19,903	195,159	183,002	12,157	267,044
Water Pumping Facilities	WPF	2,070	8,076	7,221	5,125	4,203	3,625	3,569	3,560	3,560	3,072	44,081	43,220	861	95,809
Water Storage Facilities	WSF	2,807	16,608	32,201	40,294	31,430	45,231	28,736	20,046	18,857	21,000	257,210	250,917	6,293	272,759
Water Service Program Management	WSM	16,020	13,863	13,112	7,097	7,142	8,373	8,774	8,746	8,746	100,619	84,011	16,608	146,874	
	<b>Subtotal</b>	<b>186,757</b>	<b>274,558</b>	<b>285,327</b>	<b>302,603</b>	<b>312,347</b>	<b>268,653</b>	<b>258,593</b>	<b>287,645</b>	<b>299,551</b>	<b>307,357</b>	<b>2,783,392</b>	<b>2,871,945</b>	<b>(88,553)</b>	<b>4,844,619</b>
<b>CAPITAL PROJECTS</b>		<b>694,826</b>	<b>991,234</b>	<b>1,087,232</b>	<b>1,000,111</b>	<b>928,557</b>	<b>807,396</b>	<b>787,987</b>	<b>810,277</b>	<b>878,206</b>	<b>774,568</b>	<b>8,760,394</b>	<b>8,771,949</b>	<b>(11,555)</b>	<b>16,095,547</b>
CAPITAL EQUIPMENT		29,401	39,664	38,398	37,681	38,269	38,558	38,855	39,162	39,478	39,803	379,267	316,184	63,083	379,267
Meter Replacement/AMR		3,080	5,583	5,583	3,883	3,000	3,000	3,000	3,000	3,000	3,000	36,130	-	36,130	36,130
WASHINGTON AQUEDUCT		49,480	35,770	35,770	35,770	71,540	71,540	71,540	71,540	35,770	514,490	500,780	13,710	514,490	
<b>ADDITIONAL CAPITAL PROJECTS</b>		<b>81,961</b>	<b>81,018</b>	<b>79,751</b>	<b>77,334</b>	<b>77,039</b>	<b>113,098</b>	<b>113,395</b>	<b>113,702</b>	<b>114,018</b>	<b>78,573</b>	<b>929,888</b>	<b>816,964</b>	<b>112,924</b>	<b>929,888</b>
LABOR		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL BUDGETS</b>		<b>776,787</b>	<b>1,072,251</b>	<b>1,166,983</b>	<b>1,077,446</b>	<b>1,005,595</b>	<b>920,494</b>	<b>901,382</b>	<b>923,979</b>	<b>992,224</b>	<b>853,141</b>	<b>9,690,281</b>	<b>9,588,913</b>	<b>101,368</b>	<b>17,025,435</b>

