

# Board of Directors

#### 321st Meeting of the Board of Directors

Thursday, July 3, 2025 / 9:30am

This meeting will be available for viewing through a livestream: <a href="https://dcwater.com/watch-board-meetings">https://dcwater.com/watch-board-meetings</a>

- I. Call to Order ...... Unique Morris-Hughes, Chairperson
- II. Roll Call ...... Michelle Rhodd, Board Secretary
- III. Approval of the June 5, 2025 Meeting Minutes
- IV. Chairperson's Overview
- V. Committee Reports
  - 1. Environmental Quality and Operations Committee (Sarah Motsch)
  - 2. DC Retail Water and Sewer Rates Committee (Rachna Bhatt)
  - 3. Finance and Budget Committee (Anthony Giancola)
- VI. CEO and General Manager's Report (David L. Gadis)
- VII. Consent Item (Joint Use)
  - Approval to Add Option Year No. 3 to Contract No. 10272, Annual Maintenance and Repair of High Voltage Electrical Equipment, U.S. Electrical Testing, LLC – Resolution No. 25-28 (Recommended by the Environmental Quality and Operations Committee 06-18-25)
  - Approval to Exercise Option Year No. 7 of Contract No. 10240, Electric Energy
     Services and Associated Energy Generation and Transmission Services,
     Constellation New Energy, Inc. Resolution No. 25-29 (Recommended by the
     Environmental Quality and Operations Committee 06-18-25)
  - Approval to Award a Base Year and Four Option Years of Contract No. 10516, Trimble Unity Enterprise Application, Trimble, Inc. – Resolution No. 25-30 (Recommended by the Environmental Quality and Operations Committee 06-18-25)
  - Approval to Modify the User Share for Implementation of the Trimble Unity <u>Maintain Asset Management System, Engineering Program Management Consultant 2G, Contract No. DCFA #541-WSA, Water Smart Alliance (an AtkinsRealis-Stantec Partnership) – Resolution No. 25-31 (Recommended by the Environmental Quality and Operations Committee 06-18-25)</u>

- Approval to Execute Four Master Service Agreements Under the Task Order-Based Linear Water and Sewer Rehabilitation Program Master Service Agreement, Contract No. 250100, Multiple Vendors – Resolution No. 25-32 (Recommended by the Environmental Quality and Operations Committee 06-18-25)
- Approval to Transfer of the Projected FY 2025 Net Cash Surplus of \$52,101,838 to PAYGO, Rate Stabilization Fund and Ending Cash Balance for Permit Refunds and to Increase Days of Cash on Hand in FY 2026
   Resolution No. 25-33 (Recommended by the Finance and Budget Committee 06-26-25)
- Approving the Extension of the Credit Facility for the Series 2014B Bonds <u>Resolution No. 25-34</u> (Recommended by the Finance and Budget Committee 06-26-25)
- Approving the Substantially Final Form of Certain Documents, Authorizing the Sale and Setting Terms and Details of Series 2025A/B Bonds – Resolution No. 25-35 (Recommended by the Finance and Budget Committee 06-26-25)
- Approving the Substantially Final Form of Certain Documents, Authorizing the Sale and Setting Terms and Details of Series 2025C Bonds – Resolution No. 25-36 (Recommended by the Finance and Budget Committee 06-26-25)

#### VIII. Consent Item (Non-Joint Use)

- Approval to Execute Construction Manager at Risk Early Work Package <u>Amendment No. 1 of Contract No. 240040, Division RC-T – Piney Branch Tunnel,</u> <u>Clark Construction Group – Resolution No. 25-37</u> (Recommended by the Environmental Quality and Operations Committee 06-18-25)
- Approval to Publish Notice of Final Rulemaking for New and Amended Fees and <u>Charges – Resolution No. 25-38</u> (Recommended by the DC Retail Water and Sewer Rates Committee 06-24-25)
- Approval to Award Contract Nos. 10439 and 10447 for Liquidity Support of Variable Rate Demand Bonds, T.D. Bank, N.A. and Bank of America, N.A. – Resolution No. 25-39 (Recommended by the Finance and Budget Committee 06-26-25)

This meeting is governed by the Open Meetings Act. Please address any questions or complaints arising under this meeting to the Office of Open Government at <a href="mailto:opengovoffice@dc.gov">opengovoffice@dc.gov</a>.

¹The DC Water Board of Directors may go into executive session at this meeting pursuant to the District of Columbia Open Meetings Act of 2010, if such action is approved by a majority vote of the Board members who constitute a quorum to discuss certain matters, including but not limited to: matters prohibited from public disclosure pursuant to a court order or law under D.C. Official Code § 2-575(b)(1); terms for negotiating a contract, including an employment contract, under D.C. Official Code § 2-575(b)(2); obtain legal advice and preserve attorney-client privilege or settlement terms under D.C. Official Code § 2-575(b)(4)(A); collective bargaining negotiations under D.C. Official Code § 2-575(b)(5); facility security matters under D.C. Official Code § 2-575(b)(8); disciplinary matters under D.C. Official Code § 2-575(b)(9); personnel matters under D.C. Official Code § 2-575(b)(11); train and develop Board members and staff under D.C. Official Codes § 2-575(b)(12); adjudication action under D.C. Official Code § 2-575(b)(13); civil or criminal matters or violations of laws or regulations where disclosure to the public may harm the investigation under D.C. Official Code § 2-575(b)(14); and other matters provided under the Act.

#### **Upcoming Committee Meetings | via Microsoft Teams**

•	July 9 <sup>th</sup> @ 11:00 am	Human Resources and Labor Relations Committee
•	July 11 <sup>th</sup> @ 2:00 pm	Evaluation Committee
•	July 17 <sup>th</sup> @ 9:30 am	Environmental Quality and Operations Committee
•	July 18 <sup>th</sup> @ 2:00 pm	Executive Committee
•	July 22 <sup>nd</sup> @ 9:30 am	DC Retail Water and Sewer Rates Committee
•	July 23 <sup>rd</sup> @ 10:00 am	Joint Meeting   Finance & Budget; Environmental Quality & Operations; and DC Retail Water & Sewer Rates Committees
•	July 24 <sup>th</sup> @ 9:30 am	Finance and Budget Committee
•	July 24 <sup>th</sup> @ 11:00 am	Audit and Risk Committee
•	August 14 <sup>th</sup> @ 1:00 pm	Strategic Management Committee

#### Next Board of Directors' Meeting | via Microsoft Teams

September 4, 2025 @ 9:30 am



#### 320<sup>TH</sup> BOARD OF DIRECTORS MEETING MINUTES OF THE MEETING JUNE 5, 2025

(Via Microsoft Teams)

#### **DIRECTORS PRESENT**

#### **District of Columbia Members**

- 1. Unique Morris-Hughes, Principal, Chair
- 2. Anthony Giancola, Principal
- 3. Howard Gibbs, Principal
- 4. Richard Jackson, Principal
- 5. Jed Ross, Principal

#### **Prince George's County Members**

1. Jonathan Butler, Alternate

#### **Montgomery County Members**

- 1. Jon Monger, Principal
- 2. Fariba Kassiri, Principal
- 3. Jeffrey Seltzer, Alternate
- 4. Amy Stevens, Alternate

#### **Fairfax County Member**

- 1. Christopher Herrington, Principal
- 2. Sarah Motsch, Alternate

#### **DC WATER STAFF**

- 1. David Gadis, Chief Executive Officer and General Manager
- 2. Marc Battle, Chief Legal Officer and EVP, Government and Legal Affairs
- 3. Matthew Brown, Chief Financial Officer and EVP, Finance, Procurement, and Compliance
- 4. Jeffrey Thompson, Chief Operating Officer and EVP
- 5. Kirsten Williams, Chief Administrative Officer and EVP
- 6. Michelle Rhodd, Secretary to the Board

The 320<sup>th</sup> meeting of the District of Columbia Water and Sewer Authority's Board of Directors was called to order by Chair Dr. Unique Morris-Hughes at 9:36 a.m. The meeting was held via Microsoft Teams and streamed live at dcwater.com. Board Secretary Michelle Rhodd called the roll, and a quorum was established.

#### I. APPROVE MINUTES

Board Chair Dr. Unique Morris-Hughes asked for a motion to approve the minutes of the meeting on May 1, 2025.

Upon a motion duly made, the Board of Directors approved the minutes of the May 1, 2025, meeting as presented.

#### II. CHAIRPERSON'S OVERVIEW

Dr. Morris-Hughes began her remarks with appreciation for the Board's participation in the recent retreat. Dr. Morris-Hughes noted that she had charged the Authority staff to operationalize the strategy that delivers both immediate impact and long-term resilience. She also highlighted the executive team's drive toward a multi-pronged solution that ensures DC Water is prepared to meet both today's challenges and tomorrow's opportunities through the activation of the Strategic Management Committee of the Board.

Dr. Morris-Hughes welcomed DC Water's three new director nominees and acknowledged the contributions of departing directors Floyd Holt, Jared McCarthy, and Andrea Crooms. Members of the Board shared their best wishes and gratitude to the departing members for their contributions to the Board and DC Water.

#### III. COMMITTEE REPORTS

Meeting of the Human Resources and Labor Relations Committee with Union Presidents Reported by Jed Ross

Human Resources and Labor Relations Chair Jed Ross reported on the meeting held on May 7.

For the first union topic, Jonathan Shanks, president of AFGE 872, raised concerns about delayed HR responses to requests, including urgent leave requests. Barbara Milton, a consultant with AFGE Local 631, reported similar issues. Management will provide more resources and track delayed responses, and the situation will be monitored to determine if delays are isolated or systemic.

Jermaine Quattlebaum, president of AFGE 631, highlighted the union's concerns about DC Waters' hiring freeze and cuts to overtime travel and training due to budget shortfalls. He noted that there had been no meetings with Vice President Employment, Labor, and HR Compliance Shawn Brown to clarify the impact on employees. Mr. Ross acknowledged the spending restrictions and assured Mr. Quattlebaum that they would have no direct impact on employees per guidance provided by CEO and General Manager David Gadis at the last Board meeting. Dr. Morris Hughes advised monitoring the situation and reviewing future spending projects. Mr. Shawn Brown emphasized the importance of addressing employee concerns in meetings between labor and management. Chief Financial Officer Matthew Brown explained the \$51 million reduction in DC Water Spending Authority due to recent congressional actions.

Ms. Milton emphasized the need for open communication with the Board. Mr. Ross affirmed that while any DC Water employee can and should communicate with the Board, union presidents should be the main communicators for union and legal matters, and legal communications should be handled by appropriate counsel.

Dr. Morris Hughes inquired about a formal delegation of authority from the unions to Ms. Milton, and Mr. Ross requested that each agenda item be attributed to an individual prepared to speak on that topic and that union presidents sign off on the joint agenda.

Mr. Quattlebaum reported issues with the Oracle system and incorrect payments for overtime rates and hours. Mr. Shawn Brown requested a list of affected employees while Mr. Ross inquired if the errors might be project-specific. Dr. Morris Hughes requested the names of the two most affected employees for further investigation, with the results to be provided at the next meeting. Mr. Quattlebaum noted that a test of updates to sick leave coding was conducted last week, and Shawn Brown confirmed the fix should be in place before the next committee meeting.

Mr. Quattlebaum then raised concerns about union work being done by contractors due to eliminated positions. Mr. Ross noted some positions were being backfilled, not eliminated, and confirmed that contracting union work and reclassifying wastewater transfer operators are complex issues that will remain on the agenda. Ms. Milton provided details about eliminated positions and Mr. Ross noted an update would be provided at the next meeting.

Amber Jackson, Chief People Officer and EVP of People and Talent, encouraged a union-management partnership to address issues. Ms. Jackson also highlighted DC Water's comprehensive wellness program and announced upcoming activities for Mental Health Awareness Month.

Meeting of the Environmental Quality and Operations Committee Report Reported by Sarah Motsch

Environmental Quality and Operations Chair Sarah Motsch reported on the meeting held on May 15.

Nicholas Passarelli, Vice President of Wastewater Operations, summarized the performance of Blue Plains Advanced Wastewater Treatment Plant (BPAWTP) for March 2025. The tunnel systems and wet weather treatment captured 138 million gallons for the month with no overflows. All weekly and monthly NPDES permit requirements were met for March 2025. On-site energy generation from the combined heat and power facility and solar panels for the month was 23% of the average treatment plant consumption and 12,711 wet tons of biosolids were sold as bloom in April, and the remaining 1,593 wet tons were managed through land application contracts.

Moussa Wone, Vice President of Engineering and Clean Rivers, provided the quarterly Clean Rivers update. He reported that construction was active at the mining site for the Potomac River Tunnel and one of the two tunnel boring machines completed its factory acceptance test on April 3, 2025, and will be shipped to the US by August, 2025. The environmental assessment is complete for the Piney Branch tunnel and is awaiting a finding of no significant impact. Reconstruction is ongoing and the tunnel is scheduled to be completed in 2030.

Paul Guttridge, Director of Shared Services and Asset Management, provided an update on CIP performance. Baseline spending for the year is \$650 million with a forecast of \$587 million at year-end. William Elledge, Director of Capital Water Program and Lead Free DC (LFDC), shared performance highlights from the LFDC program which has completed over 8,600 lead service line replacements since inception, or 21 percent of the program goal. Small-diameter water main replacement is on track to complete approximately 8 miles this fiscal year, despite weather-related slowdowns in January and February.

Mr. Elledge also shared results from a pilot study testing non-invasive technologies from SMIT and Swordfish designed to identify service line materials without excavations. Both technologies demonstrated limited accuracy, making them unsuitable for widespread deployment. DC Water will continue using test pits to identify service line materials while monitoring emerging technologies.

The Committee recommended two joint-use and one non-joint-use action items to the full Board for approval.

Meeting of the Finance and Budget Committee Reported by Anthony Giancola

Finance and Budget Chair Anthony Giancola reported on the meeting held on May 22.

Lola Oyeyemi, Vice President of Budget, presented the Financial Report for the period ending April 30, 2025. As of the end of April 2025, with approximately 58 percent of the fiscal year completed, total operating revenues were \$575.7 million or 60.5 percent of the budget; operating expenditures were \$396.7 million or 50.3 percent of the budget; and capital disbursements were \$305.3 million or 42.5 percent of the budget. Operating interest income for the year to date was ahead of the \$4.7 million budget, with approximately \$1.4 million earned in April and a total of \$8.4 million earned to date.

Ms. Oyeyemi expressed confidence that the current spending limits are sufficient to ensure DC Water complies with the federal mandate to maintain the FY 2024 spending levels in FY 2025. Chief Financial Officer Matthew Brown elaborated that spending reductions are mainly in four key areas: a personnel hiring freeze that allows flexibility for high-priority hires, a reduction in non-personnel services spending, debt service savings, and reduced usage of PAYGO where cash spending on the capital budget is included in the operating budget.

In response to Mr. Giancola, Mr. Brown noted that the federal action takes one year off of the 10-year capital program and represents a 10% spending reduction but will have no impact on the capital improvement program (CIP) in the near term. Paul Guttridge, Director of Shared Services and Asset Management, provided the Q2 CIP update, noting the revised budget is \$650 million for a fiscal year, with year-end projections for \$587 million or approximately 90% of the budget.

Next, Meisha Thomas, Director of Customer Care, presented a request to increase the assistance provided by the Payment Plan Incentive program from 40 percent to 50 percent credit of the payments made towards delinquent balances and to fund the program for FY 2026 with a \$1 million transfer from the Rate Stabilization Fund (RSF). In FY 2024 the program helped 470 customers by providing \$122,000 in adjustments. In FY 2025, 1,375 customers have accessed the program for just over \$382,000 in adjustments year to date. Of 8,966 total delinquent customers, 3,413 are eligible for the program and 939 have enrolled. Efforts are underway to recruit the remaining 2,474 eligible customers.

Tanya DeLeon, Risk Manager, presented a request to seek Board approval for the July 1, 2025, insurance renewal for up to \$5.6 million, and confirmed that the FY 2025-26 rate is essentially flat compared to FY 2024-25. Ms. DeLeon confirmed that there are four brokers on the account and Committee member Jed Ross noted it would be helpful to see brokerage fees for each.

Committee member Fariba Kassiri asked the Board to consider a discussion of its ransomware coverage and ransom policy.

The Committee recommended two action items to the full Board for consideration.

Meeting of the DC Retail Water and Sewer Rates Committee Reported by Howard Gibbs

DC Retail Water and Sewer Rates Vice-Chair Howard Gibbs reported on the meeting held on May 27.

Matthew Brown, Chief Financial Officer and EVP of Finance, Procurement and Compliance, presented the monthly report for the period ending April 30, 2025, noting that the Authority's revenue was favorable to the budget by approximately 2.8 percent. Revenue in the Residential, Commercial, and Multi-Family Category was higher than budgeted, driven by higher consumption and the Clean Rivers Impervious Area Charge. An unfavorable variance was reported in the DC Housing Authority category due to a late payment.

Delinquent accounts over 90 days decreased in dollar amount to \$35.6 million with the multi-family category accounting for about 54% of the delinquent balance.

Meisha Thomas, Director of Customer Care, proposed extending the payment plan incentive program through September 30, 2026, increasing the credit from 40% to 50% of payments made towards delinquent balances and allocating \$1 million transferred from the rate stabilization fund for FY 2026. Ms. Thomas gave an overview of the program and stated that its key goals are to get customers back into the process of maintaining monthly payments, reduce delinquent balances, and reduce the number of disconnection orders.

Henok Getahun, Treasury and Debt Manager, presented a customer payments and fees update and discussed changes to DC Waters' retail payments. DC Water's credit card fees rose from \$1.2 million in FY 2019 to \$2.7 million in FY 2023, driven by increased web-based transactions, largely from non-residential customers. To ensure that those who use credit cards are responsible for the additional costs of the payment method, a new payment platform was launched in February 2024 that passes credit card fees to customers. The program is similar to that used by other water and non-water utilities and allows customers to pay without additional fees using ACH or check.

Special Meeting of the Audit and Risk Committee Reported by Christopher Herrington

Audit and Risk Chair Christopher Herrington reported on the special meeting held on May 28.

The Committee was asked to consider recommending a contract for external audit services to SB & Company, LLC, for a 3-year base contract from July 1, 2025, through June 30, 2028, for \$847,605, and two, 1-year options for July 1, 2028, through June 30, 2030, for \$602,855, for a total contract cost of \$1,450,460, including 10% contingency funding.

The contractor will provide external audit services to DC Water and the award recommendation is based on the firm offering the best value combination of the highest technical score and lowest price. SB & Company has provided audit services to the District of Columbia and other water utilities and meets some of DC Water's DBE goals.

The Committee agreed to recommend the action item to the full Board for approval.

Meeting of the Executive Committee Reported by Unique Morris-Hughes

Executive Committee Chair Dr. Unique Morris-Hughes reported on the meeting held on May 29, where the committee met in executive session to discuss public health and safety matters under D.C. Official Code § 2-575(b)(8).

#### IV. CEO AND GENERAL MANAGER'S REPORT

CEO and General Manager David Gadis began his report by recognizing and welcoming the Authority's 2025 summer interns who were present, highlighting the important work they will perform for DC Water.

Mr. Gadis thanked the Board's departing members, highlighting their contributions and the insights they brought to the Board.

In May, DC Water welcomed Dr. Rabia Chaudhry as its first Director of Water Supply Resilience. Mr. Gadis emphasized that the District of Columbia is the only major metropolitan city in the United States without a backup source of drinking water. Dr. Chaudhry will lead the water resilience strategy and work collaboratively across all departments to explore all the potential approaches to establishing a second source solution in the District and in the region.

On May 16 DC Water learned that its EPA grant allotments for 2025 will be as expected for safe drinking water. This allotment will be \$43.7 million, comprising \$10.9 million of base funding, \$24.9 million in bipartisan infrastructure law (BIL) supplemental funds, and \$7.9 million for emerging contaminants. DC Water funds about 5% of the \$9.6 billion 10-year capital program with this and similar grants.

DC Water's financial team, led by Mr. Brown, has nearly completed a new round of meetings with the financial rating firms to demonstrate the Authority's financial tools and options for adapting to an uncertain federal funding outlook. Meetings have been completed with Moody's and Fitch and highlighted DC Waters' ability to quickly pivot to overcome challenges.

On May 21, the Department of Occupational Health and Safety held its 2025 Safety Day event with the theme, "Change One Thing" which, urges employees to intentionally make one change each day to be safer at work. The Women of Water attended the event and provided information and resources to attendees on equipment and safety shoes designed specifically for women.

Mr. Ross acknowledged and expressed appreciation to Mr. Gadis and the team for meeting in May with the District's congresswoman to advocate for a second source and other issues impacting ratepayers.

#### V. CONSENT ITEMS (JOINT USE)

- Approval to Execute a Progressive Design-Build Contract Phase I Preconstruction, Blue Plains Floodwall Segments A, B, and D, Contract No. 230040, Kokosing Industrial, Inc. – Resolution No. 25-22 (Recommended by the Environmental Quality and Operations Committee 05-15-25)
- Approval to Amend Four Existing Task Order Based Construction Agreements, Miscellaneous Facilities Upgrade – Phase 8 (MFU-8) Program, Contract No. 210080 (A, B, C, D), Alan Myers VA, Inc.; American Contracting and Environmental Services, Inc.: Ulliman Schutte Construction; and W.M. Schlosser Co. Inc. – Resolution No. 25-23 (Recommended by the Environmental Quality and Operations Committee 05-15-25)
- 3. Approval of Funding for Annual Property and Casualty Insurance Premium Renewals **Resolution No. 25-24** (Recommended by the Finance and Budget Committee 05-22-24)
- 4. Approval to Transfer One Million from the Rate Stabilization Fund to the Authority General Fund in FY 2026 Revenue Budget to Fund Payment Plan Incentive

Program – **Resolution No. 25-25** (Recommended by the Finance and Budget Committee 05-22-25)

5. Approval to Award Three Base Years and Two Option Years Contract No. 10520, External Audit Services, SB & Company, LLC – **Resolution No. 25-26** (Recommended by the Audit and Risk Committee 05-28-25)

Upon a motion duly made, the Board of Directors voted to approve Joint Use Resolutions No. 25-22 through 25-26 as presented.

#### VI. CONSENT ITEMS (NON-JOINT USE)

 Approval to Execute Change Order No. 09 of Contract No. 180040, Small Diameter Watermain Rehab Contract 15D. Capitol Paving of DC. Inc. – Resolution No. 25-27 (Recommended by the Environmental Quality and Operations Committee 05-15-25)

Upon a motion duly made, the Board of Directors voted to approve the Non-Joint Use Resolution No. 25-27 as presented.

#### VII. EXECUTIVE SESSION

The Board met in executive session to obtain legal advice and preserve attorney-client privilege or settlement terms under D.C. Official Code § 2-575(b)(4)(A).

#### VIII. ADJOURN

There being no further business to come before the Board, the meeting adjourned at 11:00 a.m.

Michelle Rhodd Secretary to the Board of Directors



#### MINUTES OF THE MEETING ENVIRONMENTAL QUALITY AND OPERATIONS COMMITTEE June 18, 2025

(via Microsoft Teams)

#### **COMMITTEE MEMBERS PRESENT**

- 1. Sarah Motsch, Chairperson, Alternate, Fairfax County
- 2. Howard Gibbs, Vice-Chairperson, Principal, District of Columbia
- 3. Christopher Herrington, Principal, Fairfax County
- 4. Richard Jackson, Principal, District of Columbia
- 5. Amy Stevens, Board Member, Alternate, Montgomery County

#### DC WATER STAFF PRESENT

- 1. Marc Battle, Chief Legal Officer and EVP, Government and Legal Affairs
- 2. Michelle Rhodd, Secretary to the Board
- 3. Kirsten B. Williams, Chief Administration Officer, and EVP
- 4. Jeffrey Thompson, Chief Operating Officer and EVP

The Environmental Quality and Operations Committee meeting was called to order by Sarah Motsch, Chairperson at 9:30 AM. The meeting was held via Microsoft Teams. Michelle Rhodd, Secretary to the Board called the roll.

#### I. BPAWTP Performance Update

Nicholas Passarelli, Vice President, Wastewater Treatment Operations, reported that Blue Plains met all NPDES permit requirements for May 2025, treating an average daily flow of 318 million gallons (MGD) with a peak flow recorded of 506 MGD on May 14<sup>th</sup> 2025. The tunnel system captured 521 million gallons of flows with no overflows. For May, 25% of electricity used at Blue Plains was generated onsite and achieving power savings of \$2,033,600 for FY2025 through January. Biosolids production totaled 16,234 tons, with 6,847 tons sold through Blue Drop's Bloom program amounting to a year-to-date total of 41,361 tons sold as Bloom against an annual goal of 70,000 tons.

Minutes of the June 18th, 2025, Environmental Quality & Operations Committee Meeting

#### II. Action Items

The Committee reviewed and recommended approval of the following capital contracts and amendments.

#### **Joint Use**

- 1. Contract No. 10272 –Annual Maintenance and Repair of High Voltage Electrical Equipment –U.S. Electrical Testing, LLC.
- 2. Contract No. 10240 –Constellation New Energy, Inc. –Constellation New Energy, Inc.

Committee member Howard Gibbs had previously asked a question about the services provided by the Constellation New Energy, specifically regarding the provision of retail electricity services for DC Water. The written response provided by John Pappajohn, Director of Procurement, Goods & Services, clarified that Constellation has been providing these services effectively for several years. Mr. Gibbs had no follow-up questions.

- 3. Contract No. 10516 Trimble Unity Enterprise Application Trimble Inc.
- 4. Engineering Program Management Consultant 2G Contract No. DCFA #541
  -WSA-Engineering Program Management Consultant 2G Water Smart
  Alliance, Atkins Realis USA, Inc., Stantec Consulting Services, Inc.
- 5. Contract No. 250100-Linear Water & Sewer Master Service Agreement (MSA) Multiple Contractors

#### **Non-Joint Use**

1. Contract No. 240040–Construction Manager At Risk (CMAR)–Early Work Package Amendment No. 1 -Clark Construction Group

The Committee recommended all action items to the Board for consideration.

#### III. Adjournment

The meeting adjourned at 9:47 am.



