10-year FY26 to FY35 Proposed CIP Budget

Matthew Brown
Chief Operating Officer
Executive Vice President | Operations and Engineering

Moussa Wone, Ph.D., PE, DBIA
Chief Engineer
Vice President | Engineering and Clean Rivers

10 Year CIP Strategy

Approach

- Meet regulatory requirements, mitigate risks and address operational needs within the Board-approved CIP level

Strategy & Guiding Principles

- Meet regulatory requirements for Clean Rivers and Lead Free DC Programs
- Meet permit requirements
- Prioritize projects based on likelihood and consequence of failure
- Support operational needs
- Invest in aging infrastructure
- Accelerate meter replacement program to address Non-Revenue Water Loss concerns

2

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.

dc clean RIVERS PROJECT

$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.

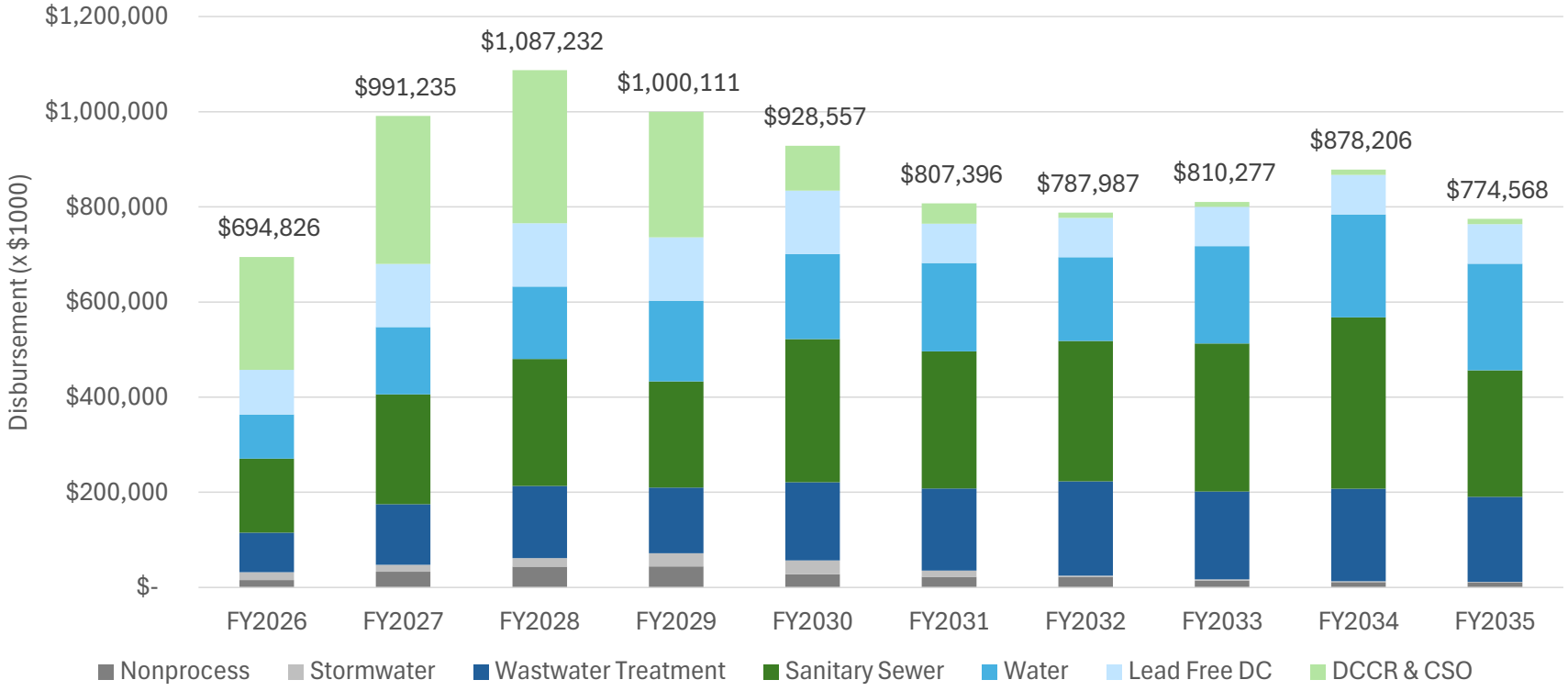
Washington Aqueduct $514 million
Invests in the Aqueduct's capital infrastructure for potable water treatment.