## BLUE PLAINS INTERMUNICIPAL AGREEMENT of 2012

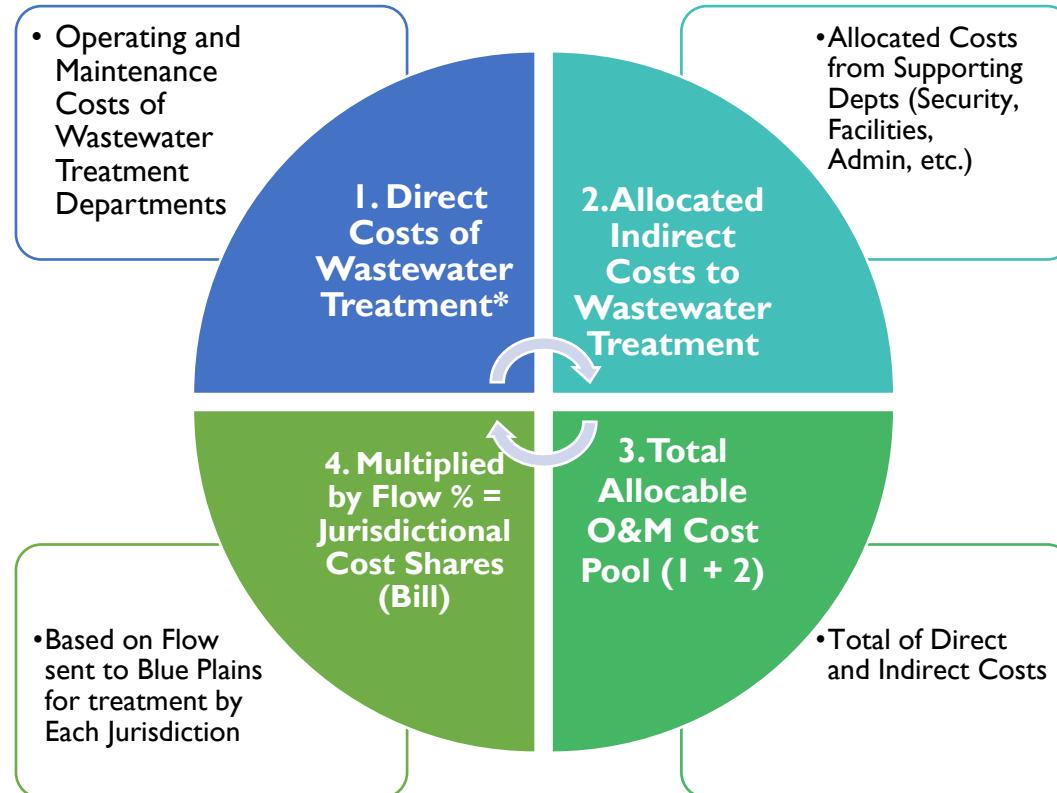
[Effective: 4/3/13]

Among the  
District of Columbia  
District of Columbia Water and Sewer Authority  
Fairfax County, Virginia  
Montgomery County, Maryland  
Prince George's County, Maryland  
Washington Suburban Sanitary Commission



- Both DC Ratepayers and Wholesale Customers are responsible for the costs of joint-use capital projects and operation and maintenance costs of wastewater treatment and multi-jurisdictional user facilities
- The Board-approved operating budget and the CIP are the basis for Annual Estimate Bills for both Operating & Maintenance and Capital Costs
- The Intermunicipal Agreement (IMA) stipulates the basis of the cost allocation for the jurisdictional customers
  - Operating – based on actual flows and adjustments made for user fees and biosolids hauled by Washington Suburban Sanitary Commission (WSSC)
  - Capital – Jurisdictional cost shares for Capital Projects are based on capacity allocation or specially negotiated cost shares with Wholesale Customers through Council of Government Technical Committees
- Capital Bills are trued-up every Quarter based on actual invoices paid during the period. WSSC audits the quarterly bills on behalf of wholesale customers.
- Operating settlement (true-up) is completed within 90 days of the completion of audit of financial statements or March 31st of the following year. WSSC further audits the operating settlement bills on behalf of wholesale customers.

