



**MINUTES OF THE MEETING  
ENVIRONMENTAL QUALITY AND OPERATIONS COMMITTEE  
February 19, 2026  
(via Microsoft Teams)**

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**COMMITTEE MEMBERS PRESENT**

1. Christopher Herrington Chairperson, Principal, Fairfax County
2. Howard Gibbs, Vice-Chairperson, Principal, District of Columbia
3. Sarah Motsch, Alternate, Fairfax County
4. Richard Jackson, Principal, District of Columbia
5. Unique Morris-Hughes, Principal, District of Columbia
6. Amy Stevens, Alternate, Montgomery County
7. Alexander McPhail, Alternate, District of Columbia
8. Samuel Moki, Principal, Prince George's County

**DC WATER STAFF PRESENT**

1. David Gadis, Chief Executive Officer and General Manager
2. Matthew Brown, Chief Operating Officer, and Executive Vice-President
3. Michelle Rhodd, Secretary to the Board
4. Gregory Hope, Interim Chief Legal Officer and Executive Vice-President
5. Barbara Mitchell, Director and Associate General Counsel
6. Kirsten Williams, Chief Administrative Officer and Executive Vice-President
7. Lola Oyeyemi, Interim Chief Officer and EVP of Finance and Procurement

The Environmental Quality and Operations Committee meeting was called to order by Christopher Herrington, Chair at 9:32 AM. The meeting was held via Microsoft Teams. Ms. Michelle Rhodd, Secretary to the Board called the roll.

Committee Chair Christopher Herrington recognized former Committee Chair Sarah Motsch for her service, acknowledged public concern regarding Potomac River protection, encouraged practices to reduce sewer system impacts, and expressed appreciation for DC Water staff responding to the Potomac Interceptor sewer line break.

## **I. BPAWTP PERFORMANCE UPDATE**

Nicholas Passarelli, Vice President, Wastewater Treatment Operations, reported that Blue Plains met all NPDES permit requirements for January 2026, with an average daily flow of 232 million gallons per day (MGD) and a peak flow of 325 MGD recorded on January 11, 2026. During the month, approximately 3.1 inches of rainfall were recorded, with 71 million gallons captured in the tunnel system and zero overflows. On-site electrical generation accounted for approximately 21 percent of total facility power demand, with the Combined Heat and Power system producing approximately 6.7 megawatts (MW) and the solar system producing approximately 0.25 MW. Power purchased from Pepco averaged 21.22 MW for the month.

Regarding biosolids operations, Mr. Passarelli reported that 6,597 tons of Class A biosolids (“Bloom”) were sold in January, bringing the fiscal year-to-date total to 21,113 tons toward the annual goal of 62,000 tons. 11,304 tons of biosolids were produced during the month, with remaining volumes managed through contractual land application programs. He also noted that cold weather conditions temporarily affected operations at the Thermal Hydrolysis Process facility, but the system has since been fully restored to operation.

## **II. PROPOSED FY26 TO FY35 CAPITAL IMPROVEMENT PROGRAM (CIP)**

Lola Oyeyemi, Interim Chief Financial Officer and EVP Finance, Procurement and Compliance, presented management’s proposed ten-year Capital Improvement Program (CIP) and requested the Committee’s recommendation to the full Board on the ten-year disbursement plan and lifetime budget. She reported that DC Water maintained high bond ratings across all three rating agencies, citing strong financial performance, liquidity, independent rate-setting authority, and long-term infrastructure investment, noting that these ratings reduce borrowing costs while supporting capital delivery amid affordability challenges.

Ms. Oyeyemi reviewed the budget adoption calendar, starting with the August kickoff, Board proposal delivery on January 15, committee briefings and stakeholder outreach also in January, and the need for a February Committee recommendation to meet statutory deadlines for publishing rates in March. She noted that full Board action is anticipated on March 5, 2026, followed by community outreach and a public hearing in May, with rates effective October 1, 2026.

Ms. Oyeyemi summarized the ten-year CIP totaling \$9.69 billion, funded through approximately \$3.3 billion in borrowing, \$3.1 billion in pay-go financing, \$2.1 billion from customers, and \$430 million in federal funds. She explained that rate development assumes approximately 90% execution for most categories based on historical performance, while preserving full contracting authority, with priority investments in water, sewer, Blue Plains, Lead Free DC, and Potomac Interceptor rehabilitation.