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.

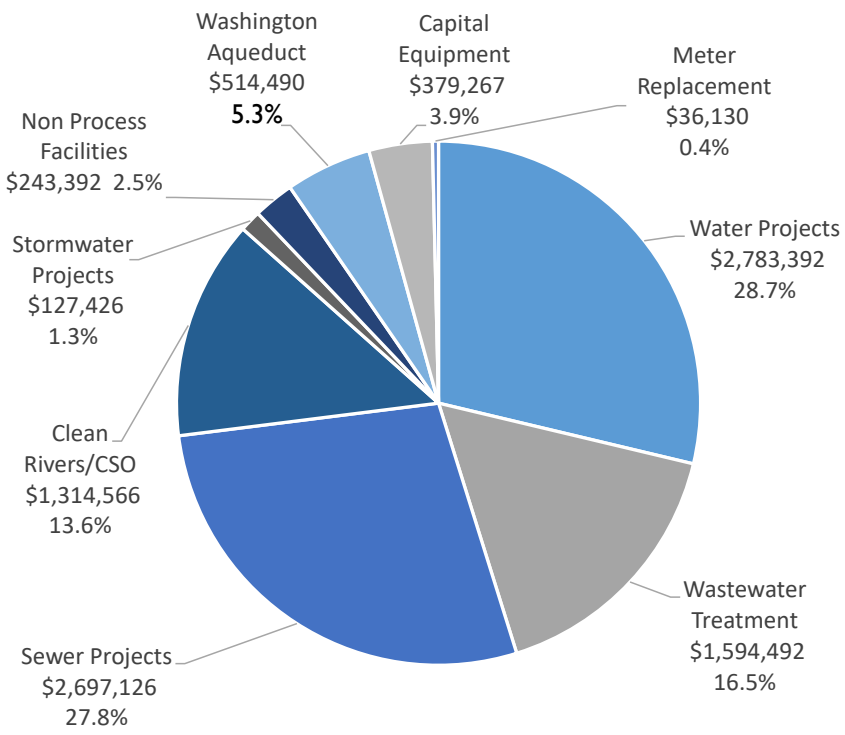
CIP Spending By Year



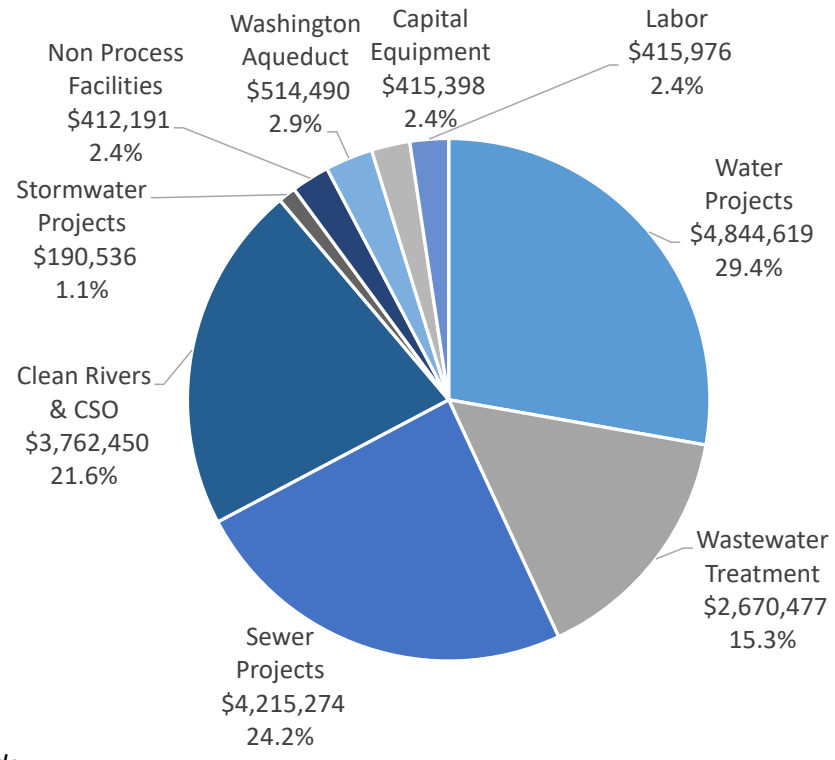
- DCCR spending peaks in FY28 and concludes in FY31
- Budgets for Water and Sewer and Wastewater achieve a steady state
- Lead Free DC budgeted for 10 years +

