



Proposed FY26 to FY35 Capital Improvement Program

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Agenda

- Review management's budget proposal
- Obtain committee's recommendation to the Board on the following:
 - Proposed FY 2026 – FY 2035 Capital Improvement Program (disbursements and lifetime), including the Proposed FY 2027 Capital budget



Budget Adoption Calendar

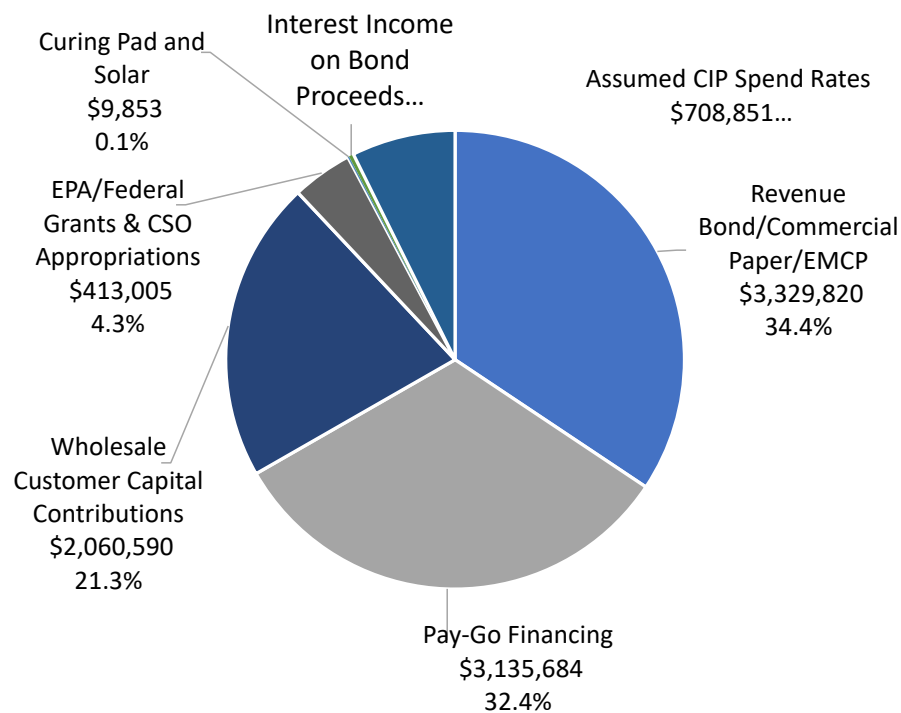
| Timeline | Activity | Status |
|----------------|--|--------|
| January 15 | Budget Workshop with Board of Directors | ✓ |
| | Customer & Stakeholder Briefings | |
| January 16 | Wholesale Customer | ✓ |
| January 23 | Office of People's Counsel | ✓ |
| January 27 | Stakeholder Alliance Group | ✓ |
| | Committee Discussions & Reviews | |
| January 22 | Environmental Quality & Operations | ✓ |
| January 27 | Joint DC Retail Water & Sewer Rates and Finance & Budget Committee | ✓ |
| February 5 | Board Meeting (No Board Action Required) | ✓ |
| | Committee Reviews, Recommendations & Actions | |
| February 19 | Environmental Quality & Operations | |
| February 24 | DC Retail Water & Sewer Rates | |
| February 26 | Finance & Budget | |
| March 5 | Board Adoption of Budgets | |
| April | Submit Budget via the District to U.S. Congress | |
| October 1 | Fiscal Year 2026 Begins | |



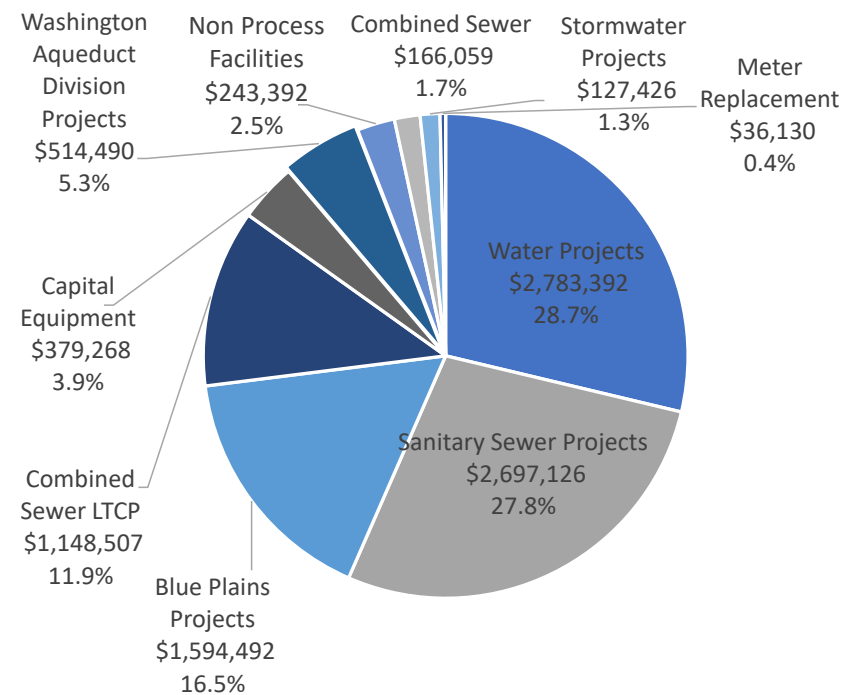
Ten Year CIP: Sources and Uses of Funds

\$ in thousands

Sources - \$9.69 Billion



Uses - \$9.69 Billion



Note: Graphs may not total to 100% due to rounding to the nearest 0.1%

1: "Assumed CIP Spend Rates" is meant to represent the expectation that DC Water will spend less than the authorized CIP over the next 10 years, based on historical results