# MINUTES OF THE MEETING DC RETAIL WATER AND SEWER RATES COMMITTEE JUNE 24, 2025

(via Microsoft Teams)

#### **COMMITTEE MEMBERS PRESENT**

- 1. Rachna Bhatt, Chairperson, Principal
- 2. Howard Gibbs, Vice Chairperson, Principal
- 3. Richard Jackson, Principal
- 4. Jed Ross, Principal

#### **DC WATER STAFF**

- 1. David Gadis, Chief Executive Officer and General Manager
- 2. Matthew Brown, Chief Financial Officer and EVP
- 3. Marc Battle, Chief Legal Officer and EVP
- 4. Kirsten Williams, Chief Administration Officer and EVP
- 5. Jeffrey Thompson, Chief Operating Officer and EVP
- 6. Michelle Rhodd, Secretary to the Board

The DC Retail Water and Sewer Rates Committee meeting was called to order by Rachna Bhatt, Chairperson, at 9:32 AM. Board Secretary Michelle Rhodd called the roll.

## I. MONTHLY REPORT TO THE DC RETAIL WATER AND SEWER RATES COMMITTEE

Matthew Brown, CFO and EVP, presented the monthly financial report for the period ending May 31, 2025. He reported that the Authority's revenue was favorable to the revised budget by approximately 1.7 percent or \$11.2 million. The largest positive variance was in the Residential, Commercial, and Multi-Family category, which was 2.1 percent above budget, driven by higher consumption and Clean Rivers Impervious Area Charge (CRIAC) collections. Unfavorable variances were reported in the District Government and DC Housing Authority categories.

Mr. Brown noted that, by the end of the fiscal year, revenues are expected to be within two percent of projections, resulting in a modest surplus. He stated that a recommendation regarding the allocation of this surplus will be presented to the Finance and Budget Committee for consideration and subsequent forwarding to the Board. He

then provided an overview of other revenue sources, including IMA reimbursements, System Availability Fees, Developer Fees, and Blue Drop revenue.

Delinquent accounts receivable had decreased by approximately one million dollars, along with a reduction in the number of accounts. Multifamily accounts for 53 percent of the 90-day delinquent balance.

Mr. Brown reviewed the Developer Deposits report and noted continued progress in reducing the backlog, In May, 15 accounts were processed, resulting in approximately \$302,000 in refunds. He noted that the number of accounts does not directly correlate with the dollar amounts, as some accounts are significantly larger than others.

Chair Bhatt highlighted the reduction in the number of delinquent accounts. In response to Chair Bhatt's question about changes in approach, Mr. Brown noted that the Authority was pursuing all options, including service disconnections, for multifamily accounts. The Authority had been working to educate the Council about the impact of delinquencies on revenue, and he cited efforts regarding the receivership process and landlord engagement.

Marc Battle, Chief Legal Officer and EVP, added that DC Water is coordinating with the Office of the Attorney General (OAG) to manage complaints and provide the Council with weekly updates on pending disconnections. He highlighted efforts to connect affected residents with resources such as Office of the People's Counsel and Office of Tenant Advocate.

Wayne Griffith, Chief of Staff and EVP, reported operational improvements, including better coordination between Customer Service and Meter Operations teams, which has streamlined the disconnection process while ensuring customers have access to assistance programs.

#### II. APPROVAL TO AMEND MISCELLANEOUS FEES AND CHARGES

Syed Khalil, Vice President of Rates and Revenue, presented to the committee, seeking their recommendation to the Board to amend DC Water's Miscellaneous Fees and Charges and adopt management's recommendations.

Mr. Khalil stated that a Cost of Service (COS) study is conducted every three years, with the most recent completed in FY2022. He noted that DC Water engages independent consultants to perform the study to provide an unbiased perspective and objectivity. This year, Raftelis conducted a comprehensive review of the miscellaneous fees and charges.

The review examined three types of fees: budget-based, cost of service-based, and inflation-based calculations. Miscellaneous fees are charged to recover staff time and to cover materials and technology costs. Major changes in the updated fee schedule include changing reimbursable developer fees to fixed fees, expanding ProjectDox fees to include

Minutes of the June 24, 2025, Retail Water and Sewer Rates Committee Meeting
Page 2 of 4

more specific fees for various circumstances, and adding new meter relocation fees.

Mr. Khalil reviewed questions from committee members and public comments with respect to the proposed fee changes and DC Water's responses.

There was one public comment from a customer who stated that, as a government agency, DC Water is not authorized to impose returned payment fees and further should limit any such fees to actual costs incurred for a returned payment. He noted that in the case of a declined credit card, the cost would be nominal. Management replied that per the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996, DC Water is a cost-recovery authority. The Authority strives to ensure that costs imposed for individual customer actions are not included in rates charged to all ratepayers. Management recommended discontinuing the declined credit card fee in cases where the credit card was declined and not charged.

Ogechi Okpechi, Director of Permit Operations, discussed outreach to the developer community in moving to a new fixed developer deposit fee structure, noting that the new fees were presented for discussion at a meeting with the DC Building Industry Association and no concerns were raised. She noted that the current reimbursable fees had been complicated and caused delays in reimbursement.

Chair Bhatt raised concerns about the Authority's latitude to "blacklist" contractors. Ms. Okpechi clarified that DC Water would alert developers to contractors who had assisted with service theft, noting the developer community had expressed interest in being notified of industry bad actors. Chair Bhatt advised a careful approach to any action that impacts a company's reputation.

#### III. ACTION ITEM

Mr. Khalil presented Management's request for the Retail Water and Sewer Rates Committee's recommendation for Board adoption and approval to publish the Notice of Final Rulemaking (NOFR) for Miscellaneous Fees & Charges Adjustments, effective October 1, 2025.

The Committee agreed to recommend the NOFR to the Board for approval.

#### IV. DC RETAIL WATER AND SEWER RATES COMMITTEE WORKPLAN

Mr. Brown reviewed the FY2025 committee workplan, noting that all major items had been addressed.

The ratemaking process for FY2027 and FY2028 has begun, budget preparation is underway, and the proposed budget and rates would be presented in January 2026.

#### V. AGENDA FOR JULY 22, 2025, COMMITTEE MEETING

The July 22, 2025, meeting will include the monthly update, the committee workplan, and any other items the committee wishes to discuss.

#### VI. ADJOURNMENT

The meeting adjourned at 10:01 AM.



#### MINUTES OF THE MEETING FINANCE AND BUDGET COMMITTEE JUNE 26, 2025

(Via Microsoft Teams)

#### COMMITTEE MEMBERS PRESENT

- 1. Anthony Giancola, Principal, Chair, District of Columbia
- 2. Jonathan Butler, Alternate, Vice Chair, Prince George's County
- 3. Richard Jackson, Principal, District of Columbia
- 4. Sarah Motsch, Alternate, Fairfax County

#### OTHER BOARD MEMBER PRESENT

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

#### DC WATER STAFF

- 1. David Gadis, Chief Executive Officer and General Manager
- 2. Matthew Brown, Chief Financial Officer and EVP
- 3. Marc Battle, Chief Legal Officer and EVP
- 4. Kirsten Williams, Chief Administration Officer and EVP
- 5. Jeffrey Thompson, Chief Operating Officer and EVP
- 6. Lola Oyeyemi, Vice President, Budget
- 7. Syed Khalil, Vice President, Rates and Revenue
- 8. Ivan Boykin, Vice President, Finance
- 9. Tanya DeLeon, Risk Manager
- 10. Paul McGowan, Senior Manager, Procurement
- 11. Michelle Rhodd, Secretary to the Board

Anthony Giancola, Chair, called the meeting to order at 9:30 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, Vice President of Budget, presented the Financial Report for the period ending May 31, 2025, by exception. As of the end of May 2025, with approximately 67 percent of the fiscal year completed, total operating revenues were \$663.9 million or 69.7 percent of the budget; operating expenditures were \$452.6 million or 57.4 percent of the

budget; and capital disbursements were \$350.5 million or 48.8 percent of the revised budget.

Finance met with Moody's, S&P, and Fitch in the first two weeks of June to obtain ratings for DC Water's upcoming \$325 million bond deal. Members of the Finance Department will also attend the 119th Government Finance Officers Association (GFOA) Annual Conference in Washington, DC, on June 29 through July 2, 2025.

Total operating revenues were \$663.8 million, with a favorable variance in the Residential, Commercial, and Multi-Family categories partly due to higher CRIAC receipts. Total operating expenses were \$452.6 million or 57.4 percent of the budget, with favorable variances mostly in personnel and debt services.

Capital disbursements totaled \$350.5 million or 48.8 percent of the budget. The year-to-date favorable variances were for the Combined Sewer Overflow (CSO) area due to the closeout of the Northeast Boundary tunnel and the Potomac Interceptor project. Higher spending in the Water Service area was due to Water On-Going Projects and Water Distribution projects progressing ahead of plans.

Cash investments, including the Rate Stabilization Fund (RSF) balance of \$35.6 million, totaled \$585.35 million. Operating interest income for the year to date was ahead of the \$4.7 million budget, with \$1.3 million earned in May and \$9.7 million earned year-to-date.

Delinquent accounts totaled \$34.6 million at the end of May 2025, which was a decrease of \$1 million along with a slight reduction in the number of accounts compared to the previous month. Multi-family customer category accounted for 53 percent of the total delinquencies. Overtime was trending higher at 78.3 percent due to the high number of watermain breaks during the winter period. Developer deposits totaled \$36.44 million in credit balances (liability) and \$11.17 million in debit balances (receivables). In May 2025, 15 developer refund accounts were processed totaling \$301,949.

Chair Giancola noted the strong effort of the team to clear the developer deposit backlog and bring the project to a neutral point where the balance will remain relatively consistent as projects continue to be added and closed out.

#### II. FY 2025 MID-YEAR PROJECTIONS AND RECOMMENDATION

Matthew Brown, Chief Financial Officer and EVP, discussed the annual process to forecast revenues and expenditures and seek the Committee's recommendation to the Board for allocation of projected year-end cash. He explained that this year's process was

Minutes of the June 26, 2025, Finance and Budget Committee Meeting Page 2 of 6

complicated by the congressional action limiting DC Water's spending authority for FY 2025 to FY 2024 levels. The current projection is for expenditures to be \$51.4 million below the revised budget, which is slightly more than the required reduction to allow some margin.

Syed Khalil, Vice President, Rates and Revenue, reviewed the revenue projections. Overall revenue is projected to be approximately \$18.4 million or 1.9 percent higher than the revised budget of \$951.9 million with favorable variances in the Residential, Commercial, and Multi-Family categories, Customer Metering Fee, PILOT/ROW Fee, and Water System Replacement Fee (WSRF), Interest Earnings and Washington Aqueduct Backwash. DC Housing Authority and Municipal revenue are projected to be below budget due to lower-than-anticipated consumption. The Other Revenue category is projected to be \$3.4 million above budget due to DC Water's share of the Blue Drop contribution of \$4.9 million, but part of it has been offset by lower Miscellaneous Fee and Funding for Non-Rate-payer Fund.

Ms. Oyeyemi reviewed the capital disbursement projections provided by the Engineering team in May. Disbursements are projected at \$648 million or 90 percent of budget. Non-Process Facilities disbursements are expected to be approximately 50.1 percent of budget as projects are re-evaluated to conform to the collaborative delivery model. Other areas of favorable variances are for the DC Clean Rivers project due to delay in the project closeout of the Northeast Boundary tunnel and Sanitary Sewer due to the realignment of Potomac Interceptor program work. The unfavorable variance in the Water category is primarily due to the emergency work exceeding the baseline and the Lead Free DC program is expected to be within budget. Capital Equipment spending is expected to be below budget due to lower use of reserves and lower spending on the metering project. The spending for the Washington Aqueduct project is expected to be at budget.

Chair Giancola encouraged keeping the execution rate of the capital program over 90 percent.

Ms. Oyeyemi noted that the enacted law that restricts FY 2025 spending to FY 2024 levels was passed in March, halfway through the fiscal year, necessitating collaboration between management and department directors and leadership to revise spending plans to align with the mandated reduction. Total operating expenditures are projected at \$736.8 million or 93 percent of the budget.

The favorable variance in personnel services of \$9 million is due the hiring freeze implemented to comply with the mandate and the elimination of vacant positions during the FY 2026 budget process. The unfavorable variance of \$1.9 million for Supplies is due to

Minutes of the June 26, 2025, Finance and Budget Committee Meeting Page **3** of **6** 

inflationary cost pressures, while utility costs are projected to be lower than budget. Contractual services is where the majority of the effort was undertaken to reduce spending. The projected favorable variance of \$9.4 million is from various professional services including temporary staffing, and other strategic initiatives. Spending for the Washington Aqueduct is forecasted at 97 percent of budget, reflecting the FY 2024 spending level. The debt service category is projected to be \$19.2 million below the budget due to favorable interest rates, a delay in the issuance, refinancing opportunities and includes \$2.4 million allocated for 50 percent payment for the Build America Bond Subsidy (BABS). There is an additional favorable variance of \$11.4 million due to reduced use of Cash Financed Capital Projects (CFCI) for Paygo capital.

Mr. Brown discussed considerations for allocating cash and noted the Board policy goal of achieving 350 days of cash through the allocation of year-end surpluses by 2032. Current Financial Plan projection is for 267 days of cash at year end. Each day of cash is approximately \$1.2 million, and an additional 83 days is needed to meet the goal. Mr. Brown added that DC Water will issue about \$4.2 billion in new debt to finance the capital program and using cash to fund a portion of capital program would reduce debt service costs. With Federal government actions and uncertainty in the economy, adding funds to the RSF could provide a contingency if there are revenue impacts. This would help ensure financial resilience, something that is considered favorably by the rating agencies. Mr. Brown noted that for Permits Department to continue to process refunds, funds should be available so that effort does not impact the cash balance.

It is projected that just over \$52.1 million will be available at year end to be allocated by the Board with these considerations. Management provided the following allocation recommendations:

- \$5.0 million of the projected net cash surplus to RSF due to uncertainty of any consumption decline;
- \$27.6 million to PAYGO to reduce future borrowing;
- \$2.0 million to FY2025 Ending Cash Balance to carryover to FY2026 for permit refunds.; and
- \$17.5 million to Ending Cash Balance to increase Days of Cash on Hand from 267 to 282 days.

Mr. Giancola expressed appreciation for the financial strategy, particularly the balanced allocation of funds and the emphasis on increasing cash reserves despite some reservations about contributing to the Rate Stabilization Fund. He emphasized that

boosting cash reserves sends a strong, positive signal to bonding agencies about sound financial management.

Committee member Sarah Motsch inquired about the ratio between allocations to the RSF and PAYGO to reduce future borrowing. Mr. Brown noted it was a judgement call to add funds where it was thought to provide the best value to the organization, but that there were considerations about federal government revenue, potential consumption impacts, and reducing the amount of debt that would need to be issued for the nearly \$10 billion capital program.

#### III. INSURANCE RENEWAL UDPATE

Tanya DeLeon, Risk Manager, provided the July 1, 2025, insurance renewal update. DC Water renewed its insurance on July 1 consistent with Board authorization to proceed at a value not to exceed \$5.6 million. All coverages were bound at a cost of \$5.563 million. Savings were achieved through two credits: a \$198,000 membership credit from the mutual property insurer, and a \$132,000 credit for investments in resiliencies, totaling \$330,000.

#### IV. SUMMER 2025 FINANCING ACTIVITIES

Ivan Boykin, Vice President, Finance, presented a request for the Committee's recommendation to the full Board to approve the proposed plan of finance and the following related documents:

- Series 2025 A (Subordinate Lien, Fixed Rate Bonds)
- Series 2025 B (Subordinate Lien, Fixed Rate Green Bonds)
- Series 2025 C (Subordinate Lien, Variable Rate Demand Bonds)
- Extension of Liquidity Facility for 2014 Variable Rate Demand Bonds

The first activity is the liquidity extension for series 2014 Variable Rate Demand Bonds (VRDBs), and the second is approval of the liquidity standby purchase agreement in support of the 2014 VRDBs.

Underwriters for the fixed rate portion of the transaction will be Siebert Williams Shank, a minority firm, from the senior pool of underwriters. Goldman Sachs and JP Morgan will manage the variable rate portion.

The Series 2025 A refunding, bonds will be issued on the subordinate lien as tax-exempt, fixed-rate bonds to refund outstanding bonds for debt service savings. DC Water is also

Minutes of the June 26, 2025, Finance and Budget Committee Meeting Page **5** of **6** 

evaluating refunding its existing Build America Bonds and seeks authorization to refund should favorable market conditions present an opportunity.

Series 2025 B Green Bonds will be issued on the subordinate lien as tax-exempt, fixed-rate bonds to provide \$150 million of new funding for Clean Rivers and refund outstanding Green Bonds for debt service savings. Under current market conditions, DC Water anticipates net present value savings of \$1 million and refunding the principal of \$37.3 million or three percent of refunded savings.

Series 2025 C bonds will be issued on the subordinate lien as tax-exempt VRDBs to provide \$175 million of new money funding for general CIP projects. VRDBs require a bank-provided liquidity facility that offers investors the ability to tender bonds on an ongoing basis. DC Water conducted a competitive procurement process and selected Bank of America, N.A. to provide liquidity for a three-year term.

#### V. Action Items

Mr. Brown presented the following action items for recommendation by the Committee:

- Recommendation for Approval of FY 2025 Use of Projected Net Cash Surplus;
- Recommendation for Approval of Series 2014B Liquidity Extension Documents; and
- Recommendation for Approval of Bond Resolutions and Related Documents.

Paul McGowan, Senior Manager, Procurement presented the following action items:

 Recommendation for Approval of Liquidity Standby Bond Purchase Agreement in Support of VRDBs.

The Committee agreed to recommend the action items to the full Board for approval.

#### VI. AGENDA FOR THE JULY 2025 COMMITTEE MEETING

The July 24, 2025, agenda includes the June 2025 Financial Report.

#### VII. ADJOURNMENT

The meeting adjourned at 10:21 AM.

321st Meeting of the Board of Directors - VI. CEO and General Manager's Report (David L. Gadis)

# dcd CEO's Report

JULY 2025





ACCOUNTABILITY TRUST TEAMWORK CUSTOMER FOCUS SAFETY WELL-BEING

# CEO's Report

**JULY 2025** 

Inside	

- 1 Highlights
- 4 Divisions
- 5 Finance, Procurement, and Compliance
- 10 Administration
- 11 Customer Care
- 13 Information Technology
- 14 Operations & Engineering
- 18 People and Talent
- 20 Government and Legal Affairs
- 21 Internal Audit



ACCOUNTABILITY TRUST TEAMWORK CUSTOMER FOCUS

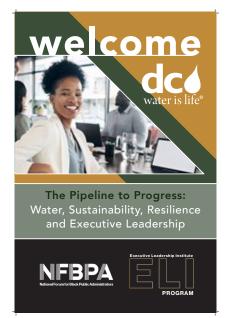
CUS SAFETY

**WELL-BEING** 



Chair Morris-Hughes, and members of the Board, it is my pleasure to present you with the CEO's Monthly Report for July 2025. This report captures the highlights of the team's efforts over the past month, across the five cascading imperatives of the Blueprint 2.0 strategic plan: **Equitable, Sustainable, Resilient, Reliable, and Healthy, Safe and Well**. There are also individual reports from Finance and Procurement; Administrative; Customer Experience; Information Technology; Operations and Engineering; and People and Talent, as well as the monthly update from Internal Audit.





#### National Forum for Black Public Administrators Roundtable Discussion

On Monday, June 2, DC Water hosted members of the National Forum for Black Public Administrators for a roundtable discussion on DC Water, our sector leadership, and the ways in which the Authority supported the economic success of the Navy Yard, and the broader District.

Board chair **Dr. Unique Morris-Hughes** acted as moderator for the panel, which consisted of **Dr. Matt Ries** (Vice President, Strategy and Performance), **Lola Oyeyemi** (Vice President, Budget), **Korey Gray** (Vice President and Chief Procurement Officer), **Emanuel Briggs** (Director, Community Affairs), and **Nicole Spriggs** (Manager, Talent Management).

The discussion touched on a number of areas, including our leadership in restoring accounts and ensuring that our customers had access to water services during the pandemic, regardless of their ability to pay. We also devoted time to discussing the economic impact DC Water has made within the District – from offering training and apprenticeship programs, to helping local, small, and disadvantaged businesses compete for contract opportunities with the Authority.

I would like to thank our participants, as well as **Schannette Grant** (Vice President, Stakeholder Engagement), **Ruth Werner** (Senior Program Manager), and **Anthony Nelson** (Executive Assistant II), who helped organize and support a very successful event.



#### Finance Completes New Round of Meetings with Ratings Firms

In June, **Matt Brown** (Chief Financial Officer and EVP) and his team met with the three primary financial rating firms: Moody's, Fitch Ratings, and Standard and Poor's. The objective of these meetings was to help the analysts better understand the Authority's tools and approaches in an uncertain federal funding environment.

All three meetings explored how the Authority has already successfully navigated federal funding unexpectedly reverting to FY24 levels, and we shared additional information on our commitment to maintaining outstanding water and wastewater service. We also discussed options under various market scenarios, and made our case for maintaining our outstanding credit ratings of AAA / Aa1 / AA+ by Standard and Poor's, Moody's, and Fitch Ratings, respectively.

# dc Highlights



#### Proposed FY26 EPA Budget Reduces EPA Funding by 54 percent



In June, DC Water received word that the U.S. Environmental Protection Agency (EPA) had published their proposed FY26 Budget in Brief. Notably, the recommended budget calls for a 54 percent reduction from the FY25 EPA budget.

The reduction is aligned with the Administration's philosophy that states, tribes, and local governments are best positioned to address the unique challenges facing these communities. At the same time, the EPA document notes that many legacy programs are now mature or have accomplished their purpose.

Although we are early in the budget process, and the proposed EPA budget is subject to Congressional review and approval, the recommended figures raise significant concerns for DC Water. If the EPA budget is adopted as proposed, there would be significantly less funding available for water infrastructure projects, such as the Clean Water and Drinking Water State Revolving Funds and WIFIA loan program.

Our Finance and Government Affairs teams continue to track developments with the potential to impact the upcoming fiscal year.



#### DC Water Recognized with AWWA 5-Year Presidents Award



DC Water was honored at ACE25 with the American Water Works Association's (AWWA) 5-Year President's Award for optimizing our water distribution system. The recognition marks a significant milestone in our long-term commitment to delivering exceptional water services.

Since joining the Partnership for Safe Water Distribution System Optimization Program in 2015, DC Water has made steady progress

through rigorous performance monitoring, data reporting, and system improvements. We previously earned the Director's Award in 2017 and the President's Award in 2020, with this year's five-year recognition underscoring our sustained leadership in serving our customers.

This achievement reflects the dedication of our Water Services and Water Quality teams. Special recognition goes to **Anjali Gupta** (Operations Program Manager), whose exceptional work and leadership were instrumental in securing this award. Additional thanks also goes to **Jeffrey F. Thompson** (Chief Operating Officer and Executive Vice-President), **Chris Collier** (Vice President, Water and Sewer Operations), **Christopher Coit** (Manager, DCW Water Distribution), **Sylvia Okogi** (Senior Manager, Water Operations), **Curtis Brown** (General Foreman, Water Services), and **Renard Blanchard** (General Foreman, Water Services), and their teams, for their consistently outstanding distribution system management.

# dc Highlights



#### Boil Water Advisory Issued, Lifted for Upper Northwest Neighborhoods

# DRINKING WATER ADVISORY DC Water Issues Boil Water Advisory for areas of Chevy Chase DC, Friendship Heights, Tenleytown, AU Park, Spring Valley, Cleveland Park, Woodley Park, Van Ness, Glover Park, Wesley Heights, and Cathedral Heights. Affected Area Affected Area 24 Hour Command Center (202) 612-3400

On the afternoon of Thursday, June 12, a power outage at Fort Reno caused a temporary loss of system pressure, impacting 4,929 customers in parts of Upper Northwest D.C., including neighborhoods such as Chevy Chase, Tenleytown, AU Park, Cleveland Park, and Glover Park. As a precaution, DC Water issued a Boil Water Advisory for impacted customers while water quality testing was conducted.

Service pressure was quickly restored, and maintained through the use of a

generator until the power from Pepco could be re-established. Two separate batches of samples were taken – one on June 12 and one on June 13. Both sample sets came back clear and we were able to restore service relatively quickly.

I would like to recognize the outstanding work of **Kirsten Williams** (Chief Administrative Officer and EVP) for leading our Incident Management Team response, and Mr. Collier for swiftly leading our crews through a challenging situation, and **Maureen Schmelling** (Director, Water Quality and Technology) and her teams for quickly capturing samples and allowing us to lift the boil water advisory sooner for these customers.





# dc. Divisions

The CEO report includes service level based key performance indicators. These are indicators for which the teams have established or confirmed response and resolution times in which to perform the related work. This is assisting us in identifying productivity and resource needs as well as benchmarking ourselves against other utilities. It is important to note that where teams may not meet the Service Level Targets set for a specific metric, it does not mean the work is not getting accomplished. The teams are doing a tremendous job and continue to strive to meet high performance expectations.

The data in the CEOs Monthly Report reflects the most recent information available at the time of production and printing.



#### **Financial Metrics**

Metric	Target	Feb-25	Mar-25	Apr-25	May-25
Operating Cash Balance (millions \$)	\$309.6	\$335.9	\$405.1	\$401.1	\$422.1
Delinquent Account Receivables (%)†	3.30%	4.56%	4.60%	4.55%	4.38%
On-time Vendor Payments (%) <sup>††</sup>	97%	97%	97%	97%	97%
Investment Earnings Data (Thousands \$)	\$9.5	\$5.9	\$6.9	\$8.4	\$9.7
Core Investment Yield Data (%) - Merrill Lynch 1-3 Year Treasury Index *		4.0%	3.9%	3.7%	4.0%
Core Investment Yield Data (%) - Actual Monthly Yield †††	3.82%	4.0%	4.6%	4.6%	4.5%
Short Term Investment Yield Data (%)- Merrill Lynch 3-Month Treasury Index *		4.3%	4.3%	4.3%	4.3%
Short Term Investment Yield Data (%) - Actual Monthly Yield †††	4.06%	3.9%	3.9%	3.8%	3.8%
Days of Cash on Hand** and ***	267**	321	395	391	418***

#### Notes

- \* Represent annual Treasury Index targets developed and provided by the Authority's investment advisor.
- \*\* 267 days of cash is the Board policy requirement for annual days of operating reserves excluding the Rate Stabilization Fund.
- \*\*\*418 days of cash is made up of 32 days in the Rate Stabilization Fund and 386 days in the operating cash balance. As part of the March 2022 debt issuance, the Authority is required to spend bond proceeds to reimburse itself for capital expenditures from the concentration account within three years. Finance reimbursed \$105 million before the three year requirement date (March 2022 to March 2025).