Capital Improvement Program Budgets

Ten-Year Disbursement $9.69 Billion

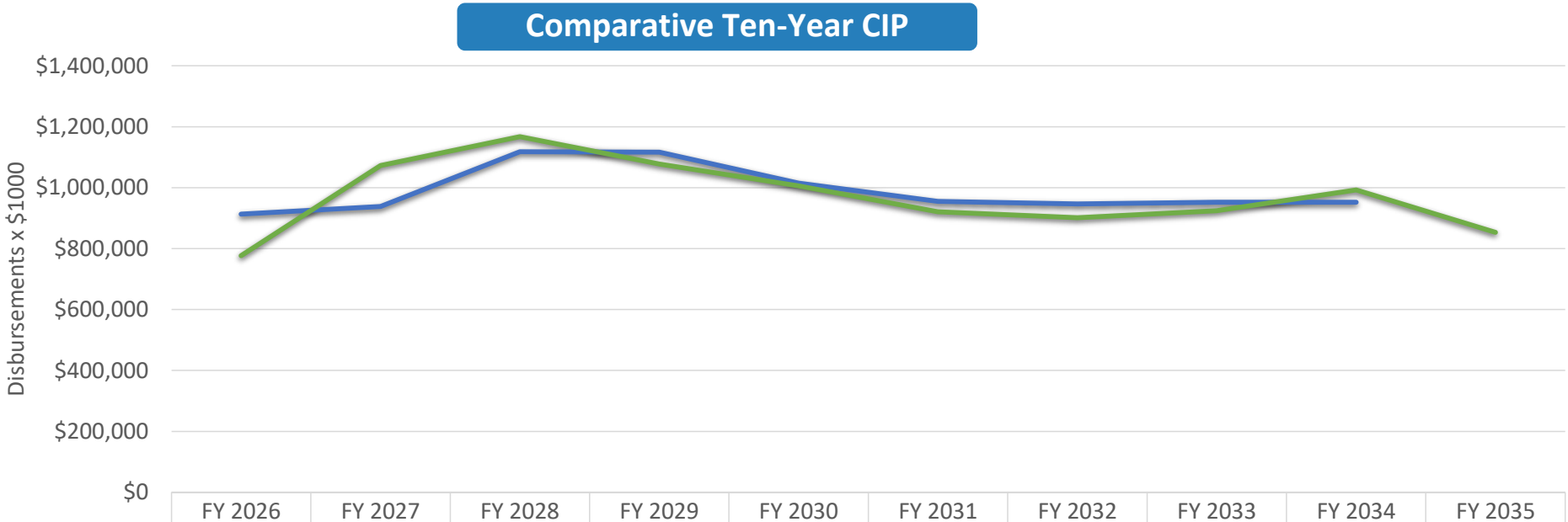


Lifetime Project $17.4 Billion



$ in thousands

Comparison: Proposed CIP vs Currently Approved



	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Board Approved	$913,396	$938,159	$1,117,568	$1,116,264	$1,015,118	$954,815	$946,479	$951,815	$952,221	
Proposed CIP	$776,787	$1,072,251	$1,166,983	$1,077,446	$1,005,595	$920,494	$901,382	$923,979	$992,224	$853,141