Committee member Alexander McPhail asked about the “assumed CIP spend rate.” Ms. Oyeyemi explained that while the full \$9.69 billion is authorized, the financial plan reflects expected under-execution based on historical trends to reduce rate impacts. Dr. McPhail questioned approving the full CIP while assuming it will not be fully spent.

Matthew Brown, Chief Operating Officer, and Executive Vice-President, responded that full authorization is necessary to execute contracts, while the financial plan aligns debt issuance and rates to realistic execution levels. He noted that the approach was developed with financial advisors and reviewed with rating agencies. However, Dr. McPhail expressed concern about approving the CIP, emphasizing a desire to reduce the retail rate increase in FY27. Mr. Brown noted the CIP was already fiscally constrained to meet affordability concerns and does not reflect all the needs of the system and to meet the rate setting schedule, approval is required in March.

Ms. Oyeyemi clarified that two actions are before the Board: approval of the \$9.69 billion ten-year CIP and approval of a \$17.4 billion CIP lifetime budget covering total project costs beyond the ten-year window.

Committee member Samuel Moki requested clarification on bond ratings. Ms. Oyeyemi confirmed AAA ratings, including Moody’s Aa1 and Fitch AA+, with confirmation from Mr. Brown.

Committee member Amy Stevens asked how DC Water plans to achieve the significant spending increase between FY26 and FY27. Mr. Brown explained that the ramp-up reflects major mandated projects converging in the same period, including the Clean Rivers Program, the Potomac River Tunnel, Rock Creek improvements, Potomac Interceptor rehabilitation, and expanded delivery methods using larger and collaborative contracts. Paul Guttridge, Director, Shared Services and Asset Management added that Lead Free DC contributes approximately \$130 million in FY27 spending. Ryu Suzuki, Director, Wastewater Engineering reviewed recent procurement activity positions DC Water to accelerate construction.

Mr. Herrington stated that a recommendation is required to meet the budget calendar and asked whether there were objections to forwarding the proposed FY26–FY35 CIP. Dr. McPhail requested a roll call.

Following a roll call vote, a majority of Committee members agreed to recommendation that the Board approve the FY 26 – FY 35 CIP as presented.

### **III. SMALL DIAMETER WATER MAIN PROGRESSIVE DESIGN BUILD**

William Elledge, Director, Capital Water and LFDC, presented the fact sheet requesting the Committee’s recommendation to authorize a not-to-exceed \$212 million progressive design-build contract for Small Diameter Water Main Replacements. He explained that progressive design-build differs from traditional delivery methods by contracting with a

single design-build entity and engaging the contractor earlier to improve collaboration, risk identification, schedule efficiency, and cost certainty.

Mr. Elledge noted that the contract includes approximately \$26 million for Phase One design services, with total design and construction costs capped at \$212 million. The program is expected to deliver approximately 45 miles of small diameter water main replacements over three years, with work occurring across all eight wards and prioritized based on water quality and historical break data. He stated that fewer, larger contracts are necessary to meet annual mileage goals and staff capacity constraints.

Mr. Elledge identified Flatiron Dragados as the proposed design-builder and noted that Flatiron is a new entrant to DC Water and the Mid-Atlantic market. He also reported that approximately 13 percent of the contract value is anticipated to be federally funded for private-side lead service line replacements.

Committee member Howard Gibbs asked how pricing was evaluated under the progressive design-build procurement. Mr. Elledge explained that because design is not complete, proposals were evaluated based on qualifications, Phase One design fees, and the contractor's proposed fee structure, which will later be applied to verified construction costs when negotiating guaranteed maximum prices. Mr. Gibbs indicated that his question was addressed.

Committee member Dr. Alexander McPhail asked for clarification on funding terminology, specifically whether references to "District of Columbia" funding represent DC Water funding. Matthew Brown responded that DC Water pays for the contracts and is reimbursed through intergovernmental agreements, and that any direct District grant funding would be explicitly identified.

Dr. McPhail also requested additional briefing time to better understand integration between the Small Diameter Water Main Program and the Lead Free DC program and related costs. Mr. Elledge and Michelle Rhodd, Secretary to the Board, indicated that staff would coordinate additional briefings and site visits, including a planned Lead Free DC tour.