#### Metrics Explanations:

- † Delinquent account receivables as a percentage of 12-month rolling average retail revenue. The delinquent account receivables increased due to the impact of COVID-19.
- †† The vendor payments goal may fluctuate slightly as we continue to research and resolve payments.
- ††† Investment earnings lag the benchmarks. We are in a rising interest rate environment. As lower yielding investments are sold and reinvested, performance is expected to improve.

#### **Finance Highlights**

#### FY 2025 Financial Performance

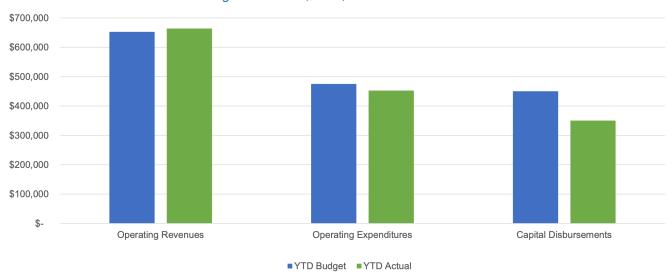
As of the end of May 2025, with 67 percent of the fiscal year completed, DC Water is on track with its budget. Total operating revenues were \$663.9 million or 69.7 percent of the revised budget. The year-to-date operating revenues were 1.7 percent or \$11.2 million above the year-to-date budget. The higher receipts are partly due to higher CRIAC in the Residential, Commercial and Multi-family categories as compared to the revised budget. The receipts also include Blue Drop contribution of District's share of \$4.9 million.

Total operating expenditures were \$452.6 million or 57.4 percent of the revised budget and capital disbursements were \$350.5 million or 48.8 percent of the revised budget.

Management presented the year-end forecasts for the operating, revenue and capital budgets. Total operating revenues are projected to be above the revised budget by 1.9 percent, total operating expenditure below the revised budget by 6.5 percent and total capital disbursements below the revised budget by 9.8 percent.



#### FY 2025 Year to Date Performance Budget vs. Actuals (\$000's)



#### **Annual Budget Process**

The detailed budget document for the Board-approved FY 2026 Budget has been completed and is available online at dcwater.com. This document includes the Executive Budget Summary and detailed information on the operating expenditure and revenue budgets, and the ten-year Capital Improvement Program and Financial Plan. Management appreciates the collaborative efforts between all departments and the Budget, Rates and Revenue, Finance, Engineering and the Office of Marketing & Communications teams for working collaboratively to complete the detailed budget document.

Planning activities are underway for the development of the FY 2027 budget and two-year rates proposal which will be delivered to the Board in January 2026.

#### **Procurement and Business Development**

In May, four different procurement actions were approved by the Board. The value of the eligible procurement actions for this period totaled \$50.11 million. Of this total, the planned certified firm participation is \$7.9 million (in prime and subcontracting opportunities).

#### Highlights

#### **Certified Firm Participation**

- One certified firm was awarded work as a prime contractor this reporting period.
- DC Water continues to be on pace to meet its construction and services goals for certified business utilization.

#### **Process Improvement**

- Updated the Departmental alignment structure, with a focus on building greater collaboration amongst the Capital Procurement, Goods and Services, and Contract Compliance teams.
- Continued working with the EPMO on the Procurement SOP and work flow improvement workshops.
- G&S Produced 54 POs; M&M Produced 361 POs in the month of May.
- Kicked off the JP Morgan Commercial Card implementation. JP Morgan is replacing TD Bank as DC Water's purchase card bank, which will improve efficiencies and monitoring capabilities in the overall program as well as the opportunity to generate greater rebates.



#### **Procurement** - continued

#### **Outreach and Engagement**

- Continued our "Vendor Day" contractor engagement efforts. During this reporting period, meetings were held with six new contractors interested in capital procurement opportunities.
- DC Water Works is participating in the Summer Youth Employment Program. DC Water will host four individuals (working in Facilities).

**Upcoming Business Opportunities:** All current and planned solicitations are available at **dcwater.com/procurement**. Those upcoming in the next three months are shown below.

#### **Goods and Services:**

Planned Solicitation Month and Year	Project Title	Description	Solicitation Type	Contract Type	Contract Term	Estimated Total Contract Value	Inclusion Program
Low Voltage Maintenance	Annual maintenance on low voltage equipment	Request For Proposal	Master Service Agreement	1 Year Base + Option Years	>\$1M	DBE/WBE	June, 2025
Emergency Sewer Bypass for Potomac Interceptor	Emergency Sewer Bypass for Potomac Interceptor	Request For Quote	Master Service Agreement	5 years	\$1-\$5M	DBE/WBE	June, 2025
Specialist Welding Services	Specialist Welding Services	Request For Quote	Master Service Agreement	4 years	< \$1M	LSBE	June, 2025
ROCIP VI and OCIP Insurance Premiums	Insurance Broker that provides coverage for capital construction contractors and subcontractors	Request For Proposal	Master Service Agreement	3 Years Base + Option Years	>\$1M	DBE/WBE	June, 2025
Benefits Consulting Services	Consulting Services in the areas of health, welfare and retirement	Request For Proposal	Master Service Agreement	1 Year Base + Option Years	<\$1M	LSBE	June, 2025
Industrial High Pressure and Vacuum Truck Services	Industrial High Pressure and Vacuum Truck Services to structures and equipment	Request For Proposal	Master Service Agreement	2-year Base + Option years	>\$1M	DBE/WBE	June, 2025
Furnish & Install HVAC Equipment	Furnish and install roughly 15 pieces of HVAC equipment throughout the Authority	Request For Proposal	Master Service Agreement	1 Year Base + Option Years	\$1-\$5M	DBE/WBE	June, 2025

- continued



#### **Procurement – Goods and Services** continued

Planned Solicitation Month and Year	Project Title	Description	Solicitation Type	Contract Type	Contract Term	Estimated Total Contract Value	Inclusion Program
Cisco Smartnet Maintenance and support	Cisco Smartnet Maintenance and Support Services	Request For Quote	Agreement	3 years	< \$1M	LSBE	June, 2025
Repair of Electrical Control Equipment	Instrumentation and Repair of Electrical Control Equipment	Request For Proposal	Master Service Agreement	2-year Base + Option years	>\$1M	DBE/WBE	June, 2025
Cafeteria Services	Provide a cafeteria service at our Blue Plains location.	Request For Proposal	Master Service Agreement	1 Year Base + 2 Option Years	< \$1M	LSBE	June, 2025
Uniforms	Uniforms for lease / purchase throughout the Authority.	Request For Proposal	Master Service Agreement	5 years	>\$1M	DBE/WBE	July, 2025
Emergency Alerting System	Emergency Alerting Systems for DC Water employees and residents. Outage and Incident Reporting Platform	Request For Proposal	Master Service Agreement	5 years	\$1-\$5M	DBE/WBE	July, 2025

#### **Capital Projects:**

Planned Solicitation	Project Title / Description	Solicitation Type	Contract Type	Estimated Contract / Program Value	Inclusion Program
Jun-25	Ft. Reno Solar Design-Build Project	RFQ/RFP	Progressive Design Build (PDB)	\$107M - \$114M	DBE/WBE
Jun-25	Small Diameter Water Main (SDWM) Replacement - 19A: ~ 4.20 miles of small diameter water mains ranging from four inch to twelve inches and associated valves and appurtenances.	Competitive Task Order	Construction MSA for Qualified Contractors	\$14M - \$16M	DBE/WBE
Jul-25	Small Diameter Water Main (SDWM) Replacement - 19C: ~ 3.55 miles of small diameter water mains ranging from four inch to twelve inches and associated valves and appurtenances.	Competitive Task Order	Construction MSA for Qualified Contractors	\$14M - \$16M	DBE/WBE

- continued

8



#### **Procurement – Capital Projects** continued

Planned Solicitation	Project Title / Description	Solicitation Type	Contract Type	Estimated Contract / Program Value	Inclusion Program
Jul-25	Small Diameter Water Main (SDWM) Replacement - 19B: ~ 3.55 miles of small diameter water mains ranging from four inch to twelve inches and associated valves and appurtenances.	Competitive Task Order	Construction MSA for Qualified Contractors	\$14M - \$16M	DBE/WBE
Aug-25	230030.15 Lead Service Line Replacement Contract: Construction Package 22 This Task Order will support the LFDC Capital Improvement Project and Emergency Repair. Replacement (CIPERR) program for both the private and public side work	Competitive Task Order	Construction MSA for Qualified Contractors	TBD	DBE/WBE
Oct-25	Small Diameter Water Main (SDWM) Contract 3 small diameter water mains 12-inches in diameter and smaller. Project includes public and private side lead service lines, valves, hydrants, various appurtenances, and restoration of public and private space. Design-Builder will need to provide various public outreach efforts associated with the project.	RFQ/RFP	Progressive Design Build (PDB)	\$66M - \$71M	DBE/WBE
Nov-25	Collaborative Facilities Upgrades (CFU) PDB - Multi Award: This procurement will solicit qualified Progressive Design Build (PDB) contractors for multiple contracts. A single RFQ will identify a short list of qualified providers followed by RFP(s) for technical proposals. The scope of the contracts includes various upgrades to vertical sewer facilities, vertical stormwater facilities, and upgrades to infrastructure within the Blue Plains Advanced Wastewater Treatment Plant to enhance reliability, resilience and operational integrity. Each contract will have specific assigned scopes of work for specific facilities, with additional contract capacity reserved for ondemand, urgent, and emergency work.	RFQ/RFP	Progressive Design Build (PDB)	Up to \$500M	DBE/WBE



As of this report, DC Water Contractors have filled 44 new positions in FY 2025. Thirty-five of those positions, or 79 percent, have been filled by local residents. The table highlights the total new hires for FY 2025.

Location	# of New Hires
District of Columbia	14
Prince George's County	13
Montgomery County	1
Fairfax County	7
Loudoun County	0
Outside the User Jurisdiction	9



#### Fleet, Facilities, Safety, Security and Emergency Management

#### **Administration Metrics**

Metric	Target	Apr-25	May-25
SECURITY: Security Camera operational uptime	90%	97%	97%
SECURITY: Smart card readers operational uptime	90%	97%	96%
SECURITY: Percent of security investigations completed within 21 days	95%	100%	100%
FACILITIES: Preventive Maintenance Completion Rate	90%	94%	93%
FACILITIES: Service Request Completion Rate	90%	91%	97%
FLEET: Priority One Vehicles In-Service	90%	87%	90%
FLEET: Technician Resource Allocation	50-90%	61%	55%
FLEET: Technician Productivity	81%	76%	74%
SAFETY: DC Water Employee Recordable Incident Rate (RIR) (FY)	< 5.4	2.14	2.36
SAFETY: DC Water Employee Lost Time Incident (LTI) (FY)	< 2.1	1.71	1.87
SAFETY: Contractor/ROCIP Recordable Incident Rate (RIR) (FY)	< 2.4	1.1	1.2
SAFETY: Contractor/ROCIP Lost Time Incident (LTI) (FY)	< 1.0	0.4	0.3

**Metric 1**: Priority One Unit Availability measures the percent of units available to meet the organization's operational mission. The target is 90 percent. We are pleased to report that in May, 90 percent of Priority One vehicles were on the ground and only 10 percent of Priority One Fleet vehicles had active work orders indicating in shop or at vendor.

**Metric 2**: Priority 1 Assignment ensures the technician resources are being allotted appropriately to the immediate service and repair of our priority one units. In this period 55 percent of the technician hours were allocated to Priority 1 vehicles, (Prior month 61 percent). The target range is 50-90 percent to support the ultimate goal of minimizing Priority 1 unit downtime. This metric has been uniquely created to reflect the alignment of the Fleet operation and contract compliance with the repair and maintenance contractor.

Metric 2 measures the percentage of time assigned to service/repair priority one units. Rather than a specific target, there is an accepted tolerance (range) defined to ensure that technicians will spend at least half of their time and up to 90 percent of their scheduled time on the repair and maintenance of priority one units. This means technicians are clocked in and actively servicing/repairing Priority One units which take precedence over vehicles that have less operational impact. It underscores Fleet's ability to establish priority scheduling for servicing/repairing critical fleet assets and the staff time projected to address our highest priority units. The Board metric aligns with the contractor's performance metric that has a financial penalty when the contractor falls outside of this range, upper and lower, and the goal is not met.

**Metric 3**: Productivity tracks technicians on productive versus nonproductive activities, which may be defined as lunch, breaks, and on-site but unassigned duties while clocked in. In this period 74 percent of the technician hours were classed as productive, (Prior month 76 percent). This variation can be explained that anything above 81 percent implies that technicians may be working through breaks/lunch, etc. Taking scheduled breaks is a mandatory, safety requirement, especially when operating heavy machinery. Any drop may be interpreted as idle, non-productive time, and potential lack of supervision. The target is 81 percent ensuring the balance of productive work vs necessary breaks etc.

While focusing on routine maintenance, 98 units were brought in for unscheduled service resulting in oil and filter changes, battery and safety checks, fluid top offs and repair of seasonal equipment. Fleet responded to 43 roadside assistance calls and 43 fuel requests. Additionally, 15 units were sent to auction, generating \$83,832 in revenue.



#### To increase customer awareness of our DC Water Cares Assistance programs, we:

- Hand delivered approximately 11,808 assistance flyers through Lead-Free DC Activators.
- Sent outbound emails encouraging participation in the Leak Assessment and Repair Program.
- Sent automated outbound calls for the Payment Plan Incentive Program to eligible customers.
- Shared DC Water Cares assistance platform during incoming customer calls and email interactions.

Customer Care is working with IT to compare 2024 census data to current and previous CAP customers to identify potential assistance participants.

#### **Customer Assistance Programs (CAP)**

Program	FY2024 Enrolled	FY2024 Dollars	May Enrolled	May Dollars	# FY25 Enrolled	FY2025 Dollars	FY2025 Budget
CAP +	0	\$0	159	\$171,481	1,913	\$772,138	\$1,700,000
CAPI	4,411	\$2,586,698	133	\$124,443	1,685	\$672,484	\$3,000,000
CAP II	360	\$160,586	17	\$10,237	196	\$53,252	\$300,000
CAP III	29	\$4,714	3	\$617	47	\$3,264	\$10,000
Non Profit CRIAC Relief	185	\$997,487	14	\$68,970	125	\$467,465	\$861,679

#### Residential Leak Assessment and Repair Programs (RLAAP and RLRAP)

As of May 31, 2025, DC Water has disbursed \$97,500 for 130 completed assessments and \$36,785 for 42 completed repairs. Most leak repairs have involved replacing toilet tank components, bathroom faucets, and hose bibs.

Program participation and spending have been slower than expected, primarily because the program launched in February and has not yet benefited from a full year of outreach and engagement. Initially, many customers were hesitant to participate, perceiving the incentive as "too good to be true."

Now that the assessment phase has gained traction, we are shifting focus to increase participation in the repair phase. To streamline the process, we are proactively assigning plumbing vendors to customers who have completed assessments. This approach is expected to shorten the timeline from assessment to repair and accelerate spending. Rather than waiting for customers to initiate contact, vendors will now reach out directly to schedule repairs.

#### RLAAP & RLRAP Program Participation Update as of 5/31/2025

Program	Eligible Customers	Participants	Decline	% Participating	% Decline	Assessment Cost*	Estimated Repair Cost**	Estimated Total Per Program
CAP+	199	86	15	43%	8%	\$64,500	\$44,400	\$108,900
CAP	152	77	18	51%	12%	\$57,750	\$63,900	\$121,650
CAP2	15	8	4	53%	27%	\$6,000	\$2,500	\$8,500
Total	366	171	37	47%	10%	\$128,250	\$110,800	\$239,050

<sup>\*</sup> As of 5/31/25 - Paid Assessment Cost - \$97,500 (130 participants)

<sup>++</sup> Estimated based on approved cost agreement and completed assessment. As of 5/31/25 - Paid repair costs total \$36,785 (42 completed)



#### **Key Performance Indicators**

Metric	Target/ Service Level	Mar 25	Apr 25	May 25
% of bills issued on time (w/in 5 days)	97%	97.6%	99.2%	99.4%
% unbilled	< 2%	1.1%	0.1%	0.4%
Estimated bills as a percent of meters read	< 4.5%	4.0%	4.8%	4.7%
# of bill investigations (Disputes)	trend only	220	313	277
(NEW) % Bill Investigations/Dispute Resolution <= 30 Days	80%	*76%	80%	84%
% of calls answered in 60 Seconds (Call Center) (revised)	75%	86%	84%	76%
Monthly call volume served (Call Center)	trend only	11,471	11,608	10,301
Average Wait Time (minutes) (revised)	<0:50	:28	:38	:50
Abandon rate	3%	2%	3%	3%
Emergency dispatch <= 10 Min (ECC)	> 92%	100%	100%	75%

To accommodate staffing restrictions, the Contact Center's service level has been adjusted from answering 85 percent of calls in 40 seconds to answering 75 percent of calls within 60 seconds.

As the team continually works to achieve metrics, these metrics fell short of the target:

- Estimated Bills as a Percentage of Meters Read: Missed by 0.72 percent due to weather (heavy rain) and contractor performance.
- Emergency Dispatch Less Than and Equal to 10 minutes: Out of four emergency dispatches, one was dispatched ten seconds late.

The Payment Plan Incentive Program participant and payment distribution:

Payment Plan Incentive Program					
Adjustment Year No. Accounts that Received Credits* Adj					
FY 2024	470	\$122,307			
FY 2025	1593	\$433,284			

FY 2025 Payment Plan Incentive Program					
Adjustment Month No. Accounts that Received Credits Adjustments					
April 25	204	\$56,952			
May 25	208	\$54,489			
June 25	218	\$51,021			
FY25 Distribution	1593	\$433,284			

 $<sup>^{\</sup>star}$ This is the total number of distributions. (New accounts no previous credits - 189)



### Information Technology

#### **IT Monthly Report**

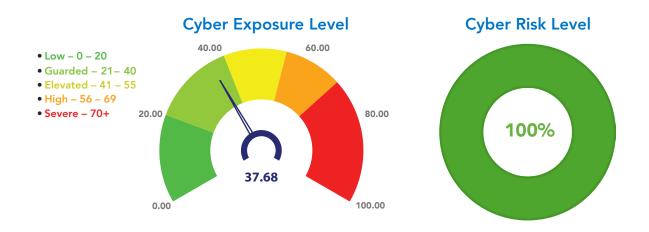
Metric	Target	Mar 25	Apr 25	May 25
Number of tickets submitted	Trend only	1,153	1,006	917
Number of open tickets	Trend only	33	26	39
SLA Compliance Rate	96%	99%	99%	97%
Number of active projects	Trend only	7	9	11
Number of completed projects	Trend only	2	2	3
On schedule performance	90%	100%	100%	91%
On budget performance	90%	100%	100%	100%
Cyber Awareness Training Compliance	97%	95%	98%	98%

#### **Cyber Security Risk Profile**

#### May Highlights:

Cyber Exposure Level: The current exposure level is 37.68, indicating a Guarded risk level. This suggests a general risk of increased hacking, viruses, or other malicious activities. While the potential for malicious cyber activities exists, no known exploits have been identified, or known exploits have been identified but have not caused significant impact.

Cyber Risk Level: This indicates that 100 percent of the assessed systems were classified as having a Low - Medium Risk. This level of risk suggests that while there is some potential for harm or negative impact, it is minimal. Although risks are present, they are not severe and can typically be managed with standard precautions and controls.





## **Operations and Engineering**

Water Services, Sewer and Pumping Operations, Wastewater Treatment, Engineering, DC Clean Rivers

#### **Key Performance Indicators**

Metric	Target/Service Level	Feb-25	Mar-25	Apr-25	May-25
Wastewater (	Operations				
NPDES Permit Compliance , percent number of days	100%	100%	100%	100%	100%
Air Permit Compliance, percent number of days	100%	100%	100%	100%	100%
Biosolids Class A Exceptional Quality (EQ) Compliance, percent number of days	100%	100%	100%	100%	100%
Tunnel Dewatering Compliance, percent of events tunnel dewatered within 59 hours of end of rainfall	100%	100%	100%	100%	100%
Renewable Electrical Energy Generated On Site, percent of total use at Blue Plains AWTP	>20%	19%	25%	23%	25%
Reactive Maintenance , percent of total maintenance hours	<20%	30%	33%	29%	29%
Critical Asset Availability , percent of total critical assets at the Blue Plains AWTP	>95%	96%	97%	98%	97%
Sewer Op	erations				
Combined Sewer System (CSS) structures (all outfalls, regulators, tide gates) inspections	100%	100%	100%	100%	100%
* Municipal Separate Stormwater System (MS4) requirement to clean all catch basins in the MS4 Permit Area at least once annually (Jul 01- Jun 30)	14,700	2522	5,169	8,814	11,428
* Inspection of catch basins in the CSO Anacostia tributary area at least twice per year (Jan 1- Dec 31)	11,400	54	1,172	1,381	1,438
* NPDES Permit to Clean and Inspect 85% of 10,700 CSS Area C/B (Jan 1- Dec 31)	9,095	103	146	201	335
Miles per month Sewer Cleaning and Inspection to meet 1,400 Miles of Small Diameter (<12 inches) in 10Yr Cycle	>12	12.5	4.5	23.4	7.8
Sewer Backup (Investigation to Resolution) Within 24 Hours Excluding Line Breaks	>95%	96%	100%	100%	100%
Number of SSO's	Report	1	1	3	5
SSO's to Body of Water	Report	0	0	0	3
SSO's per 100 miles of pipe (YTD) (AWWA 2021 Utility Benchmarking Report)	2	0.91	0.98	1.23	1.59
SSO's per 100 miles of pipe (Water Body) (YTD)	Information Only	0.3	0.3	0.3	0.5
Combined Sewer System Overflows	0	0	0	0	0

<sup>\*</sup> Month-to-Month Cumulative Total for Catch Basin Inspection and Cleaning

Key Performance Indicators continued -

ACCOUNTABILITY TRUST TEAMWORK CUSTOMER FOCUS SAFETY WELL-BEING 14



### **Operations and Engineering**

#### Water Services, Sewer and Pumping Operations, Wastewater Treatment, Engineering, DC Clean Rivers

#### **Key Performance Indicators** continued

Metric	Target/Service Level	Feb-25	Mar-25	Apr-25	May-25		
Pumping	Operations						
Firm Pumping Capacity Maintained	100%	100%	100%	100%	100%		
Reactive Maintenance	<20%	17%	24%	14%	23%		
Critical Asset Availability	>95%	98%	98%	98%	98%		
Water C	perations						
Safe Drinking Water Compliance	100%	100%	100%	100%	100%		
Total Fire Hydrants Replaced	>21/Month	23	15	27	21		
Approved Hydrant Flow Tests (Non-Winter Months)	>180	65	183	130	114		
Fire Hydrant Operational Rate	99%	99.84%	99.88%	99.85%	99.86%		
Priority 5 Emergency Water Service work orders completed w/in 24 hrs	>90%	100%	100%	100%	100%		
Water Quality Complaint Resolution (within 48 hours)	>90%	92%	96%	96%	96%		
Water Main Breaks	<28/Month	39	25	15	33		
Water Main Break Rate /100 Miles (National Average is 25)	25	49.49	49.41	49.49	49.95		
% of Hydrant Leaks in inventory that are not leaking	>90%	99%	99%	99%	99%		
Permit C	Operations						
Overall On-time completion of Permit Reviews	90%	95%	99%	99%	99%		
Lead Free DC							
Lead Service Line Replacements	100%*	114%	108%	108%	96%		
Material Verifications	100%*	72%	112%	108%	105%		
Right-of-Entry Authorizations	100%*	292%	185%	174%	114%		
Payment Time	30 Days	23.6	20.6	20.4	21.6		
Public Events & Presentations	N/A	8	11	13	8		

<sup>\*</sup> Target is to complete 100% of the planned activity in each month

#### **Explanation of Missed Targets**

#### Wastewater Operations Reactive Maintenance (<20 percent)

DC Water has adopted a manufacturing industry best practice benchmark of less than 20 percent reactive maintenance hours as a percentage of total maintenance hours. To our knowledge, there is no similar benchmark used in the public water utility sector. Blue Plains manages around 45,000 assets within our asset management/maintenance management system, and this stringent industrial benchmark is tracked as a marker for continuous improvement. Over the last four fiscal years, we have observed a descending trend in the percentage of total reactive maintenance hours, measured at an annual average, at the Blue Plains Advanced Wastewater Treatment Plant. The goal is to remain on the reduction path towards a benchmark that is appropriate for Blue Plains.

#### **Hydrant Flow Tests** ( Non-Winter Months)

In May, 170 flow tests were completed but only 114 were approved. This month the flow test personnel were also needed to deploy new hydrant sensors and address the backlog of flow test investigations and retests. To consistently achieve the target of over 180 approved hydrant flow tests each month, additional resources are necessary. This will require a combination of filling existing internal positions and securing external support for the valve and hydrant assessment program



## DC Water Capital Improvement Program

Water, Sewer, Blue Plains, Lead Free DC and DC Clean Rivers



- LFDC completed 342 LSRs in May. Weather delays had a strong impact on production this month.
- Despite weather impacts, May was the second highest monthly replacement production since the program was launched.
- Fiscal year production remains ahead of target, with 2,024 replacements completed.
- In May, outreach operations resulted in over 17,700 touchpoints with 12,000 in-person engagements.
- LFDC participated in eight stakeholder engagement presentations in May, including one ANC meeting (2B), two Civic/Citizens Association Meetings, four community events, and one agency briefing to the DC Council Constituent Staff.