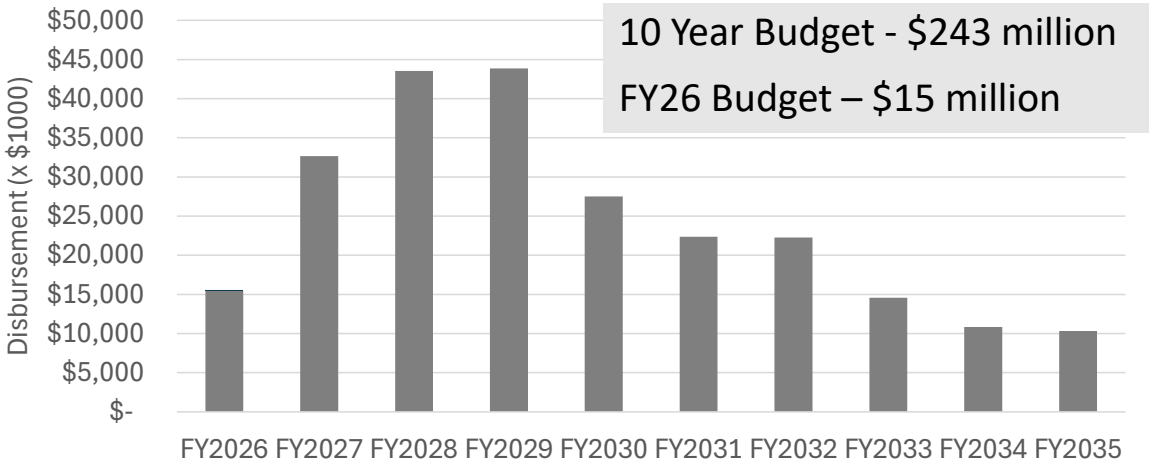
$ in thousands

Proposed CIP spending profile remains similar to current approved

Drivers for CIP Changes

Service Area	Change in 10-Year CIP $Millions	Driver	Joint Use or Non-Joint Use?
Non-Process	↑ $30	HVAC, roofing and safety upgrades	Both
Wastewater Treatment	↓ $169	High priority rehabilitations to maintain permit compliance	Joint Use
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)	Non-Joint Use
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)	Non-Joint Use
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	Non-Joint Use
Washington Aqueduct	↑ $14	Fund DCW share of CIP	Non-Joint Use