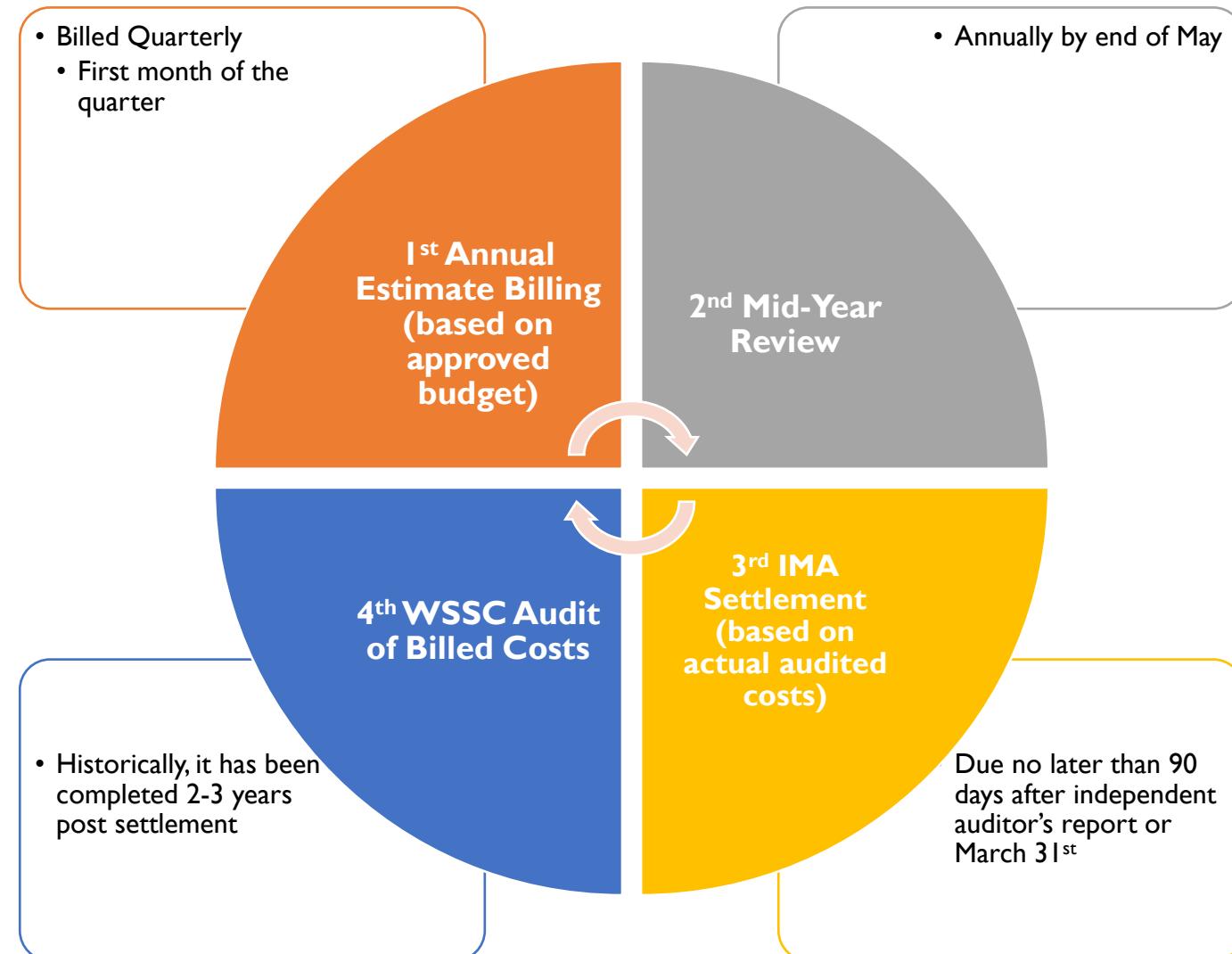
# Blue Plains Operating & Maintenance Cost Allocation



- DC Ratepayers and the jurisdictions are allocated costs associated with treating wastewater (Direct Costs)
- This also includes allocated costs associated with “Supporting Departments” like Facilities, and Information Technology (Indirect Costs)
  - For example: Facilities – Costs are allocated based on Sq Ft occupied by departments. Information Technology – Costs are allocated based on CPU in use by departments
- This pool of costs is then allocated based on flows to Blue Plains
  - The proposed budget is based on the actual flow in the most recently completed Fiscal Year
- Wholesale billings are expected to increase from \$114.2 million in FY 2025 to \$122.6 million in FY 2026, mainly because of growth in Personnel Services, Contractual Services, Supplies and Biosolid Costs

\*Wastewater treatment operations, maintenance, process engineering, wastewater engineering, resource recovery, and clean water technology - are departments related to Blue Plains and considered direct costs from cost recovery/billing purposes.