#### **Current Project Status**

**Northeast Boundary Tunnel (NEBT):** Punch list and well abandonment work ongoing. The operational and demonstration phase for the instrumentation and control systems with DC Water is ongoing at the W Street Ventilation Control Facility, R Street and Mt. Olivet Road Sites.

Potomac River Tunnel Contract B – Tunnel System Construction (Div. PRT-B): Working at West Potomac Park (WPP), CSO-020, CSO-022 and CSO-028 work sites. At WPP, rock excavation by blasting at both shafts has started. Near Surface Structure (NSS) support of excavation sheet pile installation is ongoing. The seawall protection capping beam at CSO-022 is complete.

**Rock Creek Green Infrastructure Project C (RC-C):** Construction field work is ongoing on the first five facilities (out of 43).

**Piney Branch Tunnel:** Preconstruction services are ongoing and include preparing contract documents, coordinating with contractor on an Early Work Package Amendment as well as coordination related to the Guaranteed Maximum Price proposal. Clean Rivers continues to coordinate with NPS to procure the Special Use Permit, as well as approvals from NCPC and CFA.



## DC Water Capital Improvement Program

Water Services, Sewer and Pumping Operations, Wastewater Treatment, and Engineering

## Featured Project of the Month 1st and D Street Stormwater Pumping Station Rehabilitation

Project Summary: Built in 1962, the 1st and D Street stormwater pumping station (SWPS) provides drainage for the I-395 underpass in the 3rd Street Tunnel. Located in the Capitol Police parking lot, the SWPS consists of three main areas: electrical room, dry well, and wet well.

The purpose of the project is to provide necessary rehabilitation and upgrades to the major components of the station, including pumps, electrical, HVAC, instrumental, etc. These improvements are intended to ensure the safe operation and sustained functionality of this vital infrastructure adjacent to a major roadway.

Contract Budget: \$3.5 Million Scheduled Completion Date: Sept. 2025 Percent Complete: 90%















#### Top Row From Left:

- Demo activities for Existing Pump # 3.
- Removal of demoed material from Existing Pump # 3.

#### Middle Row From Left:

- Delivery of New Pump # 3 with components.
- New Pump #3's foundation dowel installation.
- New Pump #3 Concrete foundation consolidation by vibration.

#### **Bottom Row from Left:**

- New Pump # 3 Installation in Progress .
- New Pump # 3 and corresponding pipes and fittings.



## People and Talent

#### **People and Talent Metrics**

People and Talent has developed Cluster specific score cards measuring various items across talent management, employee/labor relations, compliance and employee engagement. The metrics are aligned with BluePrint 2.0, the Authority's strategic initiatives and the HCM Strategy.

Metric	Target	Feb-25	Mar-54	Apr-25	May-25
Vacancies	N/A	138	128	128	135
FTEs	N/A	1142	1152	1152	1145
Vacancy Rate <sup>1</sup>	6%	7.0%*	6.0%*	5.2%	5.7%
Temporary Alternative Duty Program (TAD) <sup>2</sup>	50% of WC claims eligible for TAD program	85%	85%	80%	80%

<sup>\*</sup>Reflects recommended position eliminations in the proposed FY26 Budget

#### **Key Performance Indicators (KPI Benchmark)**

KPI Definition	Business Relevance
1 Vacancy Rate = 1 – (Filled Positions / Total Headcount); then converted into a percentage Total Headcount = Budgeted Headcount – Vacancies Greater than 180 Days Old	This KPI measures the organization's vacancy rate related to vacancies that are in the process of being filled (i.e., under management review before recruitment -OR- under recruitment).
<sup>2</sup> Percentage of Workers' Compensation claims eligible for placement into TAD program	The more claims eligible for TAD program will reduce overall Workers' Compensation costs and claim exposure for the Authority, leading to realized financial savings.

Annual Turnover Metrics							
Year	2020	2021	2022	2023	2024		
Involuntary (Dismissal, Medical Disqualification)	0.58%	1.01%	0.78%	1.97%	1.92%		
Voluntary (Resignation, Retirement)	4.08%	4.15%	5.77%	5.55%	5.93%		
Other (Death)	0.25%	0.55%	0.10%	0.09%	0.26%		
Total Turnover Rate	4.92%	5.71%	6.65%	7.61%	8.11%		

NOTE: AWWA Turnover Benchmark: 7%



## People and Talent

#### **Key Performance Indicators by Cluster**

Cluster	Metric	Apr-25	May-25	
	Total cost of tuition assistance/ reimbursement	\$23,420.29	\$49,628.99	
	Total # of employees participating in tuition assistance/reimbursement	8	19	
	Total # of employees seeking a bachelor's degree	3	4	
Learning & Development	Total # of employees seeking a master's degree	3	10	
	Total # of employees seeking a doctorate degree	1	0	
	Total # of employees seeking a certification	1	4	
	Total # of employees participating in external training	0	1	
	Hires	5 (4 external, 1 internal)	7 (5 external, 2 internal)	
Talent Acquisition	Positions Under Recruitment*	61 (only 16 of 61 positions are moving through the recruitment process during the hiring freeze)	63 (only 22 of 63 positions are moving through the recruitment process during the hiring freeze)	
	Separations	6	11	
Separations	Term Reasons	• 6 voluntary (resignations)	<ul> <li>7 voluntary</li> <li>(6 resignations, 1 retirement)</li> <li>3 involuntary</li> <li>(dismissals)</li> <li>1 other (death)</li> </ul>	
Benefits – Retirement	457(b) Pre-Tax	877 Employees Participated	874 Employees Participated	
Plan Participation	457(b) Roth	126 Employees Participated	125 Employees Participated	



#### Government and Legal Affairs

#### **Government Affairs Highlights**

May 08: The Government Affairs team, along with the CEO and General Manager, and SET, met with Congresswoman Eleanor Holmes Norton and her staff to discuss support for S.1077 – the District of Columbia Local Funds Act, 2025. The discussion also focused on the national security risks posed by D.C.'s region's reliance on a single water source, and the critical need for regional control of the Washington Aqueduct. Additionally, we discussed the need for funding to support water reuse initiatives as part of long-term resilience planning.

**May 30**: The Government Affairs team participated in the Kimball School Career Fair STEM event, engaging with students to share insights on careers in public infrastructure, engineering, law, and science – and how these diverse professions intersect at DC Water.

**May 30**: Responded to Councilmember Allen's letter regarding courtesy notices for disconnections, outlining the proactive steps DC Water has taken to keep the Council of the District of Columbia informed. The response also addressed the specific questions raised by Councilmember Allen.

**General Litigation** includes cases filed by and against DC Water. DGLA tracks all ongoing litigation and provides quarterly updates.\*

	Pre-1st Quarter / FY 2025	2nd Quarter / FY 2025	FY 2025 YTD
Cases Managed	35	32	38
New Cases	3	3	6
Cases Closed	6	3	9
Amount Demanded of DC Water in Closed Cases	\$1,184,637.55	\$2,950,000.00	\$4,134,632.55
Amount Paid by DC Water in Closed Cases	\$80,000.00	\$15,000.00	\$95,000.00

<sup>\*</sup>This data is current as of 3/31/25.

#### **Revenue Recovery Cases**

Currently, DGLA is managing 178 open foreclosure cases and 102 active bankruptcy cases, in addition to the receiverships discussed below. \$164,062.78 was collected from bankruptcy cases closed in May, 2025.

#### FY 24 Receivership Review\*

Active Receiverships Appointed by Court	18 (ongoing)
Payment Plans Established	9 (post filing) / 7 (pre filing) 16 total
Stayed Due to Bankruptcy Filing	3
Pending Hearing to Appoint Receivership	9

<sup>\*</sup>Receivership data is updated quarterly. This data is current as of 3/31/25.

#### Freedom of Information Act

DGLA manages requests from the DGLA manages requests from the public for information as required by the DC Freedom of Information Act (FOIA). FOIA requests received in May 2025 related largely to work done by DC Water at various properties and bid tabulations.

#### **FOIA Data**

Open Requests	48
Requests Opened this Month	12
Requests Closed this Month	7

#### Other Legal Matters

Type of Legal Matter	# Reviewed/ Processed
Contracts	8
Agreements	3
Easements	0
Subpoenas	1



## Internal Audit

#### **Internal Audit CEO Report May 2025**

This timeline represents the FY 2025 audit plan and the status of each project. The Cherry Bekaert Internal Audit team is executing the FY 2025 internal audit plan, following up on prior audit findings and monitoring the hotline.

FY2025 Timeline	Oct - 24	Nov – 24	Dec - 24	Jan – 25	Feb – 25	Mar – 25	Apr –25	May-25	Jun –25	Jul -25	Aug -25	Sept – 25	Oct -25	Status
•Work Order Management Audit - Facilities														Completed
•Al Policy Governance Assessment														Completed
•Safety Audit														In - Process
•Strategic Plan Monitoring Audit														In - Process
•SCADA Penetration Testing (in-person)														In - Process
•Data Governance and Reporting Assessment														Moved FY2026
•Budget Monitoring Audit														Not Started
Contract Compliance Audit														Not Started
•Third-party Vendor Management Audit														In - Process
•Cloud Security Audit														Not Started
•FY 2026 Risk Assessment														Not Started
*Ongoing Follow-up Procedures	)													Ongoing
Ongoing Hotline Monitoring	<b>)</b>													Ongoing

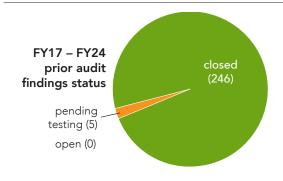
#### **Open Prior Audit Findings**

Audit Report / Subject	Issue Date	Open
Entity Level Review	10/26/2017	1
Payroll and Timekeeping Audit	7/23/2023	1
Work Order Management Audit - DWO	7/27/2023	1
Fleet Management Audit	10/27/2023	2
		total

At least one original remediation target date has been extended.

#### One Finding Closed this month:

- 1 FY24 P-Card Audit Finding.
- 1 FY24 Training and Recruiting Audit Finding.
- 1 FY24 Internal/External Network Penetration Testing Finding



In total, 98 percent of all prior audit findings from FY17-FY24 are closed. Management's target closure rate is 95 percent.

"Pending Testing" indicates that Management represents that the Action Plan is completed, but Internal Audit has not yet performed testing to validate the status.

FY25 audit finding statuses will be included once the audits are completed and management action plans finalized.





#### FY23-FY24 Open High Risk Prior Audit Findings\*

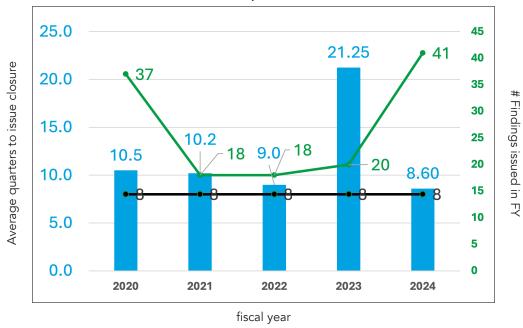
	Audit FY	Issue Date	Audit Report	High Risk Open Finding	Tarnet	New Target Date	# Extensions	
				Policies and Procedures	TBD	Ongoing	>1	
1	2017	10/26/2017	Entity Level Review	Three of the nine policies have been updated and signed as of 5/29/25. The final six policies are awaiting legal sufficiency review in order to be signed. Estimated completion date is not known at this time.				
				Lack of current policies and procedures	9/1/2024	9/30/2025	1	
2	2023	10/26/2023	Fleet Management Audit	Fleet has drafted a RACI and 15 Authority wide Fleet policies. Legal provided commentary on the Fleet policies submitted and a extension to allow time to implement edits identified during Legal's review. The extension will allow time for these changes to be Legal to conduct a final review of the updated policies and standard operating procedures.				

<sup>\*</sup>Note: The audit findings reported above represent open findings through the FY24 Audit Plan year.

#### Time to closure by fiscal year

The below graphs illustrate the average number of quarters from audit finding issuance to audit finding closure year-over year as of June 2025. Management has made significant improvements to achieve timelier audit finding closure as illustrated by the decline from FY23 to FY24.

#### Internal Audit follow up remediation FY20-FY24\*



<sup>\*</sup>Management goal is 8 months from issue to closure

Data before FY2023 was provided by RSM





SUBJECT: Approval to Add Option Year Three to Contract No. 10272, Annual Maintenance and Repair of High Voltage Electrical Equipment, U.S. Electrical Testing, LLC

#25-28
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY

OF THE D.C. WATER AND SEWER A	AUTHORITY
The Board of Directors ("Board") of the District of Colu ("DC Water") at its meeting held on July 3, 2025, upon decided by a vote of ( ) in favor and ( ) of year three to Contract No. 10272, U.S. Electrical Testi	consideration of a joint-use matter, opposed to approve adding option
Be it resolved that:	
The Board of Directors hereby authorizes the CEO an option year three for Contract No. 10272, U.S. Electr this contract is to meet the continuous need for anrequipment and power distribution systems across all D the Departments of Maintenance Services and Water value of option year no 3 is \$2,550,000.00.	rical Testing, LLC. The purpose of nual maintenance of high voltage OC Water facilities, supporting both
This Resolution is effective immediately.	
Sec	cretary to the Board of Directors

## DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY BOARD OF DIRECTORS CONTRACTOR FACT SHEET

#### **ACTION REQUESTED**

#### **GOODS AND SERVICES CONTRACT OPTION YEAR**

#### ANNUAL MAINTENANCE AND REPAIR OF HIGH VOLTAGE ELECTRICAL EQUIPMENT

(Joint Use Direct)

This contract action is adding option year three in the amount of \$2,550,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION					
PRIME: U.S. Electrical Testing, LLC.	SUBS: District Fleet	PARTICIPATION: DBE 11%			
1765 Greensboro Station Place Tysons, VA. 22102	Chinook Systems	WBE 2%			

#### **DESCRIPTION AND PURPOSE**

 Base Contract Award Value:
 \$1,930,000.00

 Base Contract Award Dates:
 07-01-22 - 06-30-23

 Option Year 1 Value:
 \$1,979,660.00

 Option Year 2 Dates:
 07-01-23 - 06-30-24

 Option Year 2 Value:
 \$2,039,049.00

 Option Year 2 Dates:
 07-01-24 - 06-30-25

Prior Modification Value: \$0.00

 Prior Modification Dates
 07-01-25 - 07-31-25

 Option Year 3 Value:
 \$2,550,000.00

 Option Year 3 Dates:
 08-01-25 - 07-31-26

#### **Purpose of the Contract:**

This contract is for the annual maintenance of high voltage equipment supporting both the Department of Maintenance Services (DMS) and Water and Sewer Operations (WSO). DMS and WSO have a continuing need for maintenance of high voltage switchgear and power distribution equipment throughout DC Water's facilities.

#### **Contract Scope:**

The contract provides the following services: labor; transportation; replacement parts for repairs; and calibration, installation, and maintenance of electrical control switchgear, controls, substation breakers, transformers (up to 69KV), current transformers, protection relays, and other related devices. In addition, this contract also performs miscellaneous activities during the commissioning of new equipment like point-to-point drawing field verification, coordination study implementation verification, and other related tasks. The increase in the funding requirement is due to Water and Sewer Operations accounting for emergency work for an aging infrastructure including sewer pumps and motors. The extension will allow time to completely evaluate the current procedure, explore other options, prepare and issue a solicitation, and make a new award for the services.

#### **Spending Previous Year:**

Cumulative Contract Value: 07-01-22 to 06-30-25: \$6,116,709.00 Cumulative Contract Spending: 07-01-22 to 05-22-25: \$5,987,530.41

#### **Contractor's Past Performance:**

According to the COTR, the Contractor's quality of products and services, timeliness of deliverables; conformance to DC Water's policies, procedures, and contract terms; and invoicing, all meet expectations and requirements.

#### PROCUREMENT INFORMATION

Contract Type:	Good and Services	Award Based On:	Best Value		
Commodity:	Maintenance Services	Contract Number:	10272		
Contractor Market:	Open Market with goals for DBE/WBE				

#### **BUDGET INFORMATION**

Funding:	Operating	Department:	Department of Maintenance Services (DMS)
Project Area:	Blue Plains	Department Head:	Elkin Hernandez

#### **ESTIMATED USER SHARE INFORMATION**

User - Operating	Share %	<b>Dollar Amount</b>
District of Columbia	43.27%	\$843,765.00
Washington Suburban Sanitary Commission	41.18%	\$803,010.00
Fairfax County	10.02%	\$195,390.00
Loudoun Water	4.81%	\$93,795.00
Other (PI)	0.72%	\$14,040.00
TOTAL ESTIMATED DOLLAR AMOUNT	100%	\$1,950,000.00

#### **BUDGET INFORMATION**

Funding:	Operating	Department:	Water and Sewer Operations (WSO)
Project Area:	DC Water Pump Stations (Anacostia, Eastside, Potomac, Bryant St. Main and O Street)	Department Head:	Chris Collier

#### **ESTIMATED USER SHARE INFORMATION**

User - Operating	Share %	Dollar Amount
District of Columbia	100%	\$600,000.00
Washington Suburban Sanitary Commission	0%	\$0.00
Fairfax County	0%	\$0.00
Loudoun Water	0%	\$0.00
Other (PI)	0%	\$0.00
TOTAL ESTIMATED DOLLAR AMOUNT	100%	\$600,000.00

Jeffrey J. Thompson

6/5/2025

6/11/2025 Date

Jeffrey F. Thompson Chief Operating Officer and EVP

Date

Date

KOPLY Gray

\*\*ENTRY Gray

Korey R. Gray VP Compliance and

DocuSigned by:

Chief Procurement Officer

DocuSigned by:

Matthew T. Brown

6/20/25

Date David L. Gadis CEO and General Manager

CFO and EVP of Finance, Procurement and

Compliance

SUBJECT: Approval to Exercise Option Year No. 7 of Contract No. 10240, Electric Energy Services and Associated Energy Generation and Transmission Services, Constellation New Energy, Inc.

# #25-29 RESOLUTION OF THE BOARD OF DIRECTORS OF THE D.C. WATER AND SEWER AUTHORITY

D.C. WATER AND SEWER AUTHORITY
The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("DC Water") at its meeting held on July 3, 2025, upon consideration of a joint-use matter decided by a vote of ( ) in favor and ( ) opposed to approve the execution option year no. 7 of Contract No. 10240, Constellation New Energy, Inc.
Be it resolved that:
The Board of Directors hereby authorizes the CEO and General Manager to execute option year no. 7 of Contract No. 10240, Constellation New Energy, Inc. The purpose of this contract is to supply electricity services and purchased electrical generation capacity as well as to grant DC Water access to the Pennsylvania-New Jersey-Maryland (PJM wholesale competitive electric market to meet the electric energy requirements for DC Water's seven major metered locations within the District of Columbia. The value of option year 7 is \$22,750,713.25.
This Resolution is effective immediately.
Secretary to the Board of Directors

## DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY BOARD OF DIRECTORS CONTRACTOR FACT SHEET

#### **ACTION REQUESTED**

#### **GOODS AND SERVICES CONTRACT ADDITIONAL FUNDING**

## CONSTELLATION NEW ENERGY, INC. (Joint use Indirect Cost)

Approval to exercise Option Year 7 for Electric Energy Services and associated Energy Generation and Transmission Services in the amount of \$22,750,713.25.

CONTRACTOR/SUB/VENDOR INFORMATION		
PRIME: Constellation New Energy, Inc. 100 Summit Lake Drive, Suite 410 Valhalla, NY 10595	SUBS: N/A	PARTICIPATION: N/A

#### **DESCRIPTION AND PURPOSE**

Base Year Value: \$91,375,000.00

Base Year Dates: 03-12-2014 – 03-11-2019

Option Year 1 – Option Year 3 Value: \$0.00 included in the Base Contract

Option Year 1 – Option Year 3 Dates: 03-12-2019 – 05-26-2022

Option Year 3 – Option Year 5 Value: \$53,853,733.00

Option Year 3 – Option Year 5 Dates: 10-01-2021 – 09-30-2024

Option Year 6 Value: \$19,190,129.00

Option Year 6 Dates: 10-01-2024 – 09-30-2025

Option Year 7 Value: \$22,750,713.25

Option Year 7 Dates: 10-01-2025 – 09-30-2026

#### **Purpose of the Contract:**

DC Water requires the services of a competent and qualified firm to fulfill DC Water's on-going need for retail electricity services and the generation of electricity and transmission of electricity. This contract provides the Departments of Wastewater Treatment Operations and Water and Sewer Operations with electricity services and purchased electrical generation capacity. This contract provides DC Water access to the Pennsylvania-New Jersey-Maryland (PJM) wholesale competitive electric market to fulfill the electric energy needs for DC Water's seven (7) major metered locations in the District of Columbia. The one-year extension will enable DC Water to prepare and release a solicitation, and award a new contract during the first half of fiscal year 2026.

#### Contract Scope:

The contract scope includes providing electric energy market information and advice to DC Water, purchasing of electric energy and PJM ancillary services associated with the electric energy supply for the seven main DC Water designated accounts. The service provider solicits bids for and purchases blocks of capacity and energy from the PJM wholesale market at DC Water's direction. The cost of such block purchases is passed through to DC Water at the Electricity Supplier's actual cost. 85% of the services on this contract are associated with the Department of Wastewater Treatment Operations and 15% with the Department of Water and Sewer Operations.

#### **Spending Previous Years:**

Cumulative Contract Value: 03-12-2014 to 09-30-2025: \$164,418,862.00 Cumulative Contract Spending: 03-12-2014 to 06-01-2025: \$157,504,333.89

#### **Contractor's Past Performance:**

According to the COTR, the Contractor's quality of service, timeliness of deliverables, conformance to DC Water's policies, procedures and contract terms, and invoicing, all meet expectations and requirements.

#### PROCUREMENT INFORMATION

Contract Type:	Goods & Services	Award Based On:	Highest Ranked Offeror
Commodity:	Electricity Services	Contract Number:	10240
Contractor Market:	Energy Services		

#### **BUDGET INFORMATION**

Funding:	Operating	Department:	Wastewater Treatment Operations
Service Area:	Blue Plains	Department Head:	Nicholas Passarelli

#### **ESTIMATED USER SHARE INFORMATION**

User - Operating	Share %	Dollar Amount
District of Columbia	43.27%	\$8,367,598.58
Washington Suburban Sanitary Commission	41.18%	\$7,963,432.16
Fairfax County	10.02%	\$1,937,678.25
Loudoun Water	4.81%	\$930,162.91
Other (PI)	0.72%	\$139,234.37
TOTAL ESTIMATED DOLLAR AMOUNT	100%	\$19,338,106.26

#### **BUDGET INFORMATION**

Funding:	Operating	Department:	Water and Sewer Operations
Service Area:	DC Water Pump Stations (Anacostia, Eastside, Potomac, Bryant St., Main and O Street)	Department Head:	Chris Collier

ESTIMATED user share information		
User - Operating	Share %	Dollar Amount
District of Columbia	68.06%	\$2,322,620.32
Washington Suburban Sanitary Commission	16.06%	\$548,064.68
Fairfax County	9.16%	\$312,594.80
Loudoun Water	5.75%	\$196,224.90
Other (PI)	0.97%	\$33,102.29
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$3 412 606 99

Jeffrey J. Shompson/10/2025

Jeffrey F. Thompson
Chief Operating Officer and EVP

Korey R. Gray VP Compliance and Chief Procurement Officer 6/11/2025

Date

6/20/25

Date

Matthew T. Brown

CFO and EVP of Finance, Procurement and

Compliance

David L. Gadis

CEO and General Manager

SUBJECT: Approval to Award a Base Year and Four Option Years of Contract No. 10516, License Agreement for Trimble Unity Enterprise Application, Trimble Inc.

#25-30
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY

D.C. WATER AND SEWER AUTHORITY
The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("DC Water") at its meeting held on July 3, 2025, upon consideration of a joint-use matter decided by a vote of ( ) in favor and ( ) opposed to approve the award of a base year and four option years of Contract No. 10516, Trimble Inc.
Be it resolved that:
The Board of Directors hereby authorizes the CEO and General Manager to execute the award of a base year and four option years of Contract No. 10516, Trimble, Inc. This contract covers the Trimble Unity Asset Lifecycle Management suite, a SaaS platform comprising Unity Maintain, Unity Permits, and Unity Construct modules. It supports asse management, permitting, and project scheduling for utilities, handling both linear and vertical assets. The platform integrates with ArcGIS, enhances data collection and accuracy, and is tailored for frontline workers. Trimble Unity Maintain will replace IBM Maximo for asset and infrastructure maintenance by September 30, 2026. Other modules will gradually replace existing DC Water tools. The total for base year and four option years is \$3,983,903.00.
This Resolution is effective immediately.
Secretary to the Board of Directors

## DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY BOARD OF DIRECTORS CONTRACTOR FACT SHEET

#### **ACTION REQUESTED**

#### **GOODS AND SERVICES CONTRACT NEW AWARD**

## TRIMBLE UNITY ENTERPRISE APPLICATION (Joint Use Indirect)

Approval to award a base year and four option year license agreement for Trimble Unity Asset Lifecycle Management product suite in the amount of \$3,983,903.00.

CONTRACTOR/SUB/VENDOR INFORMATION		
PRIME:	SUBS:	PARTICIPATION:
Trimble Inc.	N/A	N/A
10368 Westmoor Dr		
Westminster, CO 80021		

#### **DESCRIPTION AND PURPOSE**

Base Year Contract Value: \$656,800.00

Base Year Contract Dates: 07-01-2025—06-30-2026

No. of Option Years in Contract: 4

Total Option Years 2-5 Value: \$3,327,103.00

Option Years 2-5 Dates: 07-01-2026—06-30-2030

#### **Purpose of the Contract:**

This contract is for Trimble's Unity Asset Lifecycle Management product suite, which operates as a SaaS platform. The platform contains modules (Unity Maintain, Unity Permits and Unity Construct) supporting Asset Management, Permitting and Project scheduling, The Trimble Unity platform is designed for the needs of utilities and supports both linear and vertical assets. It provides native functionality, leverages ArcGIS for easy access to assets in the field, and is focused on front line workers as primary user / customer, providing easy data collection and improved data accuracy. Trimble Unity Maintain will replace IBM Maximo, whose end of life is September 30, 2026, for the maintenance of assets and infrastructure and Materials Management for equipment and spare parts related to those assets. Other Trimble Unity modules are expected to replace existing DC Water tools over time.