Non-Process Service Area

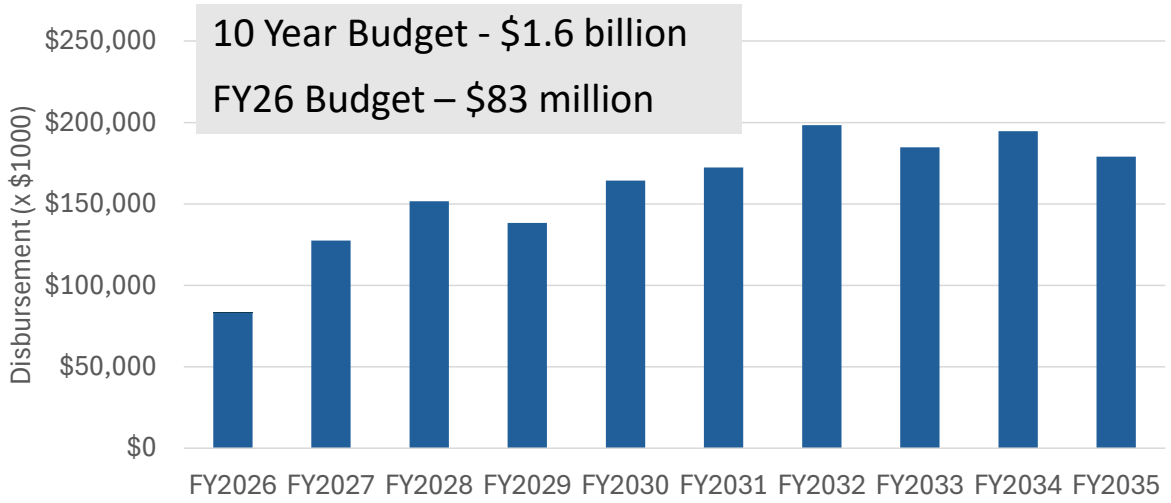


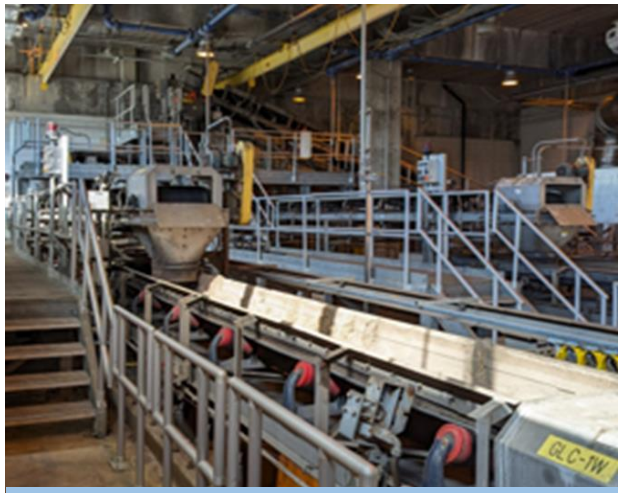
Main Pumping Station Rehabilitation

Example Critical Projects

Project	Budget (Millions)	Description	Risks Addressed
Non-Process Area HVAC & Roofing Projects	$26.9	Provides updates to the aging HVAC systems and Roofs at Blue Plains and other DC Water campuses	Reduces need for expensive reactive repairs
Main Pumping Station Rehabilitation	$30.9	Preserves and restores the building envelope and its historic materials from further deterioration.	Structural Integrity and historic preservation
Program Management	$10.6	Non-process Facilities Program aligns the goals with DC Water strategic plan. It develops the Non-process Facilities Master Plan and implements the projects within it	Enhances operational efficiency, safety, and compliance across all non-process facilities

Wastewater Treatment Service Area



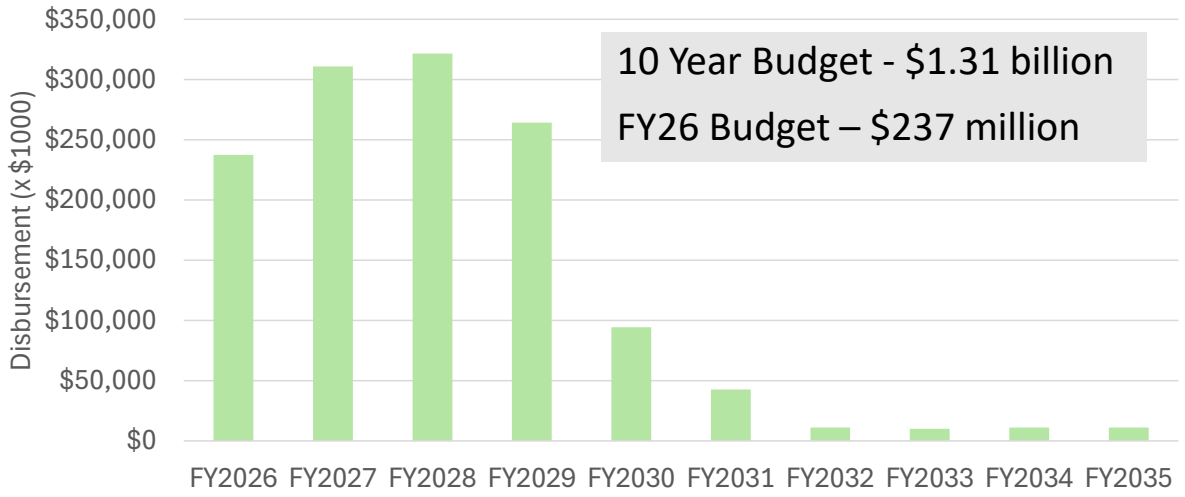


Blue Plains WWTP Headworks

Example Critical Projects

Project	Budget (Millions)	Description	Risks Addressed
Filter Underdrain and Backwash System (FUBS)	$140M	Upgrades to Filtration Facility including underdrains, washwater, air scour, electrical and I&C systems	Operational reliability of filtration process and regulatory compliance with NPDES permit
Headworks Electrical Upgrades	$120M	Major electrical equipment replacement and associated ventilation improvements to the Grit and Screening Facilities	Addresses equipment wear and deterioration due to corrosion to sustain operational reliability and regulatory compliance
Miscellaneous Facilities Upgrades 9	$200M	High priority rehabilitation and upgrades to vertical facilities including structural, process equipment, piping, mechanical, electrical and I&C	Operational reliability and regulatory compliance for wastewater, sewer and stormwater facilities

