



**MINUTES OF THE MEETING  
FINANCE AND BUDGET COMMITTEE  
JANUARY 27, 2026  
(Via Microsoft Teams)**

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**COMMITTEE MEMBERS PRESENT**

1. Anthony Giancola, Principal, Chair, District of Columbia
2. Richard Jackson, Principal, District of Columbia

**OTHER BOARD MEMBER PRESENT**

1. Unique Morris-Hughes, Principal, District of Columbia

**DC WATER STAFF**

1. David L. Gadis, CEO/General Manager
2. Lola Oyeyemi, Interim Chief Financial Officer & EVP
3. Kirsten Williams, Chief Administrative Officer & EVP
4. Matthew T. Brown, Chief Operating Officer & EVP
5. Amber Jackson, Chief People Officer and EVP & Interim Chief Legal Officer
6. Barbara Mitchell, Associate General Counsel and Director of Government and Legal Affairs
7. Ivan Boykin, Vice President, Finance
8. Michelle Rhodd, Secretary to the Board

Anthony Giancola, Chair, called the meeting to order at 11:28 AM. The meeting was conducted via MS Teams. Secretary to the Board Michelle Rhodd called the roll.

**I. MONTHLY REPORT TO THE FINANCE AND BUDGET COMMITTEE**

Lola Oyeyemi, Interim Chief Financial Officer & EVP, presented the December 2025 Financial Report. As of the end of the first quarter of FY 2026, total operating revenues were \$259.5 million, or 25.7 percent of the budget; operating expenditures totaled \$178.3 million, or 21.3 percent of the budget; and capital disbursements were \$179.2 million, or 19.6 percent of the budget. Ms. Oyeyemi noted that the actuals were measured against the adopted budgets, which are subject to revision pending finalization of the ongoing budget process.

The Authority recently met with the rating agencies regarding the upcoming refunding bond deal and anticipates receiving the Authority's updated ratings next month. Ms. Oyeyemi informed the Committee that the auditor presented its findings to the Audit Committee in January with the issuance of an unmodified "clean" opinion for DC Water's FY 2025 financial statement. She congratulated the Finance staff for their work on the completed audit. The Finance team continues to close out FY 2025, including the A133 audit, Annual Comprehensive Financial Report, and the Green Bond Attestation report with anticipated completion of these items in February 2026.

Major operating revenue variances were in the Residential/Commercial/Multi-Family and DC Housing Authority categories. Residential receipts were higher than anticipated due to the higher CRIAC (Clean Rivers Impervious Area Charge) assumed in the budget, while DC Housing Authority receipts were lower than expected due to lower consumption.

Operating expenses were aligned with the budget at 21.3 percent with no significant variances, except for cost pressures impacting supplies which is being monitored by staff. Capital disbursements totaled \$179.2 million or 19.6 percent of the budget. A detailed quarterly CIP update will be presented at the February 2026 Committee meeting.

Cash investments, including the Rate Stabilization Fund balance of \$40.6 million, totaled \$725.1 million. The interest income for December was \$1.2 million, with a year-to-date total of \$3.5 million. The retail account delinquencies totaled \$31 million for 12,346 accounts. The Accounts Payable performance for invoices paid within 30 days was 96 percent through the end of December 2025.

## **II. UPDATE ON 2026 REFUNDING ACTIVITIES**

Ivan Boykin, Vice President, Finance, provided an update on the 2026 Refunding Activities. In February, management will seek approval from the Board for the Authority's financing plan, including recommendations to issue Series 2026A and 2026B fixed-rate refunding bonds. These bonds aim to refinance older series for lower interest rates and save DC Water ratepayers money. Mr. Boykin noted that PFM, the Authority's financial advisors, and Squire Patton Boggs, its bond counsel, were available at the meeting for technical questions.

Mr. Boykin further noted that market catalysts, such as Federal Reserve policy impacts, tariffs, and geopolitical events, may affect pricing this year. The 2026A and 2026B bonds, issued on a subordinate lien as tax-exempt bonds, are targeted to refund 2014C, 2015A, and 2016A bonds after their April 1 call date, plus a 2022A forward direct bank placement.

The Authority expects to refund approximately \$584.4 million in debt, including \$296.4 million in principal, saving over \$26.2 million, or 8.9 percent. The 2026B bonds will be independently certified as green bonds.

Committee authorization was sought to refund \$271.6 million in 2010 Build America Bonds (BABs). Mr. Boykin noted that market conditions are now favorable for this action, unlike last July 2025. The preliminary financing calendar includes Board consideration on February 5, 2026, pricing on February 12, 2026, and closing on March 2, 2026.

Mr. Boykin asked for the committee's recommendation for the authorization to issue Series 2026A and 2026B rate refunding bonds to refund several series of older bonds for lower interest rates, and to refund the Authority's BABs to remove future financial risk from sequestration and delays in subsidy payments.

### **III. ACTION ITEMS**

The Committee agreed to recommend the following action items for Approval of Series 2026 A/B Bond Resolution and Related Documents to the full Board for approval:

- Resolution
- 38<sup>th</sup> Supplemental Indenture
- Bond Purchase Agreement
- Preliminary Official Statement
- Escrow Agreement

### **IV. AGENDA FOR THE FEBRUARY 2026 COMMITTEE MEETING**

The agenda for the meeting on February 26, 2026, includes the January 2026 Financial Report, the CIP Quarterly update, and Committee recommendation to the Board of the Proposed FY 2027 Budgets, and any other items the Committee wishes to discuss.

### **V. ADJOURNMENT**

The meeting adjourned at 11:42 AM.