#### **Contract Scope:**

The Trimble Unity Elite platform will provide an enterprise-wide integrated application to manage DC Water's assets and major operations-related business functions.

#### Background:

The Trimble Unity platform was included as part of Contract No. DCFA 541, Water Program Management Consultant, awarded to the Water Smart Alliance effective July 8, 2024. DC Water Procurement subsequently determined that the platform's licenses should be procured directly by DC Water. DC Water Procurement has analyzed and confirmed that the implementation of the Trimble Unity platform is in the best interests of DC Water and has negotiated pricing and terms.

#### PROCUREMENT INFORMATION

Contract Type:	Goods and Services	Award Based On:	Highest Rating
Commodity:	SaaS Agreement	Contract Number:	10516
Contractor Market:	Asset Management Software Providers		

BUDGET INFORMATION					
Funding: Capital Equipment Department: Operations					
Project Area:	Project Area: DC Water Wide Department Head: Jeffrey Thompson				

#### **ESTIMATED USER SHARE INFORMATION**

User - Operating	Share %	<b>Dollar Amount</b>
District of Columbia	66.78%	\$2,660,450.42
Washington Suburban Sanitary Commission	24.12%	\$960,917.40
Fairfax County	5.87%	\$233,855.11
Loudoun Water	2.82%	\$112,346.07
Potomac Interceptor	0.41%	\$16,334.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$3,983,903.00

Jeffrey F. Thompson

Chief Operating Officer, EVP

DocuSigned by:

korcy Gray

Korey Gray

VP Compliance and Chief Procurement Officer

Matthew T. Brown CFO and Executive Vice-President of

Finance, Procurement and Compliance

6-20-25

David L. Gadis

CEO and General Manager

SUBJECT: Approval to Modify the User Share for Implementation of the Trimble Unity Maintain Asset Management System, Engineering Program Management Consultant 2G, Contract No. DCFA #541-WSA, Water Smart Alliance (an AtkinsRealis-Stantec Partnership)

#25-31
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("DC Water") at its meeting held on July 3, 2025, upon consideration of a joint-use matter, decided by a vote of \_\_\_\_\_ ( ) in favor and \_\_\_\_\_ ( ) opposed to approve the modification of the user share for implementation of the Trimble Unity Maintain Asset Management System of Contract No. DCFA #541-WSA, Water Smart Alliance (an AtkinsRealis-Stantec Partnership).

#### Be it resolved that:

The Board of Directors hereby authorizes the CEO and General Manager to execute the modification of the user share for implementation of the Trimble Unity Maintain Asset Management System of Contract No. DCFA #541-WSA, Water Smart Alliance (an AtkinsRealis-Stantec Partnership). The purpose of this contract is to provide program management, owner's agent, and construction management services necessary for planning and executing the Capital Improvement Program (CIP) and non-CIP tasks. It includes design services, staff augmentation, and operations support in the Water Service Area, as well as serving as the owner's agent for collaborative project delivery.

All other elements of the Board approved Resolution No. 24-43 will remain unchanged, including the contract value, which shall not exceed \$43,000,000.

This Resolution is effective immediately	
	Secretary to the Board of Directors

Docusign Envelope ID: 9F585542-18B4-4B52-B791-05A051EFC09C

## DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY BOARD OF DIRECTORS CONTRACTOR FACT SHEET

#### **ACTION REQUESTED**

#### ENGINEERING SERVICES-AMENDED FACT SHEET:

## Engineering Program Management Consultant 2G (Joint Use)

This revised fact sheet reflects an update to the User Share for the implementation of the Trimble Unity Maintain Asset Management System. All other elements of the June 6, 2024, Board approval remain unchanged. The approval remains for the execution of an architectural and engineering services contract not to exceed \$43,000,000 for a contract period of three years, plus two renewal periods of one year each. The renewal periods will be approved at DC Water's sole discretion, pending acceptable performance.

#### CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Water Smart Alliance (an AtkinsRealis-Stantec Partnership) AtkinsRealis USA, Inc.	Total DBE Participation Total WBE Participation	30.0% 10.0%
3901 Calverton Boulevard Suite 400 Calverton, MD 20705	See Attachment A for list of DBE/WBE participants.	
Stantec Consulting Services, Inc. 1299 Pennsylvania Ave, NW Suite 405 Washington, DC 20004		

#### **DESCRIPTION AND PURPOSE**

Contract Value, Not-To-Exceed: \$43,000,000

Contract Time: 1825 Days (5 Years, 0 Months)

Option Years: 2

Anticipated Contract Start Date: 07-01-2024
Anticipated Contract Completion Date: 06-30-2029
Other firms submitting proposals/qualification statements:

Mott MacDonald I&E, LLC Hazen & Sawyer, PC\* Ramboll Engineering, P.C.

#### **Purpose of the Contract:**

Provide program management, owners agent and construction management services required for the planning and executing the Capital Improvement Program (CIP) and non-CIP tasks; provide design services, staff augmentation, and operations support in the Water Service Area and serve as owner's agent for collaborative project delivery.

#### **Contract Scope:**

Scope includes:

- Provide general program management functions.
- Assist DC Water in the collaborative delivery of the capital improvement program.
- Provide engineering services including:
  - o Design and design reviews,
  - Water hydraulic model,
  - o GIS support, and
  - o Other as directed.
- Conduct condition assessment of large diameter Water Mains.

<sup>\*</sup> Asterisk indicates short listed firms.

Docusign Envelope ID: 9F585542-18B4-4B52-B791-05A051EFC09C

- Serve as Owner's Agent for all new collaborative delivery projects executed in the Water Service Area.
- Provide Construction Management Services.
- Augment DC Water staff with experienced & qualified technical resources, project managers and construction managers.
- Support operational departments
  - o Provide technical expertise pertaining to existing or proposed assets and facilities.
  - o Provide technical support for development of SOPs, Job Plans, O&M Manuals and other guidance documents.
- Implementation of Trimble Unity Maintain asset management system.

PROCUREMENT INFORMATION				
Contract Type: Lump Sum & Cost-Plus Fixed Fee				
Commodity:	Engineering Design Services	Contract Number:	DCFA #541-WSA	
Contractor Market:	Open Market			

BUDGET INFORMATION				
Funding: Capital Department: Engineering and Technical Services				
Service Area:	Water	Department H	ead:	William Elledge
Project:	KV, LB, FT			

**ESTIMATED USER SHARE INFORMATION** 

Engineering Program Management Consultant 2G (Non-Joint Use)				
Share % Dollar Amount				
of Columbia	100.00%	\$ 39,500,000.00		

User	Snare %	Dollar Amount
District of Columbia	100.00%	\$ 39,500,000.00
Total Estimated Dollar Amount	100.00%	\$ 39,500,000.00

**BUDGET INFORMATION** 

Funding:	Capital Equipment	Equipment Department: COO Central Administration		
Service Area:	N/A	Department H	ead:	Salil Kharkar
Project:	Capital Equipment			

#### **ESTIMATED USER SHARE INFORMATION**

**Engineering Program Management Consultant 2G (Joint Use)** Trimble Unity Maintain (Cityworks) Implementation

Trinible Crity maintain (City)	torno, impiomortani	011
User	Share %	Dollar Amount
District of Columbia	66.78%	\$ 2,337,300.00
Washington Suburban Sanitary Commission	24.12%	\$ 844,200.00
Fairfax County	5.87%	\$ 205,450.00
Loudoun County & Potomac Interceptor	3.23%	\$ 113,050.00
Total Estimated Dollar Amount	100.00%	\$ 3,500,000.00

#### **Combined Allocation**

User	Share %	Dollar Amount	
District of Columbia	97.30%	\$ 41,837,300.00	
Washington Suburban Sanitary Commission	1.96%	\$ 844,200.00	
Fairfax County	0.48%	\$ 205,450.00	
Loudoun County & Potomac Interceptor	0.26%	\$ 113,050.00	
Total Estimated Dollar Amount	100.00%	\$ 43,000,000.00	

DocuSigned by: Jeffrey F. Thompson Chief Operating Officer and EVP Date DocuSigned by: ocurement and Compliance Finance, 6-20-25Korey R. Gray Date Vice President of Compliance David L. Gadis and Chief Procurement Officer Chief Executive Officer and General Manager

Page 2 of 3

Docusign Envelope ID: 9F585542-18B4-4B52-B791-05A051EFC09C

## ENGINEERING PROGRAM MANAGEMENT CONSULTANT 2G ATTACHMENT A – SUBCONTRACTOR LISTING PARTICIPATION AMOUNT

DCFA-541	FOXXSTEM DC LLC	DBE	5.0%
Water Smart Alliance	Washington, DC	DDL	3.070
(an AtkinsRealis-Stantec Partnership)	Millhouse Engineering and Construction, Inc.	DBE	5.0%
	Chicago, IL	DDL	0.070
	DM Enterprises of Baltimore, LLC	DBE	3.0%
	Baltimore, MD	DDL	3.0%
	SZ PM Consultants, Inc.	DBE	3.0%
	Washington, DC	DBL	3.0%
	C.C.Johnson & Malhotra, P.C.	DBE	2.0%
	Rockville, MD	DOL	2.070
	Delon Hampton & Associates	DBE	2.0%
	Washington, DC	DDL	2.070
	Engineering Design Technologies	DBE	2.0%
	Glen Burnie, MD	DDL	2.070
	EPC Consultants, Inc.	DBE	2.0%
	San Francisco, CA	1 22	2.070
	River to Tap, Inc.(R2T)	DBE	2.0%
	Philadelphia, PA	1 22	2.070
	Tejjy, Inc.	DBE	2.0%
	Rockville, MD		2.070
	Wave Civil LLC	DBE	2.0%
	Alexandria, VA		2.070
	Aseedo Consulting, LLC	WBE	5.0%
	Laurel, MD	1,,,,,	
	Blue Cypress Consulting, LLC	WBE	3.0%
	Decatur, GA	1	
	Ecotech Hydro Excavation	WBE	2.0%
	Quarryville, PA	.,,,,	

SUBJECT: Approval to Execute Four Master Service Agreements Under Task Order-Based Linear Water and Sewer Rehabilitation Program Master Service Agreement Contract No. 250100, Multiple Vendors

#25-32
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("DC Water") at its meeting held on July 3, 2025, upon consideration of a joint-use matter decided by a vote of ( ) in favor and ( ) opposed to execute four master service agreements under task order-based linear Water and Sewer Rehabilitation Program Master Services Agreement, Contract No. 250100, Multiple Vendors (See Attachment A).
Be it resolved that:
The Board of Directors hereby authorizes the CEO and General Manager to execute four

The Board of Directors hereby authorizes the CEO and General Manager to execute four master service agreements under task order-based linear Water and Sewer Rehabilitation Program Services Agreement, Contract No. 250100, Multiple Vendors. The Linear Water & Sewer Master Service Agreement was established to qualify contractors with expertise in Water and Sewer Rehabilitation, and to create task order-based construction agreements that address issues related to water mains and local sewers, such as failures, low water pressure history, or water quality concerns. The total program value is not-to-exceed \$190,000,000.00.

This Resolution is effective immediately.			
	Secretary to the Board of Directors		

## DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY BOARD OF DIRECTORS CONTRACTOR FACT SHEET

#### **ACTION REQUESTED**

#### **CONSTRUCTION CONTRACT:**

## Linear Water & Sewer Rehabilitation Program Master Services Agreement (MSA) (Joint Use)

Approval to execute Four Master Service Agreements (MSAs) with the selected Qualified Contractors under the task order-based Linear Water & Sewer Master Service Agreement. The total program budget shall not exceed \$190,000,000.00 over a five-year contract period, with two optional one-year renewal periods. Renewal periods will be granted at the sole discretion of DC Water, contingent upon satisfactory contractor performance.

#### **CONTRACTOR/SUB/VENDOR INFORMATION**

PRIME:	SUBS:	PARTICIPATION:
See Attachment A for list of PRIME Qualified Contractor Participation.	Subs will be identified for each task order awarded. *	Participation will be established for each task order awarded. *

<sup>\*</sup> Four firms were qualified to participate in this Linear Water & Sewer Master Service Agreement. Each of the four demonstrated a history of successfully meeting established goals for DBE/ WBE utilization. Additionally, the qualified firms agreed to work with DC Water to actively engage the certified business community and meet/exceed DC Water's utilization goals established for each task order they are awarded.

#### **DESCRIPTION AND PURPOSE**

Not-To-Exceed Program Value: \$190,000,000.00

Contract Time: 1825 Days (5 Years, 0 Months)

No. of Option Years in Contract: 2

Anticipated Contract Start Date (NTP): 08-14-2025
Anticipated Contract Completion Date: 08-13-2030
Bid Opening Date: 03-24-2025

Bids Received: 8

Aecon Capital Joint Venture SAK CONSTRUCTION, LLC\*\*
ANCHOR CONSTRUCTION CO INC\*\*
SPINIELLO COMPANIES\*\*

Fer-Pal Construction USA LLC

Structural Preservation Systems, LLC\*\*
Inliner Solutions

United Construction Services, LLC

#### **Purpose of the Contract:**

The Linear Water & Sewer Master Service Agreement was solicited to qualify contractors with Water and Sewer Rehabilitation experience and to establish task order-based construction agreements to address water mains and local sewers that have experienced failures, have a history of low water pressure, or have water quality issues. DC Water's intends to improve the agility and flexibility of its Water & Sewer Master Service Agreement by implementing the following fundamental changes to address current supply chain risks.

- Qualification process to identify and engage a pool of multiple contractors who have the capacity, capability and experience needed to successfully complete a water and sewer rehabilitation project.
- To support efficient delivery of Water and Sewer linear projects, this contract will enable early
  engagement with suppliers during the project planning phase. This early coordination will support
  materials planning, constructability reviews, and risk mitigation. Under the MSAs, five prequalified
  firms—each with distinct skill sets—will be assigned task orders through a streamlined process.

<sup>\*\*</sup> Indicates recommended for award of linear Water & Sewer Rehabilitation Program Master Services Agreement (MSA).

Task orders will be awarded based on each firm's capabilities and staff availability, with a target of issuing awards and Notices to Proceed (NTP) within 30 days of bid close, significantly reducing lead times.

#### **Contract Scope:**

- Large diameter water pipeline replacement
- Water pipeline rehabilitation
- Water service line replacement
- Valve and hydrant replacement
- Sewer pipeline rehabilitation
- Sewer service line replacement
- New manhole construction/Manhole replacement
- MS4 Outfall Rehabilitation
- Curb stop / curb stop box, meter box and penetration through building wall and connection to first
  fitting inside the building including installation of a shut-off valve and pressure reducing valve
  replacement
- Provide permanent pavement and surface restoration
- Urgent and Emergency response

#### Federal Grant Status:

Construction contract is funded in part by Bipartisan Infrastructure Law (BIL) grant.

PROCUREMENT INFORMATION			
<u> </u>			
Contract Type:	Fixed Price	Award Based On:	Lowest responsive, responsible bidder
Commodity:	Construction	Contract Number:	250100
Contractor Market:	Open Market		

BUDGET INFORMATION				
Funding:	Capital	Department:	Engineer	ring and Technical Services
Service Area:	Water & Sewer	Department H	ead:	Ryu Suzuki
Project:	A4, BO, F6, G7, GY, IE, IH, IM, IN, JZ, QS, QT, QU, RJ, WV			

\*\*\*ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	96.72%	\$183,761,553.00
Federal Funds	3.28%	\$ 6,238,447.00
Washington Suburban Sanitary Commission	0.00%	\$
Fairfax County	0.00%	\$
Loudoun County & Potomac Interceptor	0.00%	\$
Total Estimated Dollar Amount	100.00%	\$190,000,000.00

<sup>\*\*\*</sup>Work under this contract will be assigned as needed under specific task orders. As tasks are developed for work associated with Water and Sewer linear projects and costs are developed, the individual users will be notified and billed according to agreed cost-sharing.

Jeffrey 3. Jhompson 6/10/2025

Jeffrey F. Thompson Date
Chief Operating Officer and EVP

Korey R. Gray

DocuSigned by:

6/10/2025

Date

Vice President of Compliance and Chief Procurement Officer

Matthew T. Brown Date

Chief Financial Officer and EVP

Finance, Procurement and Compliance

David L. Gadis Date
Chief Executive Officer and General Manager

Page 2 of 3

250100 Fact Sheet-Linear Water & Sewer MSA

Prepared May 19,2025

6-20-25

## CONSTRUCTION CONTRACT: 250100 Linear Water & Sewer Master Service Agreement (Joint Use)

## Attachment A Qualified Contractors

Anchor Construction Co Inc. 2254 25<sup>th</sup> Place NE Washington, DC 20018

SAK Construction, LLC 864 Hoff Road O'fallon, MO 63366

Spiniello Companies 6301 Ivy Lane, Suite 620 Greenbelt, MD 20770

Structural Preservation systems, LLC 6955 San Tomas Road Elkridge, MD 21075

SUBJECT: Approval to Transfer of the Projected FY 2025 Net Cash Surplus of \$52,101,838 to PAYGO, Rate Stabilization Fund and Ending Cash Balance for Permit Refunds and to Increase Days of Cash on Hand in FY 2026

## #25-33 RESOLUTION OF THE BOARD OF DIRECTORS OF THE DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at the Board meeting held on July 3, 2025, upon consideration of a joint-use matter decided by a vote of \_\_\_\_ ( ) in favor and \_\_\_\_ ( ) opposed, to approve the following action with respect to the transfer \$52,101,838 of the FY 2025 Net Projected Cash Surplus to PAYGO, Rate Stabilization Fund and Ending Cash Balance for Permit Refunds and to Increase Days of Cash on Hand.

**WHEREAS**, on December 4, 1997, the Board, in Resolution #97-121, approved establishing the Financial Policies for the Authority, which were subsequently amended in Resolutions #98-08, dated March, 1998, Resolution #04-30, dated April 2, 2004, Resolution #09-86, dated July 2, 2009; Resolution #13-57, dated May 2, 2013 to establish strong levels of cash reserves, strong debt service coverage, set the level of debt service coverage, and set operating and renewal & replacement reserve levels; and

WHEREAS, on October 7, 2021, the Board, through Resolution #21-84, further revised the Statement of Financial Policies, rescinding the PAYGO (pay-as-you-go) Policy and incorporating it into the Statement of Financial Policies, making other revision including establishing a minimum cash balance of 250 days of operating expenses and coverage of 160%, and conforming the debt service coverage requirements in the Debt Policy and Guidelines with those in the proposed Statement of Financial Policies; and

**WHEREAS**, the Statement of Financial Policies includes a requirement for the CEO and General Manager to report a forecast of expenditures and revenues and a recommendation for use of any projected surplus; and

**WHEREAS**, on October 5, 2023, the Board, through Resolution #23-58, revised the Statement of Financial Policies to amend the current operating cash reserve requirement of 250 days to be the minimum required reserve requirement and set a goal to achieve an operating cash reserve requirement of 350 days by 2032 by prioritizing the allocation of year-end surplus to achieve this goal; and

**WHEREAS**, on June 26, 2025, the Finance and Budget Committee met and the General Manager presented the FY 2025 projected net cash surplus of \$52,101,838; and

WHEREAS, on June 26, 2025, the General Manager recommended the Finance and Budget Committee recommend to the Board transferring: \$27,601,838 of the net projected cash surplus to PAYGO to reduce future borrowing; \$2,000,000 to FY 2025 Ending Cash Balance to carryover to FY 2026 for permit refunds; \$5,000,000 to Rate Stabilization Fund (RSF) due to uncertainty of any consumption decline, and \$17,500,000 to Ending Cash Balance to increase Days of Cash on Hand from 267 to 282 days.

WHEREAS, on June 26, 2025, upon further discussion and consideration of the General Manager's recommendation, the Finance and Budget Committee recommended the Board approve transferring \$52,101,838 of the net projected cash surplus to reduce future borrowing; \$2,000,000 to FY 2025 Ending Cash Balance to carryover to FY 2026 for permit refunds; \$5,000,000 to RSF due to uncertainty of any consumption decline, and \$17,500,000 to Ending Cash Balance to increase Days of Cash on Hand from 267 to 282 days.

#### NOW THEREFORE BE IT RESOLVED THAT:

1. The Board approves the transfer of \$52,101,838 from the Authority's projected FY 2025 net cash surplus to (i) \$27,601,838 of the net projected cash surplus to PAYGO to reduce future borrowing; (ii) \$2,000,000 to FY 2025 Ending Cash Balance to carryover to FY 2026 for permit refunds; (iii) \$5,000,000 to RSF due to uncertainty of any consumption decline; and (iv) \$17,500,000 to Ending Cash Balance to increase Days of Cash on Hand from 267 to 282 days.

2.	This resolution is effective immediately.	
		Secretary to the Board of Directors

Subject: Approving the Extension of the Credit Facility for the Series 2014B Bonds

#25-34 RESOLUTION OF THE BOARD OF DIRECTORS OF THE

#### **DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directo	ors ("Board") of the District of	Columbia Water and Sewer Authority
("Authority"), at its me	eeting on July 3, 2025, upon	consideration of a joint-use matter, by
a vote of	_ () in favor and	() opposed Approving the
Extension of the Cred	dit Facility for the Series 2014	B Bonds.

WHEREAS, the Authority is authorized pursuant to the *Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996*, as amended, D.C. Code Section 34-2201.01 et seq. (the "WASA Act"), and the *District of Columbia Water and Sewer Authority Act of 1996*, Public Law 104-184; 110 Stat. 1696, to issue revenue bonds for undertakings authorized by the WASA Act, including to finance or refinance any cost, as defined in the WASA Act, D.C. Code Section 34-2202.01(2); and

WHEREAS, in accordance with the WASA Act, the Authority and Computershare Trust Company, N.A., as trustee (the "Trustee") (its predecessors in that capacity having been Norwest Bank Minnesota, N.A., Wells Fargo Bank Minnesota, N.A. and Wells Fargo Bank, N.A.), entered into the Master Indenture of Trust, dated as of April 1, 1998 (the "Master Indenture" and, as supplemented and amended, the "Indenture"), to provide for financing or refinancing the acquisition, construction, operation, maintenance and extension of the System (as defined in the Master Indenture) by the issuance of bonds, notes and other obligations payable solely from Net Revenues (as such terms are defined in the Master Indenture); and

**WHEREAS**, the Authority has heretofore issued its Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2014B (the "Series 2014B Bonds") which are secured by, *inter alia*, the Standby Bond Purchase Agreement (as defined below); and

**WHEREAS**, the Standby Bond Purchase Agreement currently expires on July 23, 2025 and the Authority now intends to extend the maturity of such Standby Bond Purchase Agreement (the "Extension"); and

**WHEREAS**, there has been presented at this meeting a proposed Extension Letter and Third Amendment to Agreement Regarding Rates and Fees stating the business and legal parameters of the Extension (collectively, the "Extension Letter"); and

**WHEREAS,** the Finance and Budget Committee met on June 26, 2025, to review the Extension and has recommended approval of this Resolution by the Board.

#### NOW THEREFORE, BE IT RESOLVED THAT:

1. The Board approves the Extension of the Credit Facility for the Series 2014B Bonds:

Section 1. <u>Definitions and Interpretations</u>. Unless otherwise defined herein and unless the context indicates otherwise, the terms used herein and defined in the Indenture (including the Sixteenth Supplemental Indenture) shall have the meanings assigned to them therein. In addition, the following terms used as defined terms in this Resolution shall have the meaning assigned to them in this Section:

"Authorized Officials" means the Chairman and First Vice-Chairman of the Board and the CEO and General Manager, the Chief Financial Officer and Executive Vice President, Finance, Procurement and Compliance, the Vice President and Controller, the Vice President, Budget, the Vice President, Finance, and the Vice President, Rates and Revenue of the Authority, including any of the foregoing who are in an interim, acting or similar capacity, provided that any official other than the Chairman shall be designated by the Chairman as her designee for the purpose of executing and delivering any document authorized hereunder.

"Financial Advisor" means, collectively, PFM Financial Advisors LLC and Sustainable Capital Advisors.

"Sixteenth Supplemental Indenture" means the Sixteenth Supplemental Indenture of Trust by and between the Authority and the Trustee, dated as of the same date as and relating to the Series 2014B Bonds.

"Standby Bond Purchase Agreement" means collectively, the Standby Bond Purchase Agreements, by and between the Authority and TD Bank, N.A., each dated July 23, 2014, entered into for the Series 2014B Bonds under the Sixteenth Supplemental Indenture, each as amended or supplemented.

Any reference to the Authority or the Board, or to their members or officers, or to other public officers, boards, commissions, departments, institutions, agencies, bodies or entities, shall include those who or which succeed to their functions, duties or responsibilities by operation of law and also those who or which at the time may legally act in their place.

Section 2. <u>Credit Facility Amendment and Extension</u>. In order to formalize the Extension, the Authorized Officials are, and each of them is, authorized in connection with the Extension to execute, acknowledge and deliver in the name of and on behalf of the Authority, an extension of the Standby Bond Purchase Agreement, with substantially the same terms as are described in the Extension Letter.

The Authorized Officials and any other member, officer or employee of the Authority are each authorized to execute and deliver, on behalf of the Authority, such other certificates, documents and instruments related to the Extension as are necessary in connection with the transactions authorized in this Resolution, and to do all other things required of them or the Authority pursuant to the Indenture, the Sixteenth Supplemental Indenture, the amendment to the Standby Bond Purchase Agreement and this Resolution.

No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future member of the Board or officer, employee or agent of the Authority in his or her individual capacity, and neither the members of the Board nor any officer of the Authority executing the amendment to the Standby Bond Purchase Agreement shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof. No member of the Board or officer, employee, agent or advisor of the Authority shall incur any personal liability with respect to any other action taken by him pursuant to this Resolution or the Indenture or any other document authorized by this Resolution, provided such member, officer, employee, agent or advisor acts in good faith.

Section 3. <u>Official Statement; Continuing Disclosure</u>. The Authorized Officials are hereby, further authorized to supplement and amend the .Official Statement that in the judgment of an Authorized Official Is necessary and appropriate in order to make the .Official Statement not .materially misleading, and to comply with applicable securities laws or otherwise to enable the Authority to fulfill its obligations regarding the Official Statement under its existing Continuing Disclosure Agreements.