DCCR/CSO Service Area

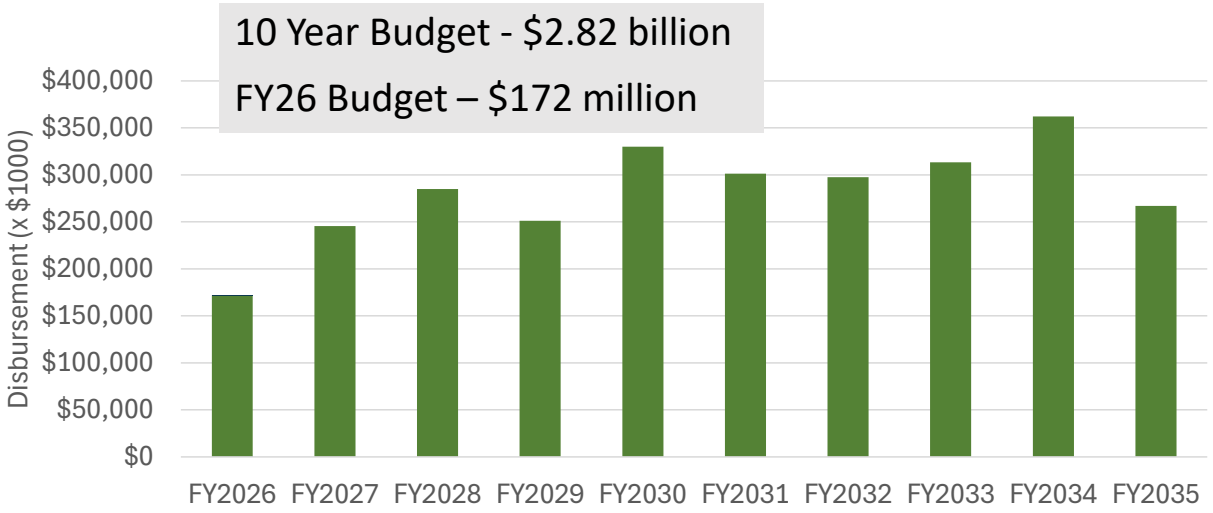


Potomac River Tunnel Starter Tunnel and Shaft

Example Critical Projects

Project	Budget (Millions)	Description	Risks Addressed
DCCR- Potomac Tunnel	$819 M (design-build)	Construct 5.5 mile long, 18' diameter tunnel to control Potomac River CSOs	Meet Consent Decree
DCCR – Piney Branch Tunnel	$282 M (CMAR)	Construct 2,300' long 21' diameter tunnel to control CSO 049, largest CSO to Rock Creek	Meet Consent Decree