#### **IV. LFDC SUPPLEMENTAL AGREEMENT FOR LFG**

Mr. Elledge reviewed a Lead Free DC supplemental agreement, noting that this request is a continuation of services and additional scope due to an increase in estimated service line replacements from 28,000 to 42,000 and 9,000 brass. The original \$66 million contract had previously increased to \$101 million and this current request would add \$50 million due to this expanded scope. He stated that this represents the first of four option years and that subcontracting participation continues to exceed utilization goals.

Mr. Elledge also presented the Lead Free DC Lead Service Line Replacement Program FY23-FY30 Block by Block Construction fact sheet for continuity, explaining that it extends the existing Master Service Agreement (MSA) by \$120 million to support an

additional year of Lead Free DC work. He noted that task orders are competitively bid and that the scope and funding approach are consistent with prior approvals.

## **V. PURE WATER DC DISCOVERY CENTER**

Rabia Chaudhry, Director, Water Supply Resilience, presented a request for the Committee's recommendation to the full Board to approve a Phase One early work package for the Pure Water DC Discovery Center. The request includes authorization to procure long lead-time water recycling equipment, advance design, continue conducting site assessment of the existing building to inform renovation design, and reduce project risk to maintain the planned June 2026 groundbreaking schedule.

Dr. Chaudhry explained that the Discovery Center, delivered using a progressive design-build contract, is a key element of DC Water's Pure Water DC strategy to improve water supply resiliency by developing a second source. She emphasized that the Discovery Center is a pilot-scale facility, intended to support research, data collection, regulatory coordination, and public outreach rather than full-scale water recycling.

She described the District's existing water supply system and reviewed conceptual potable reuse options, including indirect and direct reuse configurations. Dr. Chaudhry stated that the Discovery Center will test multiple treatment technologies to maintain flexibility while generating long-term data to support future regulatory permitting, noting the importance of early engagement with EPA Region 3 and other regional regulators to ensure transparency.

Dr. Chaudhry also highlighted the role of public and stakeholder engagement, explaining that the facility will include interactive exhibits for education and outreach. She noted that other water reuse projects around the country (e.g. in California, Texas, and Virginia) have successfully used pilot and outreach facilities like the Discovery Center to advance resilience objectives. She reviewed the project timeline, noting that a rapid procurement was completed between October and December 2025, and that the current request is for a \$5.5 million early work package covering pilot equipment procurement, continued design development, and evaluation of the existing building.

Committee member Alexander McPhail asked when cost estimates would be developed for piping needed to convey recycled water from Blue Plains into the water supply system. Dr. Chaudhry responded that a planning-level study is underway and that high-level cost information is expected to be shared with the Board and regional stakeholders in the coming weeks to months, leveraging experience from the Clean Rivers Program.

Mr. Herrington stated that while additional questions remain, he supports advancing the Discovery Center as a critical step toward improving water supply resiliency and expressed support for forwarding a positive recommendation to the full Board.

## **VI. EAST AND WEST OUTFALL RELIEF SEWERS**

Ryu Suzuki, Director of Wastewater Engineering, provided an update on the East and West Outfall Relief Sewers (EWORS), describing the asset as a critical conveyance system carrying a significant portion of District flows to Blue Plains, including flows routed through the Potomac Pump Station and contributions from the Anacostia Force Main.

Mr. Suzuki explained that the project began as an emergency due to imminent risk of failure and later transitioned to a high-priority project focused on permanent repair. He noted the importance of distinguishing between emergency stabilization and longer-term capital rehabilitation.

Mr. Suzuki reported that in 2023 routine inspections identified severe deterioration of the center wall separating the parallel sewer lines, with complete loss of concrete and near-collapse conditions. He stated that DC Water implemented emergency stabilization measures, including hydro-excavation to relieve overburden, debris removal, and installation of steel beams to stabilize the structure, at an initial cost of approximately \$10 million, followed by a \$20 million change order to advance permanent repairs.

Mr. Suzuki explained that traditional bypass pumping was not feasible due to flow volumes and cost, and that DC Water constructed a bypass channel to divert flows around the compromised section. He stated that the permanent repair approach uses a trenchless liner system ("PALTEM") to create a corrosion-resistant internal pipe with adequate hydraulic capacity.