Section 4. <u>General</u>. The appropriate officers and employees of the Authority will do all things necessary and proper to implement and carry out the orders and agreements set forth or approved in this Resolution for the proper fulfillment of the purposes thereof.

2.	This Resolution is effective immediately.	
		Secretary to the Board of Directors

**Subject: Approving the Substantially Final Form of Certain** 

Documents, Authorizing the Sale and Setting Terms and

Details of the Series 2025A/B Bonds

# #25-35 RESOLUTION OF THE BOARD OF DIRECTORS OF THE DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("Authority"), at its meeting on July 3, 2025, upon consideration of a joint-use matter, by a vote of \_\_\_\_\_ (\_\_) in favor and \_\_\_\_\_ (\_\_) opposed Approving the Substantially Final Form of Certain Documents, Authorizing the Sale and Setting Terms and Details of the Series 2025A/B Bonds.

WHEREAS, the Authority is authorized pursuant to the *Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996*, as amended, D.C. Code Section 34-2201.01 et seq. (the "WASA Act"), and the *District of Columbia Water and Sewer Authority Act of 1996*, Public Law 104-184; 110 Stat. 1696, to issue revenue bonds for undertakings authorized by the WASA Act, including to finance or refinance any cost, as defined in the WASA Act, D.C. Code Section 34-2202.01(2); and

WHEREAS, in accordance with the WASA Act, the Authority and Computershare Trust Company, N.A., as trustee (the "Trustee") (its predecessors in that capacity having been Norwest Bank Minnesota, N.A., Wells Fargo Bank Minnesota, N.A. and Wells Fargo Bank, N.A.), entered into the Master Indenture of Trust, dated as of April 1, 1998 (the "Master Indenture" and, as supplemented and amended, the "Indenture"), to provide for financing or refinancing the acquisition, construction, operation, maintenance and extension of the System (as defined in the Master Indenture) by the issuance of bonds, notes and other obligations payable solely from Net Revenues (as such terms are defined in the Master Indenture); and

**WHEREAS**, pursuant to the Twelfth Supplemental Indenture of Trust, dated October 27, 2010 (the "Twelfth Supplemental Indenture"), between the Authority and the Trustee, the Authority issued its Public Utility Subordinate Lien Revenue Bonds, Series 2010A (Federally Taxable – Issuer Subsidy – Build America Bonds) (the "Series 2010A Bonds"), in the aggregate principal amount of \$300,000,000; and

**WHEREAS**, pursuant to Section 301(b) of the Twelfth Supplemental Indenture, the Series 2010A Bonds are subject to extraordinary optional redemption prior to their stated maturities, at the option of the Authority, upon the occurrence of, *inter alia*, legislation enacted by the

Congress of the United States or an order, ruling, regulation the effect of which, as reasonably determined by the Authority, would be to suspend, reduce or terminate the payment from the United States Treasury to the Authority with respect to the Series 2010A Bonds pursuant to Sections 54AA or 6431 of the Internal Revenue Code; and

**WHEREAS**, since 2013 such payments with respect to the Series 2010A Bonds have been subject to an automatic reduction (sequestration) pursuant to the provisions of the Budget Control Act of 2011 and therefore the Authority's option for an extraordinary optional redemption of the Series 2010A Bonds has been triggered; and

**WHEREAS**, the Authority has heretofore entered into thirty-five (35) supplemental indentures of trust with the Trustee in connection with the issuance of Senior Debt and Subordinate Debt (both as defined in the Indenture) or to amend and clarify the Master Indenture; and

WHEREAS, the Authority now intends: (i) to issue Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2025A (the "Series 2025A Bonds") to: (a) currently refund or advance refund, as applicable, in conjunction with the Series 2025B Bonds (defined below), a portion of the Authority's outstanding Senior Debt and/or Subordinate Debt (the "Refunded Bonds") that are identified as Refunded Bonds in the Certificate of Award; (b) fund a Series 2025A Debt Service Reserve Requirement, (as defined herein), if determined necessary; and (c) pay certain costs of issuance of the Series 2025A Bonds; (ii) to issue Public Utility Subordinate Lien Revenue and Revenue Refunding Bonds, Series 2025B (Green Bonds) (the "Series 2025B Bonds" and, collectively with the Series 2025A Bonds, the "Series 2025A/B Bonds") to: (a) finance a portion of the costs of the Authority's DC Clean Rivers Project (as defined in the preliminary Official Statement for the Series 2025A/B Bonds (as defined below)); (b) currently refund or advance refund, as applicable, a portion of the Refunded Bonds as identified in the Certificate of Award; (c) fund a Series 2025B Debt Service Reserve Requirement, (as defined herein), if determined necessary; and (d) pay certain costs of issuance of the Series 2025B Bonds; (iii) to designate the Series 2025A/B Bonds as Subordinate Debt for purposes of the Indenture; and (vi) to secure the Series 2025A/B Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, the CEO and General Manager, the Chief Financial Officer and Executive Vice President, Finance, Procurement and Compliance, the Chief Operations Officer and Executive Vice President, and the Chief Legal Officer and Executive Vice President, Government & Legal Affairs of the Authority have informed the Board that their offices have established "due diligence" procedures for reviewing the documents authorized by this Resolution with the Authority's bond counsel, disclosure counsel, financial advisors, underwriters, underwriters' counsel and other consultants and advisors, with a view to ensuring the accuracy of disclosure; and

**WHEREAS,** the Finance and Budget Committee met on June 26, 2025, to review the issuance of the Series 2025A/B Bonds and recommended approval of this Resolution by the Board.

### NOW THEREFORE, BE IT RESOLVED THAT:

1. The Board approves the Substantially Final Form of Certain Documents, Authorizing the Sale and Setting Terms and Details of the Series 2025A/B Bonds:

Section 1. <u>Definitions and Interpretations</u>. Unless otherwise defined herein and unless the context indicates otherwise, the terms used herein and defined in the Indenture (including the Thirty-Sixth Supplemental Indenture as hereby approved) shall have the meanings assigned to them therein. In addition, the following terms used as defined terms in this Resolution shall have the meaning assigned to them in this Section:

"Authorized Officials" means the Chairman and First Vice-Chairman of the Board and the CEO and General Manager, the Chief Financial Officer and Executive Vice President, Finance, Procurement and Compliance, the Vice President and Controller, the Vice President, Budget, the Vice President, Finance, and the Vice President, Rates and Revenue of the Authority, including any of the foregoing who are in an interim, acting or similar capacity, provided that any official other than the Chairman shall be designated by the Chairman as her designee for the purpose of executing and delivering any document authorized hereunder.

"Bond Purchase Agreement" means the Bond Purchase Agreement for the Series 2025A/B Bonds between the Authority and the Original Purchasers, dated as of the same date as the Certificate of Award.

"Certificate of Award" means the certificate of an Authorized Official awarding the Series 2025A/B Bonds to the Original Purchasers and specifying terms of the Series 2025A/B Bonds, as provided for in Section 4 of this Resolution and identifying the Refunded Bonds, if any.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement executed by the Authority and the Trustee, dated as of the same date as the date of issuance and delivery of the Series 2025A/B Bonds, as originally executed and as it may be amended from time to time in accordance with its terms.

"Escrow Agent" means the Trustee as Escrow Agent.

"Escrow Agreement" means the Escrow Agreement, dated the same date as the Series 2025A/B Bonds, between the Authority and the Escrow Agent, providing for the Refunded Bonds to be deemed paid and no longer Outstanding under the Indenture.

"Financial Advisor" means, collectively, PFM Financial Advisors LLC and Sustainable Capital Advisors.

"Interest Payment Dates" means for the Series 2025A/B Bonds, each April 1 and October 1, commencing on the April 1 or October 1 specified in the Certificate of Award as the first Interest Payment Date, and thereafter during the time the Series 2025A/B Bonds are Outstanding.

"Original Purchasers" for the Series 2025A/B Bonds means the purchasers identified as such in the Bond Purchase Agreement.

"Refunded Bonds" means any Outstanding Senior Debt and/or Subordinate Debt to be caused to be deemed paid and no longer Outstanding under the Indenture as the result of the deposit of certain proceeds of the Series 2025A/B Bonds and any other funds in escrow under the Escrow Agreement and identified as the Refunded Bonds in the Certificate of Award.

"Savings Threshold" means, as applicable, that: (i) as the result of the refunding of the Refunded Bonds (other than any of the Authority's outstanding Series 2010A Bonds), the Authority will achieve an aggregate reduction in bond debt service that has a present value at the time of sale of the Series 2025A Bonds equal to at least three percent (3.0%) and will fulfill any other standards that any Authorized Official executing the Certificate of Award deems appropriate or (ii) the Chief Financial Officer and Executive Vice President, Finance, Procurement and Compliance, determines, in consultation with the Authority's Financial Advisor, that the refunding of any Series 2010A Bonds included in the Refunded Bonds is in the best interests of the Authority.

"Series 2025A Debt Service Reserve Requirement" means, if determined in the Certificate of Award to be necessary, a required fund balance in the Series 2025A Debt Service Reserve Account or Accounts established under the Thirty-Sixth Supplemental Indenture, the amount of which shall be specified in the Certificate of Award, but which shall not exceed the maximum amount permitted to constitute a "reasonably required reserve or replacement fund" under the size limitation set forth in Section 1.148-2(f)(2) of the Treasury Regulations promulgated under the Code (taking into account any moneys in any other fund or account that may be required to be included in such computation) unless the Authority furnishes to the Trustee an opinion of nationally recognized bond counsel to the effect that the existence of a balance in the Series 2025A Debt Service Reserve Account in the amount of the specified required fund balance will not cause the interest on any Series 2025A Bonds intended to be excluded from gross income for federal income tax purposes not to be so excluded.

"Series 2025B Debt Service Reserve Requirement" means, if determined in the Certificate of Award to be necessary, a required fund balance in the Series 2025B Debt Service Reserve Account or Accounts established under the Thirty-Sixth Supplemental Indenture, the amount of which shall be specified in the Certificate of Award, but which shall not exceed the maximum amount permitted to constitute a "reasonably required reserve or replacement fund" under the size limitation set forth in Section 1.148-2(f)(2) of the Treasury Regulations promulgated under the Code (taking into account any moneys

in any other fund or account that may be required to be included in such computation) unless the Authority furnishes to the Trustee an opinion of nationally recognized bond counsel to the effect that the existence of a balance in the Series 2025B Debt Service Reserve Account in the amount of the specified required fund balance will not cause the interest on any Series 2025B Bonds intended to be excluded from gross income for federal income tax purposes not to be so excluded.

"Thirty-Sixth Supplemental Indenture" means the Thirty-Sixth Supplemental Indenture of Trust by and between the Authority and the Trustee, dated as of the same date as and relating to the Series 2025A/B Bonds.

Any reference to the Authority or the Board, or to their members or officers, or to other public officers, boards, commissions, departments, institutions, agencies, bodies or entities, shall include those who or which succeed to their functions, duties or responsibilities by operation of law and also those who or which at the time may legally act in their place.

### Section 2. <u>Authorization, Designation and Purposes of Series 2025A/B Bonds.</u>

- Series 2025A Bonds. The Authority is authorized to issue, sell and deliver. as provided in this Resolution and the Certificate of Award, the Series 2025A Bonds which shall be designated "Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2025A" and shall constitute Subordinate Debt for purposes of the Indenture. The issuance of the Series 2025A Bonds is authorized for the following purposes: (i) to currently refund or advance refund, as applicable, a portion of the Refunded Bond and cause those Refunded Bonds to be deemed paid and no longer Outstanding for purposes of the Indenture; (ii) funding a Series 2025A Debt Service Reserve Requirement, if determined necessary in the Certificate of Award; and (c) paying issuance costs of the Series 2025A Bonds (including all or a portion of the fees and costs of any escrow bidding agent or verification agent engaged pursuant to Section 6); provided, however, that before an Authorized Official executes the Certificate of Award, the Authority's Financial Advisor shall have given the Authority a written certification that identifies the Refunded Bonds (consistent with this Resolution) and determines that the Authority's issuance and sale of the Series 2025A/B Bonds on the terms set forth in the Certificate of Award and the application of the proceeds of the Series 2025A/B Bonds and any other legally available funds to refund the Refunded Bonds identified in the Financial Advisor's certificate will meet the Savings Threshold. For those purposes the proceeds from the sale of the Series 2025A Bonds shall be allocated and deposited, as provided in the Thirty-Sixth Supplemental Indenture. Any designation of bonds authorized above may be revised or clarified in the Certificate of Award.
- (b) Series 2025B Bonds. The Authority is authorized to issue, sell and deliver, as provided in this Resolution and the Certificate of Award, not to exceed (except as provided below) One Hundred Million Fifty Dollars (\$150,000,000) aggregate principal amount of Series 2025B Bonds. The Series 2025B Bonds which shall be designated "Public Utility Subordinate Lien Revenue and Revenue Refunding Bonds, Series 2025B

(Green Bonds)" and shall constitute Subordinate Debt for purposes of the Indenture. The issuance of the Series 2025B Bonds is authorized for the following purposes: (i) financing a portion of the costs of the Authority's DC Clean Rivers Project; (ii) currently refunding or advance refunding, as applicable, a portion of the Refunded Bond and causing those Refunded Bonds to be deemed paid and no longer Outstanding for purposes of the Indenture; (iii) funding a Series 2025B Debt Service Reserve Requirement, if determined necessary in the Certificate of Award; and (iv) paying issuance costs of the Series 2025B Bonds (including all or a portion of the fees and costs of any independent sustainability consultant, escrow bidding agent or verification agent engaged pursuant to Section 6). For those purposes the proceeds from the sale of the Series 2025B Bonds shall be allocated and deposited, as provided in the Thirty-Sixth Supplemental Indenture. If and to the extent that any Series 2025B Bonds are issued for the purpose of (A) refunding a portion of the Refunded Bonds or (B) funding a Series 2025B Debt Service Reserve Requirement, then the aggregate principal amount of Series 2025B Bonds hereby authorized may exceed \$150,000,000 by the aggregate principal amount of the Series 2025B Bonds to be issued for that purpose. Any designation of bonds authorized above may be revised or clarified in the Certificate of Award.

### Section 3. <u>Terms and Provisions Applicable to the Series 2025A/B Bonds</u>.

- (a) Form, Transfer and Exchange. The Series 2025A/B Bonds: (i) shall initially be issued only in fully registered form and substantially in the forms attached as Exhibits to the Thirty-Sixth Supplemental Indenture; (ii) shall initially be issued only to a Depository for holding in a book entry system, and shall be registered in the name of the Depository or its nominee, as Holder, and immobilized in the custody of the Depository, and (iii) shall not be transferable or exchangeable except as provided in the Thirty-Sixth Supplemental Indenture.
- (b) <u>Denominations and Dates</u>. The Series 2025A/B Bonds shall be dated as of the date of issuance and delivery, but in no event later than December 31, 2025, and there shall be a single Series 2025A/B Bond representing each interest rate for each maturity of the Series 2025A/B Bonds bearing the same series or subseries designation as provided in the Thirty-Sixth Supplemental Indenture.
- (c) <u>Principal Maturities</u>. The principal of the Series 2025A/B Bonds shall be paid in such amounts on each principal retirement date (whether at stated maturity date or a mandatory redemption date) as set forth in the Certificate of Award, provided that the final principal retirement date shall be no later than December 31, 2065 and, with respect to the Series 2025A Bonds, the principal retirement schedule shall be consistent with the achievement of the Savings Threshold.

### (d) Interest Rates and Interest Rate Periods for the Series 2025A/B Bonds.

(i) Series 2025A Bonds. The Series 2025A Bonds shall bear interest on their unpaid principal amount payable on each Interest Payment Date, commencing

on the first Interest Payment Date specified in the Certificate of Award, at such fixed rates per annum as set forth in the Certificate of Award as provided in Section 4(c) hereof, provided however, that the "true interest cost" (i.e., interest cost on bonds defined as the rate, compounded semiannually, necessary to discount the amounts payable on the respective interest and principal payment dates to the purchase price received for the bonds) on the Series 2025A Bonds together with any Series 2025B Bonds issued to currently refund or advance refund, as applicable, a portion of the Refunded Bonds, shall not exceed a rate that would cause the Savings Threshold not to be achieved.

(i) Series 2025B Bonds. The Series 2025B Bonds shall bear interest on their unpaid principal amount payable on each Interest Payment Date, commencing on the first Interest Payment Date specified in the Certificate of Award, at such fixed rates per annum as set forth in the Certificate of Award as provided in Section 4(c) hereof, provided however, that the "true interest cost" (i.e., interest cost on bonds defined as the rate, compounded semiannually, necessary to discount the amounts payable on the respective interest and principal payment dates to the purchase price received for the bonds) on the Series 2025B Bonds (other than any Series 2025B Bonds issued to currently refund or advance refund, as applicable, a portion of the Refunded Bonds) shall not exceed six percent (6.00%) per annum.

### (e) Optional and Mandatory Redemption.

- (i) Optional Redemption of the Series 2025A/B Bonds. The Series 2025A/B Bonds maturing on or before any date specified in the Certificate of Award as the Earliest Optional Redemption Date for the applicable Series 2025A/B Bonds (which shall be no later than the outside date permitted by law) are not subject to prior optional redemption. Any Series 2025A/B Bond maturing after the applicable Earliest Optional Redemption Date shall be subject to redemption at the option of the Authority, prior to their stated maturities on or after such Earliest Optional Redemption Date in whole or in part (in whole multiples of \$5,000) on any date, at redemption prices specified in the Certificate of Award, provided that no such redemption price (not including accrued interest) shall exceed 102% of the principal amount of the applicable Series 2025A/B Bonds to be redeemed.
- (ii) Mandatory Sinking Fund Redemption Any Series 2025A/B Bonds may be designated in the Certificate of Award as Term Bonds and be subject to mandatory sinking fund redemption by lot on specified principal retirement dates at a price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption.
- (f) <u>Redemption Provisions</u>. Redemption of Series 2025A/B Bonds shall be effected in accordance with Article IV of the Master Indenture; provided, however, that notices of redemption of the Series 2025A/B Bonds sent pursuant to Section 402 of the Master Indenture may specify that the redemption is conditional upon the Authority's depositing the funds needed to effect that redemption prior to the specified redemption date.

- (g) <u>Places and Manner of Payment</u>. The principal of and the interest and any redemption premium on the Series 2025A/B Bonds shall be payable at the places and in the manner specified in the Thirty-Sixth Supplemental Indenture.
- (h) <u>Execution</u>. The Authorized Officials are, and each of them is, authorized and directed to execute the Series 2025A/B Bonds, and the Secretary of the Board is authorized and directed to affix the seal of the Authority to the Series 2025A/B Bonds and to deliver them to the Trustee for authentication in accordance with the Indenture.

### Section 4. Sale of Series 2025A/B Bonds.

- (a) <u>General</u>. The Series 2025A/B Bonds shall be awarded and sold to the Original Purchasers in accordance with the Bond Purchase Agreement and the Certificate of Award, at a purchase price of not less than ninety-five percent (95%) of the aggregate of the products from multiplying the principal amount of each Series 2025A/B Bonds times the percentage of such principal amount at which such Series 2025A/B Bond shall be initially offered to the public, after subtracting from the aggregate of such products the premium payable for any municipal bond insurance policy applicable to the Series 2025A/B Bonds.
- (b) <u>Bond Purchase Agreement</u>. The Authorized Officials are, and each of them is, authorized and directed to execute and deliver the Bond Purchase Agreement between the Authority and the Original Purchasers, substantially in the form presented to this Authority, but with such changes not inconsistent with the Indenture and this Resolution and not substantially adverse to the Authority as may be approved by the Authorized Official executing the same on behalf of the Authority. The approval of any such changes by such Authorized Official and the determination by such Authorized Official that no such change is substantially adverse to the Authority shall be conclusively evidenced by the execution of the Bond Purchase Agreement by such Authorized Official. The price for and terms of the Series 2025A/B Bonds and the sale thereof, all as provided in this Resolution, the Bond Purchase Agreement, the Certificate of Award, and the Thirty-Sixth Supplemental Indenture, are hereby approved and determined to be in the best interests of the Authority.
- (c) <u>Certificate of Award</u>. Such sale and award shall be further evidenced by the Certificate of Award executed by an Authorized Official. The terms of the Series 2025A/B Bonds approved in the Certificate of Award shall be incorporated into the Thirty-Sixth Supplemental Indenture. The Certificate of Award, subject to the restrictions set forth herein, shall: (i) with respect to each series or subseries of the Series 2025A/B Bonds, specify the aggregate principal amount, the purchase price, the first Interest Payment Dates, the interest rate or rates, the principal retirement dates, the mandatory sinking fund requirements (if any), the redemption dates, and the redemption prices thereof; (ii) specify whether a municipal bond insurance policy, letter of credit, or other credit or liquidity facility shall be obtained with respect to any of the Series 2025A/B Bonds and, if so, from whom and on what terms; (iii) specify the amount, if any, of the Series

2025A Debt Service Reserve Requirement and the Series 2025B Debt Service Reserve Requirement and determine whether it shall be met entirely with (A) cash and Permitted Investments (as defined in the Indenture); (B) a Qualified Reserve Credit Facility (as defined in the Indenture); or (C) a specified combination of (A) and (B); and (iv) include any additional information that may be required or permitted to be stated therein by the terms of this Resolution and the Bond Purchase Agreement.

- Authorization of Bond Insurance and Qualified Reserve Credit Facilities. The submission of any applications to: (i) recognized providers of municipal bond insurance requesting the issuance of one or more municipal bond insurance policies to insure the Authority's obligation to make payments of principal of and interest on any of the Series 2025A/B Bonds, and (ii) potential providers of Qualified Reserve Credit Facilities, is hereby ratified and approved. The Authorized Officials are, and each of them is, hereby authorized to specify in the Certificate of Award that the Authority shall accept one or more commitments for insurance from such providers, and one or more commitments for a Qualified Reserve Credit Facility. There is hereby authorized to be paid from the moneys deposited in the Series 2025A Costs of Issuance Subaccount such amount as is required to pay the premium and expenses for such insurance policies and Qualified Reserve Credit Facilities relating to the Series 2025A Bonds. There is hereby authorized to be paid from the moneys deposited in the Series 2025B Costs of Issuance Subaccount such amount as is required to pay the premium and expenses for such insurance policies and Qualified Reserve Credit Facilities relating to the Series 2025B Bonds. The Authorized Officials are, and each of them is, hereby further authorized to enter into a reimbursement agreement with the provider of any Qualified Reserve Credit Facility to provide for the Authority's reimbursement of the provider for any amounts drawn under the Qualified Reserve Credit Facility in a manner consistent with the Indenture. Any determination of the Authorized Officials under this paragraph shall be based on the written advice of the Financial Advisor.
- (e) <u>Certificates</u>. The Authorized Officials are, and each of them is, authorized and directed, in their official capacities, to execute and deliver to the Original Purchasers, the certificates required by the Bond Purchase Agreement to be executed on behalf of the Authority.
- (f) <u>Delivery of Bonds</u>. The Authorized Officials are, and each of them is, authorized and directed to make the necessary arrangements with the Original Purchasers to establish the date, location, procedure and conditions for the delivery of the Series 2025A/B Bonds. The Authorized Officials are, and each of them is, further authorized and directed to make the necessary arrangements for the printing of the Series 2025A/B Bonds, and the execution, authentication and delivery of the applicable Series 2025A/B Bonds to DTC for the accounts of the Original Purchasers, in accordance with this Resolution and the Indenture, and upon the receipt of payment of the purchase price, to cause such amount to be applied in accordance with the terms and provisions of this Resolution and the Indenture.

### Section 5. Allocation of Proceeds of the Series 2025A/B Bonds; Tax Covenants.

- (a) <u>Allocation of Proceeds</u>. The proceeds from the sale of the Series 2025A/B Bonds shall be allocated, deposited and credited for the purposes approved in this Resolution and as specified in the Thirty-Sixth Supplemental Indenture.
- (b) <u>Tax Covenants</u>. The Board authorizes the Authorized Officials to approve the tax covenants, authorizations and agreements necessary to achieve and maintain the tax-exempt status of the Series 2025A/B Bonds.
- Section 6. Thirty-Sixth Supplemental Indenture, Escrow Agreement and Other Documents. The Authorized Officials are, and each of them is, authorized in connection with the issuance of the Series 2025A/B Bonds, to execute, acknowledge and deliver in the name of and on behalf of the Authority, the Thirty-Sixth Supplemental Indenture, substantially in the form thereof submitted to the Authority at or prior to this meeting, but with such changes therein as may be permitted by the Indenture and this Resolution and approved by the Authorized Officer executing the document on behalf of the Authority. The approval of those changes shall be conclusively evidenced by the execution of the document by an Authorized Official.

The Authorized Officials are, and each of them is, authorized in connection with the issuance of the Series 2025A/B Bonds, to execute, acknowledge and deliver in the name of and on behalf of the Authority, the Escrow Agreement, substantially in the form thereof submitted to the Authority at or prior to this meeting, but with such changes therein as may be permitted by the Indenture and this Resolution and approved by the Authorized Officer executing the document on behalf of the Authority. If in the Certificate of Award, an Authorized Official determines that it is in the Authority's best interest to authorize the purchase of open-market securities to effect the advance refunding of the Refunded Bonds, the Authorized Official is authorized to engage an agent for the purchase of such securities. With respect to the Escrow Agreement and to the extent any escrow securities are to be purchased thereunder, the Certificate of Award shall designate an independent firm experienced in the preparation of verification reports to verify or certify such escrow securities to be of such maturities and interest payment dates, and to bear such interest, as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient together with any cash deposited with and to be retained in that form by the Escrow Agent, to pay the principal of and interest and any premium on the Refunded Bonds, on their respective maturity or redemption date or dates, as provided in the Escrow Agreement.

The Authorized Officials are, and each of them is, authorized in connection with the issuance of the Series 2025B Bonds, to engage an independent sustainability consultant to prepare an opinion regarding, *inter alia*, the Authority's DC Clean Rivers Project.