# Blue Plains Operating & Maintenance Cost Shares - Billing Cycle



- The billing cycle is a year-round one
- Jurisdictions are billed according to the budget
- Bills for the first quarter will be provided in October and are due mid-November; second, third, and forth quarter bills are sent on January, April and July
- DC Water performs a mid-year review after the second quarter-end to determine additional billing or refund needed
- After the fiscal year end, the true-up (settlement) process is completed which may result in additional billing or refund to Wholesale Customers
- WSSC audits the settlement bills on behalf of Wholesale customers which may results in additional billing or refund

❖ **Direct Costs** - The cost for operating and maintaining Blue Plains Advance Wastewater Treatment Plant includes personnel, chemicals, contractual services, utilities & rent, among others; these costs are considered direct cost for the Plant

❖ **Indirect Costs** - Costs from supporting departments (e.g. Administration, Security, Facilities, Information Technology, etc.) are allocated to the Wastewater Treatment Plant

❖ The total of direct and indirect costs is then multiplied by the flow to arrive at the estimated billing for jurisdictions

❖ Below is the summary of estimated wholesale revenue from operations and maintenance billing to our wholesale customers for fiscal year 2025 and 2026.

Cost Pool for Jurisdictional Share Blue Plains	FY26 Proposed Budget (In '000)		FY25 Approved Budget (In '000)		Change	Change %
	Preliminary	Final	Estimate	Estimate		
Operating & Maintenance Costs for Blue Plains (Budget)			\$ 155,476	\$ 149,103	\$ 6,373	4.3%
Estimated Indirect Cost Allocation for Support Services			\$ 31,095	\$ 29,821	\$ 1,275	4.3%
<b>Total Allocable/Billable Cost Pool</b>			<b>\$ 186,571</b>	<b>\$ 178,923</b>	<b>\$ 7,647</b>	<b>4.3%</b>
Estimated Jurisdictional Cost Share (Based on Flow)	FY24 Flow %	FY23 Flow %	FY26 Revenue Estimate	FY25 Revenue Estimate	Change	Change %
District	41.21%	43.27%	\$ 76,882	\$ 77,425	\$ (542)	-0.7%
WSSC	43.08%	41.18%	\$ 80,380	\$ 73,673	\$ 6,707	9.1%
Fairfax	10.08%	10.02%	\$ 18,814	\$ 17,927	\$ 886	4.9%
Loudoun	4.92%	4.81%	\$ 9,171	\$ 8,608	\$ 563	6.5%
Potomac Interceptor	0.71%	0.72%	\$ 1,324	\$ 1,291	\$ 33	2.5%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$ 186,571</b>	<b>\$ 178,923</b>	<b>\$ 7,647</b>	<b>4.3%</b>
Wholesale Revenue from Blue Plains Operating & Maintenance Costs			\$ 111,121	\$ 102,923	\$ 8,197	8.0%
Wholesale Revenue from Multi-Jurisdictional User Facilities			\$ 7,945	\$ 7,778	\$ 166	2.1%
Potomac Interceptor Revenue			\$ 3,547	\$ 3,547	\$ -	0.0%
<b>Total Estimated Wholesale Revenue</b>			<b>\$ 122,612</b>	<b>\$ 114,248</b>	<b>\$ 8,364</b>	<b>7.3%</b>

\*Departments at Blue Plains include Wastewater Treatment Operations, Maintenance Services, Process Engineering, Resource Recovery, Wastewater Engineering and Clean Water & Technology.

# Overview of Wholesale Customer Capital Cost Shares

- Capital cost shares for joint use projects are based on capacity allocation or the specially negotiated cost % with Intermunicipal Agreement (IMA) Partners through Council of Government Technical Committees
- Unique codes are used to allocate costs to Jurisdictions correctly. See some cost code examples below:

Work Type	Description	DCW	WSSC	FAIRFAX	LOUDOUN	PI	OTHERS	TOTAL
GIBP	Blue Plains Joint Projects	41.22	45.84	8.38	3.72	0.84	-	100.00
LTCP	Long Term Control Plan	92.90	5.54	1.01	0.45	0.10	-	100.00
MJ73	Anacostia Main Interceptor (AMI)	83.97	16.03	-	-	-	-	100.00
CAPM	Capital Money (100% DC)	100.00	-	-	-	-	-	100.00

- The process starts in March with Budget Approval and concludes with the Audit:

Annual CIP Budget Approved in March

Annual Estimate Bill is sent in October

Quarterly Actual/Bills sent within 30 days of Quarter End

WSSC Audits the Construction Invoices Submitted Quarterly