Mr. Suzuki reported that once access was gained, an additional approximately 200 feet of center wall deterioration was discovered, requiring evacuation of crews and modification of the repair approach. He requested the Committee's recommendation for Board approval of an additional \$10 million change order to support further hydro-excavation and reconstruction of the center wall using a geopolymer system to enable completion of the trenchless repair.

Mr. Suzuki noted that the repair and rehabilitation contract is structured as time-and-materials with pre-negotiated rates, allowing flexibility to address unforeseen conditions, and that this contract has also supported other emergency and operational repair needs.

## **VII. ANACOSTIA AREA SEWER REHABILITATION PROGRESSIVE DESIGN BUILD**

Mr. Suzuki then presented the long-term rehabilitation program for the broader sewer alignment and requested the Committee's recommendation for Board approval of Phase One and early work packages for a major rehabilitation contract covering over 17 miles of severely degraded assets, including segments within Joint Base Anacostia-Bolling.

Mr. Suzuki reported that Clark/Michels was selected through a procurement process and explained that the delivery approach combines progressive design-build with a master

service agreement to allow work to advance in parallel across areas with varying permitting requirements. He stated that the initial request is for \$47.2 million, including approximately \$24.3 million for Phase One design and early work packages such as condition assessment, heavy cleaning, and repair of flow diversion structures. He noted that additional construction authorizations would be brought forward as guaranteed maximum prices are developed.

Mr. Herrington requested that staff display the cost allocation among partners for the Anacostia sewer rehabilitation item.

## **VIII. EMERGENCY SEWER MAIN IR&R CONTRACT FOR FY24-FY27**

Chris Collier, Vice President, Water Operations, presented a fact sheet requesting additional funding for the Anchor Construction Emergency Sewer Main Inspection, Repair, and Replacement (IR&R) contract. He explained that the IR&R contract is used by Operations to respond to sewer emergencies and that recent large-scale emergency events exceeded the funding levels originally programmed, which were based on average annual failure rates.

Mr. Collier reported that emergency work was performed at multiple locations, including Albemarle, Soapstone, 22nd and Q, the Anacostia Force Main Emergency Project, and the PI Manhole 17 SSO project. He explained that because these emergency responses were initiated immediately, additional funding is now required to backfill the contract for expenditures already incurred and to ensure sufficient funding through the remainder of the contract term to address future emergencies.

Mr. Collier stated that the request is for an additional \$18.5 million, increasing the contract value from approximately \$21 million to a total of \$39,929,860.

Committee member Alexander McPhail expressed support for the fact sheet based on his observations of work performed under the contract.

## **IX. ACTION ITEMS**

### **Non-Joint Use**

- a. Contract No. 250060 – Small Diameter Water Main Replacement (SDWMR) Progressive Design Build (PDB) Contract 1 & 2 – Flatiron Dragados Constructors, Inc.
- b. Agreement No. DCFA #519 – Lead Free DC – Program Management & Construction Management (PMCM) – Lead Free Group, Joint Venture (Ramboll Engineering, PC and CDM Smith Inc.)
- c. Contract No. 230030 – Lead Free DC (LFDC) Lead Service Line Replacement (LSLR) Program FY23–FY30 Block by Block Construction – Multiple contractors

- d. Contract No. 260020 – Pure Water DC Discovery Center – Kokosing Industrial, Inc.

**Joint Use**

- a. Contract No. 200020 – Emergency Sewer Main Infrastructure Repair & Replacement – Spiniello Companies
- b. Contract No. 250110 – Anacostia Sewer Rehabilitation – Clark Michels JV
- c. Contract No. 230050 – Emergency Sewer Main IR&R Contract for FY24–FY27 – Anchor Construction Corporation
- d. Approval of the Proposed FY 26 – FY 35 Capital Improvement Program

The Committee reviewed and recommended approval of four Non-Joint Use and three Joint Use action items and moved them to the full board.

**X. AGENDA FOR MARCH 2026 COMMITTEE MEETING**

Mr. Herrington announced that the next Environmental Quality and Operations Committee meeting will be held in person on March 19<sup>th</sup> at DC Water Headquarters. Following the meeting, committee members will participate in a guided map presentation and facility tour highlighting DC Water’s water and wastewater linear assets, including site visits to the Main Pump Station, Bryant Street, and Potomac Pump Station.

**XI. ADJOURNMENT**

The meeting adjourned at 11:20 AM.