The Authorized Officials and any other member, officer or employee of the Authority are each authorized to execute and deliver, on behalf of the Authority, such other certificates, documents and instruments related to the Series 2025A/B Bonds as are necessary in connection with the transactions authorized in this Resolution, and to do all other things required of them or the Authority pursuant to the Indenture, the Thirty-Sixth Supplemental Indenture, the Bond Purchase Agreement, the Escrow Agreement and this Resolution.

No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future member of the Board or officer, employee or agent of the Authority in his or her individual capacity, and neither the members of the Board nor any officer of the Authority executing the Series 2025A/B Bonds shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof. No member of the Board or officer, employee, agent or advisor of the Authority shall incur any personal liability with respect to any other action taken by him pursuant to this Resolution or the Indenture or any other document authorized by this Resolution, provided such member, officer, employee, agent or advisor acts in good faith.

Section 7. Official Statement; Continuing Disclosure. The Authorized Officials shall cause to be prepared and issued on behalf of the Authority, an official statement (the "Official Statement") relating to the original issuance of the Series 2025A/B Bonds. The Authorized Officials are, and each of them is, authorized to execute the Official Statement on behalf of the Authority, which shall be in substantially the form of the Official Statement submitted to the Authority at this meeting, with such changes as the Authorized Official who executes it may approve, the execution thereof on behalf of the Authority by an Authorized Official to be conclusive evidence of such authorization and approval (including approval of any such changes), and copies thereof are hereby authorized to be prepared and furnished to the Original Purchasers for distribution to prospective purchasers of the Series 2025A/B Bonds and other interested persons. The preliminary Official Statement, shall be "deemed substantially final" by the Authority within the meaning of Rule 15c2-12 of the Securities Exchange Commission, subject to completion as provided below.

The distribution by the Authority and by the Original Purchasers of the preliminary Official Statement and the Official Statement, in such form and with any changes as may be approved in writing by an Authorized Official, is hereby authorized and approved.

The Authority shall make sufficient copies of the Official Statement, with any supplements, available to the Original Purchasers to sell book entry interests in the Series 2025A/B Bonds, and will provide copies as appropriate to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website at www.emma.msrb.org.

The Authorized Officials are each hereby authorized to furnish such information, to execute such instruments and to take such other action in cooperation with the Original

Purchasers as may be reasonably requested to qualify the Series 2025A/B Bonds for offer and sale under the Blue Sky or other securities laws and regulations and to determine their eligibility for investment under the laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the Original Purchasers; provided, however, that the Authority shall not be required to register as a dealer or broker in any such state or jurisdiction or become subject to the service of process in any jurisdiction in which the Authority is not now subject to such service.

The Authorized Officials are each hereby further authorized: (i) to supplement and complete the "deemed substantially final" preliminary Official Statement by affixing thereto or inserting therein information to identify the Original Purchasers and to specify the final principal amount, interest rates and redemption provisions of the Series 2025A/B Bonds, the price of the Series 2025A/B Bonds to the general public, any credit enhancement provisions with respect to the Series 2025A/B Bonds and any change in ratings of the Series 2025A/B Bonds resulting from such credit enhancement, and such other information as is necessary to supplement and complete the Official Statement with the approved and agreed upon terms of Series 2025A/B Bonds, and (ii) to make such other changes to the preliminary Official Statement or the Official Statement as are, in the judgment of an Authorized Official, necessary and appropriate in order to make the preliminary Official Statement or the Official Statement not materially misleading and to comply with applicable securities laws or otherwise to enable the Authority to fulfill its obligations regarding the preliminary Official Statement or the Official Statement under the Bond Purchase Agreement.

The Authority hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Resolution or the Indenture, failure of the Authority to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, any Holder of Series 2025A/B Bonds may, and the Trustee may (and, at the request of the Holders of at least 25% in aggregate principal amount of Outstanding Series 2025A/B Bonds, shall) take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Authority to comply with its obligations under this paragraph. The Authorized Officials are, and each of them is, hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement in substantially the form submitted to the Authority at or prior to this meeting with such changes therein as may be approved by the officer executing the Continuing Disclosure Agreement. The approval of those changes shall be conclusively evidenced by the execution of the Continuing Disclosure Agreement by an Authorized Official.

Section 8. <u>General</u>. The appropriate officers and employees of the Authority will do all things necessary and proper to implement and carry out the orders and agreements set forth or approved in this Resolution for the proper fulfillment of the purposes thereof. The Authority shall furnish to the Original Purchasers of the Series 2025A/B Bonds a true and certified transcript of all proceedings relating to the authorization and issuance of the Series 2025A/B Bonds along with other information as is necessary or proper with respect to the Series 2025A/B Bonds.

Section 9. Multiple Series. Notwithstanding anything herein to the contrary, if the Chief Financial Officer and Executive Vice President, Finance, Procurement and Compliance, determines it to be advantageous to the Authority, each of the Series 2025A Bonds and Series 2025B Bonds may be issued in one or more separate series or subseries, each bearing a distinctive designation, provided that the Series 2025A/B Bonds of all series in the aggregate, must satisfy the requirements and comply with the restrictions of this Resolution and the Indenture. Separate series and subseries of Series 2025A/B Bonds may be issued at the same or different times and so may have different dates of issuance. The Series 2025A/B Bonds of each series and subseries shall be designated as provided in the applicable Certificate of Award. A separate Certificate of Award may be delivered for each series or subseries, and each reference in this Resolution to the Certificate of Award shall refer to each and all such Certificates of Award. A separate Supplemental Trust Indenture may be entered into for each series or subseries, and each reference in this Resolution to the Thirty-Sixth Supplemental Indenture, as applicable, shall refer to each and all such Supplemental Trust Indentures, but any Supplemental Trust Indenture subsequent to the Thirty-Sixth Supplemental Indenture shall bear a different designation. A separate Bond Purchase Agreement and Continuing Disclosure Agreement may be entered into for each series or subseries, and each reference in this Resolution to the Bond Purchase Agreement or to the Continuing Disclosure Agreement shall refer to each and all such Bond Purchase Agreements or Continuing Disclosure Agreements, respectively. A separate Official Statement may be prepared for each series or subseries, and each reference in this Resolution to the Official Statement shall refer to each and all such Official Statements.

2.	This Resolution is effective immediately.	
	_	
		Secretary to the Board of Directors

Presented and Adopted: July 3, 2025

**Subject: Approving the Substantially Final Form of Certain** 

Documents, Authorizing the Sale and Setting Terms and

**Details of the Series 2025C Bonds** 

# #25-36 RESOLUTION OF THE BOARD OF DIRECTORS OF THE DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority (the "Authority"), at its meeting on July 3, 2025, upon consideration of a joint-use matter, decided by a vote of \_\_\_\_\_ (\_\_) in favor and \_\_\_\_\_ (\_\_) opposed Approving the Substantially Final Form of Certain Documents, Authorizing the Sale and Setting Terms and Details of the Series 2025C Bonds.

WHEREAS, the Authority is authorized pursuant to the *Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996*, as amended, D.C. Code Section 34-2201.01 et seq. (the "WASA Act"), and the *District of Columbia Water and Sewer Authority Act of 1996*, Public Law 104-184; 110 Stat. 1696, to issue revenue bonds for undertakings authorized by the WASA Act, including to finance or refinance any cost, as defined in the WASA Act, D.C. Code Section 34-2202.01(2); and

WHEREAS, in accordance with the WASA Act, the Authority and Computershare Trust Company, N.A., as trustee (the "Trustee") (its predecessors in that capacity having been Norwest Bank Minnesota, N.A., Wells Fargo Bank Minnesota, N.A. and Wells Fargo Bank, N.A.), entered into the Master Indenture of Trust, dated as of April 1, 1998 (the "Master Indenture" and, as supplemented and amended, the "Indenture"), to provide for financing or refinancing the acquisition, construction, operation, maintenance and extension of the System (as defined in the Master Indenture) by the issuance of bonds, notes and other obligations payable solely from Net Revenues (as such terms are defined in the Master Indenture); and

WHEREAS, the Authority has heretofore entered into thirty-five (35) supplemental indentures of trust with the Trustee in connection with the issuance of Senior Debt and Subordinate Debt (both as defined in the Indenture) or to amend and clarify the Master Indenture and further intends to enter into the Thirty-Sixth Supplemental Indenture in connection with the issuance of the Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2025A and the Public Utility Subordinate Lien Revenue Bonds, Series 2025B (Green Bonds); and

WHEREAS, the Authority now also intends: (i) to issue Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2025C (the "Series 2025C Bonds"), to: (a) finance certain Costs of the System; (b) fund a Series 2025C Debt Service Reserve Requirement, (as defined herein), if determined necessary; and (c) pay certain costs of issuance of the Series 2025C Bonds; (ii) to designate the Series 2025C Bonds as Subordinate Debt for purposes of the Indenture; and (iii) to secure the Series 2025C Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, the CEO and General Manager, the Chief Financial Officer and Executive Vice President, Finance, Procurement and Compliance, the Chief Operations Officer and Executive Vice President and the Chief Legal Officer and Executive Vice President, Government & Legal Affairs of the Authority have informed the Board that their offices have established "due diligence" procedures for reviewing the documents authorized by this Resolution with the Authority's bond counsel, disclosure counsel, financial advisors, underwriters, underwriters' counsel and other consultants and advisors, with a view to ensuring the accuracy of disclosure; and

**WHEREAS**, the Finance and Budget Committee met on June 26, 2025, to review the issuance of the Series 2025C Bonds and recommended approval of this Resolution by the Board.

### NOW THEREFORE, BE IT RESOLVED THAT:

1. The Board approves the Substantially Final Form of Certain Documents, Authorizing the Sale and Setting Terms and Details of the Series 2025C Bonds as follows:

Section 1. <u>Definitions and Interpretations</u>. Unless otherwise defined herein and unless the context indicates otherwise, the terms used herein and defined in the Indenture (including the Thirty-Seventh Supplemental Indenture as hereby approved) shall have the meanings assigned to them therein. In addition, the following terms used as defined terms in this Resolution shall have the meaning assigned to them in this Section:

"Authorized Officials" means the Chairman and First Vice-Chairman of the Board and the CEO and General Manager, the Chief Financial Officer and Executive Vice President, Finance, Procurement and Compliance, the Vice President and Controller, the Vice President, Budget, the Vice President, Finance, and the Vice President, Rates and Revenue of the Authority, including any of the foregoing who are in an interim, acting or similar capacity, provided that any official other than the Chairman shall be designated by the Chairman as her designee for the purpose of executing and delivering any document authorized hereunder.

"Bond Purchase Agreement" means the Bond Purchase Agreement for the Series 2025C Bonds between the Authority and the Original Purchasers, dated as of the same date as the Certificate of Award.

"Certificate of Award" means the certificate of an Authorized Official awarding the Series 2025C Bonds to the Original Purchasers and specifying terms of the Series 2025C Bonds, as provided for in Section 4 of this Resolution.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement executed by the Authority and the Trustee, dated as of the same date as the date of issuance and delivery of the Series 2025C Bonds, as originally executed and as it may be amended from time to time in accordance with its terms.

"Financial Advisor" means, collectively, PFM Financial Advisors LLC and Sustainable Capital Advisors.

"Interest Payment Dates" means the "Interest Payment Date" as defined for the Series 2025C Bonds in the Thirty-Seventh Supplemental Indenture.

"Original Purchasers" for the Series 2025C Bonds means the purchasers identified as such in the Bond Purchase Agreement.

"Remarketing Agent" means any Remarketing Agent designated for the Series 2025C Bonds under the Thirty-Seventh Supplemental Indenture. Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC are the initial Remarketing Agents as specified in the Thirty-Seventh Supplemental Indenture.

"Remarketing Agreement" means any Remarketing Agreement entered into for the Series 2025C Bonds under the Thirty-Seventh Supplemental Indenture.

"Series 2025C Debt Service Reserve Requirement" means, if determined in the Certificate of Award to be necessary, a required fund balance in the Series 2025C Debt Service Reserve Account or Accounts established under the Thirty-Seventh Supplemental Indenture, the amount of which shall be specified in the Certificate of Award, but which shall not exceed the maximum amount permitted to constitute a "reasonably required reserve or replacement fund" under the size limitation set forth in Section 1.148-2(f)(2) of the Treasury Regulations promulgated under the Code (taking into account any moneys in any other fund or account that may be required to be included in such computation) unless the Authority furnishes to the Trustee an opinion of nationally recognized bond counsel to the effect that the existence of a balance in the Series 2025C Debt Service Reserve Account in the amount of the specified required fund balance will not cause the interest on any Series 2025C Bonds intended to be excluded from gross income for federal income tax purposes not to be so excluded.

"Standby Bond Purchase Agreement" means any Standby Bond Purchase Agreement entered into for the Series 2025C Bonds under the Thirty-Seventh Supplemental Indenture.

"Tender Agent" means any Tender Agent designated for the Series 2025C Bonds under the Thirty-Seventh Supplemental Indenture. The Trustee is the initial Tender Agent.

"Thirty-Seventh Supplemental Indenture" means the Thirty-Seventh Supplemental Indenture of Trust by and between the Authority and the Trustee, dated as of the same date as and relating to the Series 2025C Bonds.

Any reference to the Authority or the Board, or to their members or officers, or to other public officers, boards, commissions, departments, institutions, agencies, bodies or entities, shall include those who or which succeed to their functions, duties or responsibilities by operation of law and also those who or which at the time may legally act in their place.

Section 2. Authorization, Designation and Purposes of Series 2025C Bonds. Authority is authorized to issue, sell and deliver, as provided in this Resolution and the Certificate of Award, not to exceed (except as provided below) One Hundred and Eighty Million Dollars (\$180,000,000) aggregate principal amount of Series 2025C Bonds. The Series 2025C Bonds shall be designated "Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2025C" and shall constitute Subordinate Debt for purposes of the Indenture, for the purpose of: (a) financing certain Costs of the System; (b) funding a Series 2025C Debt Service Reserve Requirement, if determined necessary in the Certificate of Award; and (c) paying issuance costs of the Series 2025C Bonds. For those purposes the proceeds from the sale of the Series 2025C Bonds shall be allocated and deposited, as provided in the Thirty-Seventh Supplemental Indenture. If and to the extent that any Series 2025C Bonds are issued for the purpose of funding a Series 2025C Debt Service Reserve Requirement, then the aggregate principal amount of Series 2025C Bonds hereby authorized may exceed \$180,000,000 by the aggregate principal amount of the Series 2025C Bonds to be issued for that purpose. Any designation of bonds authorized above may be revised or clarified in the Certificate of Award.

### Section 3. Terms and Provisions Applicable to the Series 2025C Bonds.

(a) Form, Transfer and Exchange. The Series 2025C Bonds: (i) shall initially be issued only in fully registered form and substantially in the form attached as Exhibit A to the Thirty-Seventh Supplemental Indenture; (ii) shall initially be issued only to a Depository for holding in a book entry system, and shall be registered in the name of the Depository or its nominee, as Holder, and immobilized in the custody of the Depository, and (iii) shall not be transferable or exchangeable except as provided in the Thirty-Seventh Supplemental Indenture.

- (b) <u>Denominations and Dates</u>. The Series 2025C Bonds shall be dated as of the date of issuance and delivery, but in no event later than December 31, 2025, and there shall be a single Series 2025C Bond for each interest rate for each maturity of the Series 2025C Bonds bearing the same series or subseries designation as provided in the Thirty-Seventh Supplemental Indenture.
- (c) <u>Principal Maturities</u>. The principal of the Series 2025C Bonds shall be paid in such amounts on each principal retirement date (whether at stated maturity date or a mandatory redemption date) as set forth in the Certificates of Award, provided that the final principal retirement date shall be no later than December 31, 2065.
- (d) Interest Rates and Interest Rate Periods for the Series 2025C Bonds. The Series 2025C Bonds shall initially be issued as Daily Rate Bonds. The initial interest rate for the Series 2025C Bonds will be the rate that the Original Purchasers determine is necessary to sell the Series 2025C Bonds at a minimum price of ninety-eight percent (98%) of the principal amount of the Series 2025C Bonds and subject to the Maximum Rate. The Series 2025C Bonds initially may be issued in multiple subseries, as determined in the Certificate of Award. The provisions of Section 403 of the Thirty-Seventh Supplemental Indenture shall govern the interest rates per annum and payment terms of the Series 2025C Bonds. After the Initial Period, the Series 2025C Bonds may bear interest at Weekly Rates, Short-Term Rates, Long-Term Rates, Index Rates or Fixed Rates, or may continue to bear interest at Daily Rates, all determined in accordance with the Thirty-Seventh Supplemental Indenture, and shall be subject to conversion between Interest Rate Periods on the terms, in the manner, and subject to the conditions set forth in the Indenture.
- (e) <u>Tender, Purchase, Remarketing and Optional Redemption</u>. For the purpose of effecting the provisions of the Thirty-Seventh Supplemental Indenture relating to the tender, purchase and remarketing of the Series 2025C Bonds, the Authority shall appoint or engage the Tender Agent and Remarketing Agent at the times, in the manner, and subject to the conditions set forth in the Thirty-Seventh Supplemental Indenture. The Series 2025C Bonds shall be subject to redemption prior to stated maturity as and to the extent provided in the Thirty-Seventh Supplemental Indenture and shall be subject from time to time to optional and mandatory tender for purchase as provided in the Thirty-Seventh Supplemental Indenture.
- (f) <u>Places and Manner of Payment</u>. The principal and tender price of and the interest and any redemption premium on the Series 2025C Bonds shall be payable as specified in the Thirty-Seventh Supplemental Indenture.
- (g) <u>Execution</u>. The Authorized Officials are, and each of them is, authorized and directed to execute the Series 2025C Bonds, and the Secretary of the Board is authorized and directed to affix the seal of the Authority to the Series 2025C Bonds and to deliver them to the Trustee for authentication in accordance with the Indenture.

### Section 4. Sale of Series 2025C Bonds.

- (a) <u>General</u>. The Series 2025C Bonds shall be awarded and sold to the Original Purchasers in accordance with the Bond Purchase Agreement and the Certificate of Award, at a purchase price of not less than ninety-five percent (95%) of the aggregate of the products from multiplying the principal amount of each Series 2025C Bond times the percentage of such principal amount at which such Series 2025C Bond shall be initially offered to the public, after subtracting from the aggregate of such products the premium payable for any municipal bond insurance policy applicable to the Series 2025C Bonds.
- (b) <u>Bond Purchase Agreement</u>. The Authorized Officials are, and each of them is, authorized and directed to execute and deliver the Bond Purchase Agreement between the Authority and the Original Purchasers, substantially in the form presented to this Authority, but with such changes not inconsistent with the Indenture and this Resolution and not substantially adverse to the Authority as may be approved by the Authorized Official executing the same on behalf of the Authority. The approval of any such changes by such Authorized Official and the determination by such Authorized Official that no such change is substantially adverse to the Authority shall be conclusively evidenced by the execution of the Bond Purchase Agreement by such Authorized Official. The price for and terms of the Series 2025C Bonds and the sale thereof, all as provided in this Resolution, the Bond Purchase Agreement, the Certificate of Award and the Thirty-Seventh Supplemental Indenture, are hereby approved and determined to be in the best interests of the Authority.
- Certificate of Award. Such sale and award shall be further evidenced by the Certificate of Award executed by an Authorized Official. The terms of the Series 2025C Bonds approved in the Certificate of Award shall be incorporated into the Thirty-Seventh Supplemental Indenture. The Certificate of Award, subject to the restrictions set forth herein, shall: (i) state, with respect to the Series 2025C Bonds, the aggregate principal amount, the purchase price, the first Interest Payment Dates, the principal retirement dates, the mandatory sinking fund requirements (if any), the mandatory tender date (if any), the redemption dates, and the redemption prices thereof; (ii) specify whether a municipal bond insurance policy, letter of credit, or other credit or liquidity facility shall be obtained with respect to any of the Series 2025C Bonds and, if so, from whom and on what terms; (iii) specify the amount, if any, of the Series 2025C Debt Service Reserve Requirement and determine whether it shall be met entirely with (A) cash and Permitted Investments (as defined in the Indenture); (B) a Qualified Reserve Credit Facility (as defined in the Indenture); or (C) a specified combination of (A) and (B); and (iv) include any additional information that may be required or permitted to be stated therein by the terms of this Resolution and the Bond Purchase Agreement. A separate Certificate of Award may be delivered for each subseries of the Series 2025C Bonds, and each reference in this Resolution to the Certificate of Award shall refer to each and all such Certificates of Award. A separate Bond Purchase Agreement, Remarketing Agreement, Standby Bond Purchase Agreement (and any related fee agreement and custodian

agreement, if applicable) and Continuing Disclosure Agreement may be entered into for each subseries of the Series 2025C Bonds, and each reference in this Resolution to the Bond Purchase Agreement, Remarketing Agreement, Standby Bond Purchase Agreement or to the Continuing Disclosure Agreement shall refer to each and all such Bond Purchase Agreements, Remarketing Agreements, Standby Bond Purchase Agreements or Continuing Disclosure Agreements, respectively.

- Authorization of Bond Insurance and Qualified Reserve Credit Facilities. The submission of any applications to: (i) recognized providers of municipal bond insurance requesting the issuance of one or more municipal bond insurance policies to insure the Authority's obligation to make payments of principal of and interest on any of the Series 2025C Bonds, and (ii) potential providers of Qualified Reserve Credit Facilities, is hereby ratified and approved. The Authorized Officials are, and each of them is, hereby authorized to specify in the Certificate of Award that the Authority shall accept one or more commitments for insurance from such providers, and one or more commitments for a Qualified Reserve Credit Facility. There is hereby authorized to be paid from the moneys deposited in the Series 2025C Costs of Issuance Subaccount such amount as is required to pay the premium and expenses for such insurance policies and Qualified Reserve Credit Facilities relating to the Series 2025C Bonds. The Authorized Officials are, and each of them is, hereby further authorized to enter into a reimbursement agreement with the provider of any Qualified Reserve Credit Facility to provide for the Authority's reimbursement of the provider for any amounts drawn under the Qualified Reserve Credit Facility in a manner consistent with the Indenture. Any determination of the Authorized Officials under this paragraph shall be based on the written advice of the Financial Advisor.
- (e) <u>Certificates</u>. The Authorized Officials are, and each of them is, authorized and directed, in their official capacities, to execute and deliver to the Original Purchasers, the certificates required by the Bond Purchase Agreement to be executed on behalf of the Authority.
- (f) <u>Delivery of Bonds</u>. The Authorized Officials are, and each of them is, authorized and directed to make the necessary arrangements with the Original Purchasers to establish the date, location, procedure and conditions for the delivery of the Series 2025C Bonds to the Original Purchasers. The Authorized Officials are, and each of them is, further authorized and directed to make the necessary arrangements for the printing of the Series 2025C Bonds, and the execution, authentication and delivery of the Series 2025C Bonds to DTC for the accounts of the Original Purchasers, in accordance with this Resolution and the Indenture, and upon the receipt of payment of the purchase price, to cause such amount to be applied in accordance with the terms and provisions of this Resolution and the Indenture.

### Section 5. Allocation of Proceeds of the Series 2025C Bonds; Tax Covenants.

(a) Allocation of Proceeds of the Series 2025C Bonds. The proceeds from the sale of the Series 2025C Bonds shall be allocated, deposited and credited for the

purposes approved in this Resolution and as specified in the Thirty-Seventh Supplemental Indenture.

(b) <u>Tax Covenants</u>. The Board authorizes the Authorized Officials to approve the tax covenants, authorizations and agreements necessary to achieve and maintain the tax-exempt status of the Series 2025C Bonds.

Section 6. Thirty-Seventh Supplemental Indenture and Other Documents. The Authorized Officials are, and each of them is, authorized in connection with the issuance of the Series 2025C Bonds, to execute, acknowledge and deliver in the name of and on behalf of the Authority, the Thirty-Seventh Supplemental Indenture, the Remarketing Agreement with each of the initial Remarketing Agents and the Standby Bond Purchase Agreement, substantially in the form thereof submitted to the Authority at or prior to this meeting, but with such changes therein as may be permitted by the Indenture and this Resolution and approved by the Authorized Officer executing the document on behalf of the Authority. The approval of those changes shall be conclusively evidenced by the execution of the document by an Authorized Official.

The Authorized Officials and any other member, officer or employee of the Authority are each authorized to execute and deliver, on behalf of the Authority, such other certificates, documents and instruments related to the Series 2025C Bonds as are necessary in connection with the transactions authorized in this Resolution, and to do all other things required of them or the Authority pursuant to the Indenture, the Thirty-Seventh Supplemental Indenture, the Bond Purchase Agreement, the Remarketing Agreement, the Standby Bond Purchase Agreement and this Resolution.

Following the issuance of the Series 2025C Bonds, if a successor Remarketing Agent is appointed by the Authority, the Authorized Officials are, and each of them is, authorized to execute, acknowledge and deliver, in the name of and on behalf of the Authority, the Remarketing Agreement with the successor Remarketing Agent in a form then determined by the Authorized Officer executing the document on behalf of the Authority to be consistent with the Indenture and this Resolution. The determination of such consistency shall be conclusively evidenced by the execution of the document by an Authorized Official.

No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future member of the Board or officer, employee or agent of the Authority in his or her individual capacity, and neither the members of the Board nor any officer of the Authority executing the Series 2025C Bonds shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof. No member of the Board or officer, employee, agent or advisor of the Authority shall incur any personal liability with respect to any other action taken by him pursuant to this Resolution or the Indenture or any other document authorized by this Resolution, provided such member, officer, employee, agent or advisor acts in good faith.

Section 7. Official Statement; Continuing Disclosure. The Authorized Officials shall cause to be prepared and issued on behalf of the Authority, an official statement (the "Official Statement") relating to the original issuance of the Series 2025C Bonds. The Authorized Officials are, and each of them is, authorized to execute the Official Statement on behalf of the Authority, which shall be in substantially the form of the Official Statement submitted to the Authority at this meeting, with such changes as the Authorized Official who executes it may approve, the execution thereof on behalf of the Authority by an Authorized Official to be conclusive evidence of such authorization and approval (including approval of any such changes), and copies thereof are hereby authorized to be prepared and furnished to the Original Purchasers for distribution to prospective purchasers of the Series 2025C Bonds and other interested persons.