Sewer/Storm Service Areas

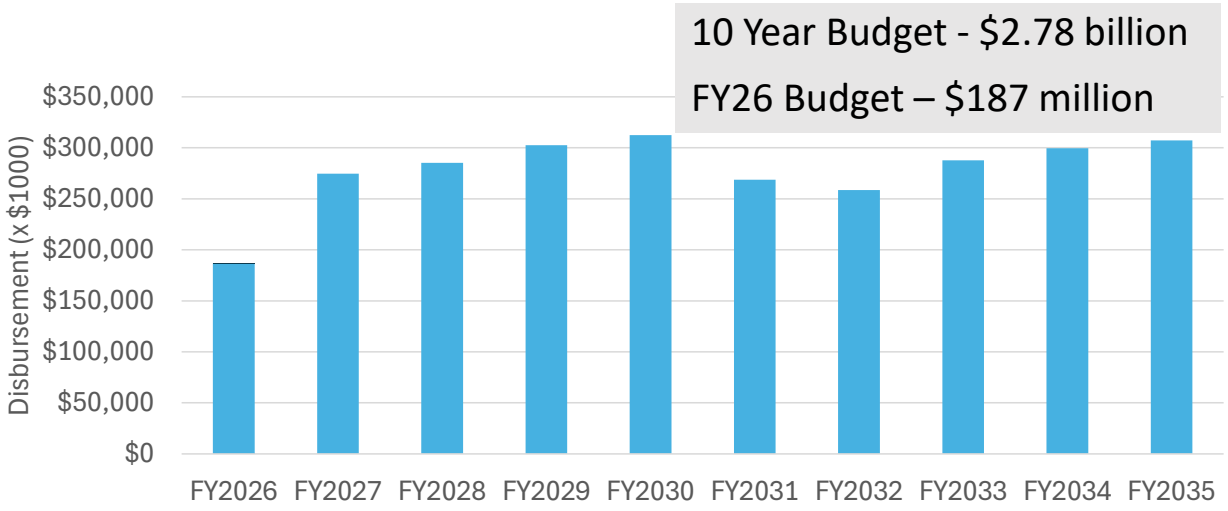


Suitland Parkway High Priority Sewer Rehabilitation

Example Critical Projects

Project	Budget (Millions)	Description	Risks Addressed
Anacostia Area Sewer Rehabilitation	$522	Rehabilitate sections of the Anacostia Main Interceptor & Force Main, North and South Interconnecting Branch Sewers, and East and West Outfall and Outfall Relief Sewers that are at high risk of failure.	Operational reliability of sewer assets and public safety risks resulting from failures.
Glover Archbold Park Creekbed Sewer Rehabilitation	$152	Rehabilitate sewer and storm pipes and manholes that have outlived their design life or are at high risk of failure and protect and eliminate exposed sewer assets to the extent practicable.	Operational reliability of sewer assets, public safety risks, water quality.
Rock Creek Sewer Rehabilitation	$364	Rehabilitate DC Water assets within and adjacent to Rock Creek Park that have outlived their design life or are at high risk of failure.	Operational reliability of sewer assets, public safety, water quality.
Potomac Interceptor	$690	Rehabilitate the Potomac Interceptor via a series of projects prioritizing the high risk segments	Operational reliability of sewer assets and public safety risks resulting from failures.

Water/LFDC Service Area



Typical Lead Service Line Replacement

Example Critical Projects

Project	Budget (Millions)	Description	Risks Addressed
LFDC Block by Block Program	$340M	Lead service line replacement program where locations are prioritized at the block level.	Reduction in sources of lead in drinking water and compliance with federal regulations.
Small Diameter Water Main Renewal 18 A/B/C	$51.7M	Renewal and replacement of aging watermains of diameters 12” or smaller	Addresses operational reliability and reduces reactive emergency costs.
Critical Valve Replacement Year 2	$46.7M	Annual program that replaces critical valves requiring replacement identified through assessment.	Addresses operational reliability and reduces reactive emergency costs.
Bryant Street Pumping Station - Spill Header Flow Control	$635K	Replacement of aged manual PRVs with actuated PRVs, flow meters, and SCADA upgrades to enhance operational efficiency	Addresses operational reliability and reduces reactive emergency costs.

Program Risks

No.	Risks	Mitigations
1	U.S Government Policies affecting construction • Tariffs • Immigration posture – impact on construction labor • JBAB access – new policies on who can access base (visa holders not permitted, U.S citizen & green card only)	• Higher costs are likely, plan for these • Manage and minimize impacts through proactive planning and construction management
2	Construction Market Trends – higher costs, contractors more selective	• Select delivery methods on a project specific basis • Early contractor outreach and adaptation of plans based on contractor feedback
3	DDOT Public Inconvenience Fee, permitting and restoration requirements	• New fee added to customer bill to recover this cost • Develop MOU(s) defining responsibilities • Revise permit packaging to minimize costs

Program Risks (Continued)

No.	Risks	Mitigations
4	Water Supply Resiliency	• Pure Water DC, Initiative to Develop a Second Source of Drinking Water
5	Increasing linear infrastructure failures necessitating emergency response	• Emergency contracts in place to respond • Capital program set up on risk-based approach to minimize impacts
6	Long Term Risks • New National Pollution Discharge Elimination System Permit • Future Per- and polyfluoroalkyl substances (PFAS) regulations • DOEE odor regulations • Climate Change • Anacostia River Sediment Cleanup (PCBs)	• Monitor
7	Private side lead replacements not fully funded	• Continue to Advocate for additional funding

Budget Adoption Calendar

- **Stay Informed:** Review details of budget and rates proposal online
- **Contact Us:** Submit budget-related questions to the Board Secretary at michelle.rhodd@dcwater.com
  - Questions will be distributed to appropriate staff with formal response to the full Board
- **Get Involved:** Attend upcoming Committee meetings to ask questions and provide feedback/recommendations

January 16
Wholesale Customer Briefing

January 23
Office of People's Counsel Briefing

January & February
Committee Reviews, Recommendations & Actions

	Environmental Quality & Operations	DC Retail Water & Sewer Rates	Finance & Budget
FY 2026 - FY 2035 Capital Budget (Disbursements & Lifetime)	Action Required		Action Required
FY 2027 Operating Expenditure Budget			Action Required
Intent to Reimburse Capital Expenditures with Proceeds of a Borrowing			Action Required
FY 2026 - FY 2035 Financial Plan		Action Required	Action Required
FY 2027 & FY 2028 Revenues, Rates, charges and Fees		Action Required	

March 5
Board Adoption