Management's Recommendation: Capital Improvement Program

- The **proposed ten-year CIP budget of \$9.69 billion** includes annual spending estimates for capital construction, capital equipment and DC Water's share of the Aqueduct's capital projects
 - This is a net decrease of \$66.7 million compared to the Board-approved CIP for the ten-year period, and a net decrease of \$136.6 million in FY 2026
- The **proposed lifetime budget is \$17.4 billion** and covers the total project costs including commitments and labor, for active projects prior to, during, and beyond the ten-year window

| (Cash Disbursements \$ in thousands) | FY 2026 - FY 2035 Disbursement Plan | | | | | | | | | | | Last Years 10-yr | (Increase)/ Decrease | Lifetime Budget |
|--|-------------------------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|-------------------------|----------------------|
| | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | FY 2033 | FY 2034 | FY 2035 | | | | |
| NON PROCESS FACILITIES | \$ 15,467 | \$ 32,671 | \$ 43,535 | \$ 43,848 | \$ 27,523 | \$ 22,366 | \$ 22,277 | \$ 14,582 | \$ 10,820 | \$ 10,303 | \$ 243,392 | \$ 213,052 | \$ (30,339) | \$ 412,191 |
| WASTEWATER TREATMENT | 83,199 | 127,537 | 151,664 | 138,337 | 164,406 | 172,451 | 198,453 | 184,744 | 194,690 | 179,012 | 1,594,492 | 1,763,454 | 168,962 | 2,670,477 |
| COMBINED SEWER OVERFLOW | 237,482 | 311,016 | 321,693 | 264,247 | 94,417 | 42,614 | 11,098 | 10,000 | 11,000 | 11,000 | 1,314,566 | 1,139,051 | (175,515) | 3,762,450 |
| STORMWATER | 16,550 | 14,740 | 18,186 | 27,841 | 29,208 | 12,921 | 2,318 | 2,250 | 2,099 | 1,313 | 127,426 | 65,840 | (61,586) | 190,536 |
| SANITARY SEWER | 155,371 | 230,713 | 266,827 | 223,235 | 300,656 | 288,391 | 295,248 | 311,056 | 360,046 | 265,583 | 2,697,126 | 2,718,608 | 21,482 | 4,215,274 |
| WATER | 186,757 | 274,558 | 285,327 | 302,603 | 312,347 | 268,653 | 258,593 | 287,645 | 299,551 | 307,357 | 2,783,392 | 2,871,946 | 88,554 | 4,844,619 |
| CAPITAL PROJECTS | 694,826 | 991,234 | 1,087,232 | 1,000,111 | 928,557 | 807,396 | 787,987 | 810,277 | 878,206 | 774,568 | 8,760,394 | 8,771,952 | 11,558 | 16,095,547 |
| 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/CIS/ERP | 3,080 | 5,583 | 5,583 | 3,883 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 36,130 | 34,664 | (1,466) | 36,130 |
| WASHINGTON AQUEDUCT | 49,480 | 35,770 | 35,770 | 35,770 | 35,770 | 71,540 | 71,540 | 71,540 | 71,540 | 35,770 | 514,490 | 500,780 | (13,710) | 514,490 |
| ADDITIONAL CAPITAL PROJECTS | 81,961 | 81,018 | 79,751 | 77,334 | 77,039 | 113,098 | 113,395 | 113,702 | 114,018 | 78,573 | 929,888 | 851,628 | (78,260) | 929,888 |
| LABOR | | | | | | | | | | | | | | 383,495 |
| TOTAL CAPITAL BUDGETS | \$ 776,787 | \$ 1,072,251 | \$ 1,166,983 | \$ 1,077,446 | \$ 1,005,595 | \$ 920,494 | \$ 901,382 | \$ 923,979 | \$ 992,224 | \$ 853,141 | \$ 9,690,281 | \$ 9,623,580 | \$ (66,702) | \$ 17,408,930 |
| | | | | | | | | | | | | | | |
| Board Approved 10yr-CIP Delta (inc)/dec | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | FY 2033 | FY 2034 | FY 2035 | | | | |
| | 913,396 | 938,159 | 1,117,568 | 1,116,264 | 1,015,118 | 954,815 | 946,479 | 951,815 | 952,221 | | 9,623,580 | | | |
| | 136,609 | (134,092) | (49,415) | 38,818 | 9,523 | 34,321 | 45,097 | 27,837 | (40,003) | (853,141) | (66,702) | | | |