The distribution by the Authority and by the Original Purchasers of the Official Statement, in such form and with any changes as may be approved in writing by an Authorized Official, is hereby authorized and approved.

The Authority shall make sufficient copies of the Official Statement, with any supplements, available to the Original Purchasers to sell book entry interests in the Series 2025C Bonds, and will provide copies as appropriate to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website at www.emma.msrb.org.

The Authorized Officials are each hereby authorized to furnish such information, to execute such instruments and to take such other action in cooperation with the Original Purchasers as may be reasonably requested to qualify the Series 2025C Bonds for offer and sale under the Blue Sky or other securities laws and regulations and to determine their eligibility for investment under the laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the Original Purchasers; provided, however, that the Authority shall not be required to register as a dealer or broker in any such state or jurisdiction or become subject to the service of process in any jurisdiction in which the Authority is not now subject to such service.

The Authorized Officials are each hereby further authorized: (i) to complete the Official Statement with the approved and agreed upon terms of Series 2025C Bonds, and (ii) to make such other changes to the Official Statement as are, in the judgment of an Authorized Official, necessary and appropriate in order to make the Official Statement not materially misleading and to comply with applicable securities laws or otherwise to enable the Authority to fulfill its obligations regarding the Official Statement under the Bond Purchase Agreement.

The Authority hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Resolution or the Indenture, failure of the Authority to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, any Holder of Series 2025C Bonds may, and the Trustee may (and, at the request of the Holders of at least 25% in aggregate principal amount of Outstanding Series 2025C

Bonds, shall) take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Authority to comply with its obligations under this paragraph. The Authorized Officials are, and each of them is, hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement in substantially the form submitted to the Authority at or prior to this meeting with such changes therein as may be approved by the officer executing the Continuing Disclosure Agreement. The approval of those changes shall be conclusively evidenced by the execution of the Continuing Disclosure Agreement by an Authorized Official.

Section 8. <u>General</u>. The appropriate officers and employees of the Authority will do all things necessary and proper to implement and carry out the orders and agreements set forth or approved in this Resolution for the proper fulfillment of the purposes thereof. The Authority shall furnish to the Original Purchasers of the Series 2025C Bonds a true and certified transcript of all proceedings relating to the authorization and issuance of the Series 2025C Bonds along with other information as is necessary or proper with respect to the Series 2025C Bonds.

2.	This Resolution is effective immediately.
	Secretary to the Board of Directors

Presented and Adopted: July 3, 2025

SUBJECT: Approval to Execute Construction Manager at Risk (CMAR) Early Work Package (EWP) Amendment No. 1 of Contract No. 240040, Division RC-T – Piney Branch Tunnel, Clark Construction Group

#25-37
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("DC Water") at its meeting held on July 3, 2025, upon consideration of a joint-use matter, decided by a vote of ( ) in favor and ( ) opposed to approve the execution of Construction Manager at Risk Early Work Package Amendment No. 1 of Contract No. 240040, Clark Construction Group.
Be it resolved that:
The Board of Directors hereby authorizes the CEO and General Manager to execute Construction Manager at Risk Early Work Package Amendment No. 1 of Contract No. 240040, Clark Construction Group. This contract is for the construction of preliminary works in preparation for the Piney Branch Tunnel as part of the DC Clean Rivers Project, which is mandated by a Consent Decree. The total value of this amendment is \$27,730,857.00.
This Resolution is effective immediately.
Secretary to the Board of Directors

## DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY BOARD OF DIRECTORS CONTRACTOR FACT SHEET

### **ACTION REQUESTED**

### CONSTRUCTION MANAGER AT RISK (CMAR) – EARLY WORK PACKAGE (EWP) AMENDMENT NO. 1:

# Division RC-T – Piney Branch Tunnel (Non-Joint Use)

Approval to execute Construction Manager at Risk (CMAR) Early Work Package (EWP) Amendment No. 1 for \$27,730,857.00

CONTRACTOR/SUB/VENDOR INFORMATION			
PRIME: SUBS PARTICIPATION*			
Clark Construction Group	DBE- See Attachment B	17.07%	
7900 Westpark Drive, Suite T300			
McLean, VA 22102 WBE- See Attachment B 4.19%			

<sup>\*</sup> Participation is based on eligible portions of work. See Attachment A for a list of excluded items.

### **DESCRIPTION AND PURPOSE**

Preconstruction Services Contract Value: \$971,412.00

Preconstruction Services Contract Time: 334 Days (11 Months)

Preconstruction Services Start Date (NTP): 11/12/2024

Construction Services, EWP Amendment No. 1 Value: \$27,730,857.00

Construction Services, EWP Amendment No. 1 Time: 360 Days (11 Months, 26 Days)

Total Contract Value, including this Amendment: \$28,702,269.00
Anticipated Construction Services, EWP Amendment 08-08-2025

No. 1 Start Date (NTP):

Anticipated Construction Services, EWP Amendment No. 1 Completion Date: 08-03-2026

### Purpose of the Contract:

- Construct preliminary works in advance of construction of Piney Branch Tunnel for DC Clean Rivers Project.
- This work is required by a Consent Decree.

### **Contract Scope:**

- Construction of preliminary works on an accelerated schedule is necessary to meet the Consent Decree deadline.
- Preliminary works include temporary relocation of approximately 700 feet of Piney Branch
  Parkway to provide space for tunnel shaft, utilities to support construction, temporary
  construction offices, tree removal within timeframe limitations established by National Park
  Service to protect threatened species and design of temporary support of excavation for shaft
  and appurtenances.

### **Federal Grant Status:**

 The construction contract may be funded in part by Congressional appropriations for CSO projects.

ROCUREMENT INFORMATION			
Contract Type:	GMP/Lump Sum	Award Based On:	Best Value
Commodity:	Construction	Contract Number:	240040
Contractor Market: Open Market			

### **BUDGET INFORMATION**

Funding:	Capital	Department: Cle	ean Rivers
Service Area:	Combined Sewer Overflow	Department Head:	: Jeff Peterson
Project:	DZ		

### **ESTIMATED USER SHARE INFORMATION**

User	Share %	Dollar Amount
District of Columbia	100.00%	\$27,730,857.00
Federal Funds**	0.00%	\$
Washington Suburban Sanitary Commission	0.00%	\$
Fairfax County	0.00%	\$
Loudoun County & Potomac Interceptor	0.00%	\$
Total Estimated Dollar Amount	100.00%	\$27,730,857.00

<sup>\*\*</sup>Subject to Federal appropriations. If Congressional appropriation is received, DC share will decrease.

Signed by:

Defrey J. Shompson 6/10/2025

Jeffrey F. Thompson

. . .

Chief Operating Officer and EVP

-DocuSigned by:

aren Gran 6/10/2025

Korey R. Gray Date

Vice President of Compliance and Chief Procurement Officer

- DocuSigned by:

Matthew T. Brown Date

Chief Financial Officer and EVP

Finance, Procurement and Compliance

/6-20-25

David L. Gadis

Date
Chief Executive Officer and General Manager

Page 2 of 4

240040 DIV RC-T Piney Branch Tunnel EWP Factsheet

### CMAR Contract 240040 Piney Branch Tunnel

Subconsultant/Subcontractor DBE/WBE List and Excluded Item Amounts from Fair Share Objectives Early Work Package Amendment No. 1

### Attachment A

The following table provides a summary of the major project items that are excluded from the D/WBE Fair Share Objectives at this time.

Description	Amount	Explanation
CMAR Contingency	\$ 1,103,000	
Project Contingency	\$ 2,100,000	
Allowance		Need for and scope of work unknown at
Community Impact	\$ 275,000	this time. DC Water will coordinate with
Mitigation Allowance		CMAR contractor to utilize DBE/WBE
Safety Training Allowance	\$ 25,000	subcontractors if authorized and where
Roadway Ground	\$ 1,500,000	applicable.
Improvement Allowance		
Bonds and Insurance	\$ 396,447	
Utility Agency Allowance,	\$ 280,000	Fees paid directly to utility owner and
Permit Fee Allowance		permitting agency
CMAR Fee	\$ 1,867,053	Excluded, prime contractor's fee
Total	\$ 7,546,500	

### CMAR Contract 240040 Piney Branch Tunnel

Subconsultant/Subcontractor DBE/WBE List and Excluded Item Amounts from Fair Share Objectives Early Work Package Amendment No. 1

### Attachment B

Subconsultants/Subcontractors	Certification	Participation
Atlantic Sweeping and Cleaning Inc	DBE	0.26%
E&F Landscaping, LLC	DBE	0.10%
Clarence Butts Photography	DBE	0.19%
Argos Cleaning Services, Inc.	DBE	0.15%
Capitol Development Design Inc	DBE	0.46%
Empire Landscape LLC	DBE	4.49%
Stokes Plans and Permitting, LLC	DBE	1.11%
Global Geotechnical Consultants	DBE	0.19%
Bulldog Distribution Trucking, LLC	DBE	0.24%
Peer Consultants	DBE	1.77%
Temporary City General, Inc.	DBE	7.53%
Apex Petroleum Corporation	DBE	0.58%
	Subtotal DBE	17.07%
Premier Security Services Inc	WBE	1.10%
Sunrise Safety Services, Inc.	WBE	2.63%
Road Safety LLC	WBE	0.34%
Tina Boyd and Associates	WBE	0.12%
	Subtotal WBE	4.19%

The CMAR will continue to pursue opportunities to meet or exceed the DBE/WBE Fair Share Objectives as the project is further defined and construction needs are identified. The CMAR will partner with DC Water to identify protected class firms who are eligible and interested in participating in the program for specific portions of the work. Together, we will endeavor to achieve the DBE and WBE objectives for the program.

Presented and Adopted: July 3, 2025
SUBJECT: Approval to Publish Notice of Final Rulemaking for New and Amended Fees & Charges

# #25-38 RESOLUTION OF THE BOARD OF DIRECTORS OF THE DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The District members of the Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority" or "DC Water") at the Board meeting held on July 3, 2025 upon consideration of a non-joint use matter, decided by a vote of \_\_\_\_ () in favor and \_\_\_\_() opposed, to approve the following actions with respect to the publication of the Notice of Final Rulemaking for new and amended Fees and Charges.

WHEREAS, Section 203(11) of the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996, effective April 18, 1996 (D.C. Law 11-111, § 203(11); D.C. Code § 34-2202.03(11)) authorizes DC Water to establish, adjust and collect charges for services, facilities, or commodities furnished or supplied by DC Water; and

**WHEREAS**, DC Water establishes rates, fees and charges in accordance with its Rate Setting Policy (Board Resolution #11-10), including the recovery of current costs to provide service; and

**WHEREAS**, the DC Retail Water and Sewer Rates Committee met on April 22, 2025 to consider the recommendations from the General Manager regarding proposed amended miscellaneous fees and charges to be effective October 1, 2025; and

**WHEREAS**, on May 1, 2025, the Board through Resolution # 25-21, approved the publication of the NOPR in the District of Columbia Register (*D.C. Register* or DCR) for public comment on the proposed new and amended fees and charges in accordance with the District of Columbia Administrative Procedure Act effective April 22, 2025; and

**WHEREAS**, on May 16, 2025, DC Water published the NOPR in the *D.C. Register* at 72 DCR 5932 to receive public comments on the NOPR during the public comment period ending June 16, 2025; and

**WHEREAS**, on June 24, 2025, the DC Retail Water and Sewer Rates Committee met to consider comments received during the public comment period and the General Managers recommendation for the final proposal for the new and amended fees and charges; and

1

**WHEREAS**, the General Manager reported that one public comment was submitted on the proposed new and amended fees and charges published in the NOPR and addressed follow-up questions from Committee Members and based on the comments received, recommended deleting the "Declined Credit Card Fee"; and

**WHEREAS**, the DC Retail Water and Sewer Rates Committee, after further consideration of the responses to the Committee Members' questions and discussion regarding the public comment, recommended the Board adopt and approve the amended fees and charges for publication of a Notice of Final Rulemaking (NOFR) in the *D.C. Register*, effective October 1, 2025; and

**WHEREAS**, after consideration of the recommendation of the DC Retail Water and Sewer Rates Committee and the General Manager, the District members of the Board of Directors, adopted and approved the new and amended fees and charges as presented in Attachment A.

### NOW THEREFORE BE IT RESOLVED THAT:

- 1. The Board directs the General Manager to publish a Notice of Final Rulemaking in the District of Columbia Register to promulgate the new and amended fees and charges as provided in Attachment A, effective October 1, 2025.
- 2. The General Manager is authorized to take all steps necessary in his judgment and as otherwise required in accordance with the District of Columbia Administrative Procedure Act.

This resolution is effective immediately.	
	Secretary to the Board of Directors

# Attachment A Amended Fees & Charges

Chapter 1, WATER SUPPLY, of Title 21 DCMR, WATER AND SANITATION, Section 112, FEES, Subsections 112.1 through 112.6 are amended and Subsection 116 FOIA Fees is added as follows, effective October 1, 2025:

### Section 112, FEES, is amended as follows:

### Subsection 112.1 is amended to read as follows, effective October 1, 2025:

Fees for installation, inspection and removal/abandonment of water and sewer tap or connection, inspect meter setter or vault, inspect sewer main, manhole, catch basin, and meter relocation shall be as follows:

### (a) Inspection Fees:

Inspection Fees	Fee
Inspect Pointing Up Sewer Taps	\$970
Inspect Insertion of Y-Branch	\$345
Inspect Installation of Standard Cleanout	\$345
Inspect Sewer Tap Removal	\$345
Meter Setter Inspection	\$265
Meter Setter Re-Inspection	\$265
Meter Vault Inspection	\$1,060
Meter Vault Re-Inspection	\$1,060
Inspect pre-cast conc. vault for new meters	\$4,000
Inspect installation of fire hydrant relocation	\$3,000
Inspect installation of new fire hydrant	\$3,000
Inspect new 8", 10", 12" water main	\$7,000 + \$12/LF
Inspect new 16", 20" water main	\$10,000 + \$12/LF
Inspect new ≥24" water main	\$14,000 + \$12/LF
Inspect new 10"–15" diameter sewer main	\$7,000 + \$12/LF
Inspect new 18"–30" diameter sewer main	\$10,000 + \$12/LF
Inspect new 36"–48" diameter sewer main	\$20,000 + \$12/LF
Inspect new ≥54" diameter sewer main	\$25,000 + \$12/LF
Inspect new sewer manhole/Catch Basin 0–10 vertical feet (vft)	\$5,000
Inspect new sewer manhole/Catch Basin >10 ≤ 20 vft	\$8,000
Inspect new sewer manhole/Catch Basin >20 ≤ 30 vft	\$15,000
Inspect new sewer manhole/Catch Basin >30 vft	\$20,000
Inspect sewer CCTV ≤ 24" public sewer main	\$1,300 + \$13/LF
Inspect sewer CCTV 24"–36" public sewer main	\$1,500 + \$15/LF
Inspect sewer CCTV 42"–48" public sewer main	\$1,700 + \$17/LF
Inspect sewer CCTV 54"-72" public sewer main	\$2,000 + \$20/LF
Inspect sewer CCTV > 72" public sewer main	\$4,000 + \$40/LF

Inspection Fees	Fee
Inspect sewer CCTV and relining ≤ 24" public sewer	\$2,300 + \$23/LF
Inspect sewer CCTV and relining 24"–36" public sewer	\$2,900 + \$29/LF
Inspect sewer CCTV and relining 42"–48" public sewer	\$3,400 + \$34/LF
Inspect sewer CCTV and relining 54"–72" public sewer	\$4,000 + \$40/LF
Inspect sewer CCTV and relining > 72" public sewer	\$8,000 + \$80/LF

### (b) Tap Insertion and Abandonment Fees:

Fee Name	Fee
Tap Insertion – 1" diameter	\$485
Tap Insertion – 1-1/2" diameter	\$565
Tap Insertion – 2" diameter	\$610
Water Connection 3" and Larger	\$2,650
Water Tap Removal/Abandonment – 2" diameter or less	\$455
Water Tap Removal/Abandonment – greater than 2" diameter	\$905

### Subsection 112.2 is amended to read as follows, effective October 1, 2025:

Fees for fire hydrants flow tests; fire hydrant meter rentals; rentals of fire hydrant meters with backflow preventer; and for the installation and removal of water bubblers shall be as follows:

Fee Name	Fee
Fire Hydrant Flow Test (Field Test)	\$340
Fire Hydrant Flow Test (Computer Model)	\$340
Fire Hydrant Flow Test (Recent Test Record Available)	\$145
Fire Hydrant Use – Water and Sewer Rate	Usage-Based, see 21
	DCMR Chapter 41
Letter in Lieu of Hydrant Flow Test	\$265
Fire Hydrant Permit Fee	\$80
Private Fire Hydrant Flush	\$100
3" Fire Hydrant Meter Deposit	\$2,000 per rental
3" Fire Hydrant Meter Rental <15 days	\$225
3" Fire Hydrant Meter Rental ≥15 days	\$15 per day
3" Fire Hydrant Meter w/Backflow Preventer Deposit	\$3,000 per rental
3" Fire Hydrant Meter w/Backflow Preventer Rental <15 days	\$300 per rental
3" Fire Hydrant Meter w/Backflow Preventer Rental ≥15 days	\$20 per day
5/8" Fire Hydrant Meter w/Backflow Preventer Deposit	\$1,000 per rental
5/8" Fire Hydrant Meter w/Backflow Preventer Rental <15 days	\$225 per rental
5/8" Fire Hydrant Meter w/Backflow Preventer Rental ≥15 days	\$15 per day

### Subsection 112.4 is amended to read as follows, effective October 1, 2025:

- Retail customer fees and charges; legal and copying fees; and event and equipment fees shall be as follows:
  - (a) Retail customer fees and charges shall be as follows:

Fee Name	Fee
Customer Bad Check Fee	\$35
<del>Declined Credit Card Fee</del>	<del>\$45</del>
Customer Penalty Late Payment Fee	10.00% after 30 days
Additional Penalty Late Payment Fee	1%/month after 60 days,
	compounded monthly
New Customer Account Initiation Fee	\$60
Disconnection Fee	\$60
Reconnection Fee – Residential Customer	\$55
Reconnection Fee – Multi-Family and	\$110
Non-Residential Customer	
Unauthorized Water or Sewer Connection:	
First Offense	\$400
Second Offense	\$800
Each Subsequent Offense	\$1,200
Notice of Follow Up (NOFOL) Compliance Fee	\$505
Broken Bypass Seal	\$790
Second Water Audit within 24 months	\$145
Manual Meter Reading Fee Residential <sup>1</sup>	\$25 per month/meter
Manual Meter Reading Fee <sup>1</sup>	
Multi-Family and Non-Residential	
5/8"-2"	\$110 per month/meter
3"-4"	\$265 per month/meter
6" & greater	\$530 per month/meter

- (b) Manual Meter Read Fee in paragraph 112.14(a) is charged, after notice, when the meter reads are not transmitting and 1) customer does not provide access to the premises for DC Water to read the meter, 2) customer does not provide access to the premises for DC Water to maintain the meter or meter transmission system, or 3) customer fails to perform corrective action necessary for DC Water to install or maintain the meter or meter transmission system.
- (c) Legal and copying fees shall be as follows:

Fee Name	Fee
Witness Fee	\$40 + Travel Expenses

DC Water Staff Expert Witness Fee	Hour(s) x (Base Salary + Fringe) \$/hr. + Travel Expenses
Document Duplication Fee	Travel Expenses
Standard Letter and Legal Page	\$0.75 per sheet

(d) Event fees shall be as follows:

Size of Event (Attendees)	Minimum Number of DC Water Personnel Per Event <sup>1</sup>	Cost per Event at \$100/hour per person
$100 - 2{,}000$	2	\$200/hour
2,000 - 5,000	4	\$400/hour
5,000 or more	6	\$600/hour

- (e) The "Number of DC Water Personnel Per Event" referenced in paragraph 112.4(d) refers to the minimum number of personnel required for the event. Upon review of the event specifications, DC Water shall determine the appropriate number of personnel based on the assessed need.
- (f) Equipment fees shall be as follows:

<b>Event Equipment</b>	Cost per Unit per Event
Misting Tent	\$625/day
Cooling Station	\$480/day
DC Water Mascot	\$85/hour

### Subsection 112.5 is amended to read as follows, effective October 1, 2025:

- Fees for engineering reviews both standard and expedited, excessive submission, and as-builts shall be as follows:
  - (a) **Small Project and Hybrid Project Plan Review Fees** shall be as provided in the table below for Small Projects, which are defined to include:
    - (1) Small Residential project subject to 12-B DCMR Residential Code Supplement with water service and meter two inches (2") or less;
    - (2) Small Non-Residential project subject to 12-A DCMR Building Code Supplement with water service and meter inches (2") or less;
    - (3) Small Hybrid means a Small Residential or Small Non-Residential project with a domestic water service and meter two inches (2") or less and a fire service greater than two inches (2"); or

(4) Projects requiring only a sewer connection six inches (6") or less in diameter or only a storm connection less than fifteen inches (15") in diameter.

Fee Name	Standard Fee	Expedited Review Fee	Standard Review Time* (Business Days)	Expedited Review Time* (Business Days)
Small Project Base Plan - 1 <sup>st</sup> Submission Administrative Fee – All Small Projects	\$215	N/A	N/A	N/A
Small Project Rejected Plan Resubmission Administrative Fee - All Small Projects	\$110	N/A	N/A	N/A
Small Project Sheet and Shore - All Small Projects	\$1,325	\$2,650	14	7
Small Residential Project per meter connection	\$1,590	\$3,180	14	7
Small Non-Residential Project per meter connection	\$5,300	\$10,600	21	11
Small Hybrid Project per meter connection	\$7,155	\$14,310	21	11
Small Residential Approved Plan Revision (APR) per metered connection	\$530	\$1,060	14	7
Small Non-Residential or Hybrid APR per metered connection	\$1,540	\$3,075	21	11
Small Residential, Small Non- Residential or Small Hybrid Raze Permit Review and Utility Release Letter - No Abandonment	\$425	\$850	14	7
Small Project Raze Permit Review and Utility Release Letter - With Abandonments	\$1,060	\$2,120	14	7
Small Non-Residential Temporary Water Connections	\$2,120	\$4,240	21	11
Small Project Sanitary or Combined Sewer connection 6" or less	\$1,060	\$2,120	14	7
Small Project Storm sewer connection only less than 15"	\$1,060	\$2,120	14	7

### \*Review times are estimated; Actual time may vary.

(b) Large Project Plan Review Fees for projects having a domestic water service and fire service greater than two inches (2") in diameter shall be subject to fees provided in the table below as follows:

Fee Name	Standard Fee	Expedited Review Fee	Standard Review Time* (Business Days)	Expedited Review Time* (Business Days)
Large Project Base Plan - 1 <sup>st</sup> Submission Administrative Fee	\$215	N/A	N/A	N/A
Large Project Rejected Plan Resubmission Administrative Fee	\$110	N/A	N/A	N/A
Large Project Plan Review Fee per meter:	\$15,900	\$ 31,800	30	15
Large Project Foundation to Grade	\$1,860	\$3,710	21	11
Large Project Approved Plan Revision (APR)	\$2,120	\$4,240	14	7
Large Project Sheeting and Shoring	\$13,250	\$26,500	30	15
Large Project Temporary Water Connections	\$5,300	\$10,600	21	11
Large Fire Service Only Greater than 2" - with no interior renovations	\$5,300	\$10,600	21	11
Large Sanitary or Combined Connection Only 8" or larger	\$5,300	\$10,600	21	11
Large Storm Connection Only 15" or larger	\$5,300	\$10,600	21	11
Large Water Meter Size Reduction Plan (with no other work)	\$5,300	\$10,600	21	11
Large Project Raze Only Utility Release Letter - No Abandonments	\$530	\$1,060	14	7
Large Project Raze Only Utility Release Letter - With Abandonments	\$1,590	\$3,180	14	7
Utility Infrastructure Only Review Fee (0 to 1,000	\$10,600	\$21,200	30	15

Fee Name	Standard Fee	Expedited Review Fee	Standard Review Time* (Business Days)	Expedited Review Time* (Business Days)
linear feet of water and/or sewer mains)				
Utility Infrastructure Only Review Fee (1,000 – 2,500 linear feet of water and/or sewer mains)	\$15,900	\$31,800	30	15
Utility Infrastructure Only Review Fee (greater than 2,500 linear feet of water and/or sewer mains)	\$19,080	\$38,160	30	15

<sup>\*</sup>Review times are estimated; Actual time may vary.

### (c) **Miscellaneous Fees** shall be as provided in the table below as follows:

Fee Name	Standard Fee	Expedited Review Fee	Standard Review Time* (Business Days)	Expedited Review Time* (Business Days
Small Residential Plan Excessive Submission Review (5 <sup>th</sup> review or more) per metered connection	\$530	N/A	Based on No. of metered connections	Based on No. of metered connections
1 to 5 metered connections			14	7
6 to 20 metered connections			21	11
21 to 50 metered connections			40	20
greater than 50 metered connections			50	25
Small Non-Residential and Small Hybrid Plan Excessive Submission Review (5 <sup>th</sup> review or more) per metered connection	\$795	N/A	Based on No. of metered connections	Based on No. of metered connections
1-3 metered connections			21	11
4 or more metered connections			30	15

Fee Name	Standard Fee	Expedited Review Fee	Standard Review Time* (Business Days)	Expedited Review Time* (Business Days
Large Plan Excessive Submission Review (5 <sup>th</sup> review or more)	\$3,710	\$7,420	30	15
Request for Information (RFI)	\$190	\$375	20	10
Request for As-Built Drawings	\$215	\$425	20	10
Water and Sewer Availability Letter	\$795	\$1,380	14	7
Processing of Standard Easement and Covenant (Initial Document)	\$2,120	\$4,240	14	7
Processing of Non- Standard Easement and Covenant (Initial Document)	\$9,010	\$18,020	21	11
One Day Plan Design and Review and Approval (Velocity Sign-Off Program)	\$26,500	N/A	1	N/A
Large Meter Relocation Fee	\$5,000	N/A	N/A	N/A
Small Meter Relocation Fee (Non- Residential/Multi-Family)	\$2,500	N/A	N/A	N/A
Small Meter Relocation Fee (Residential)	\$1,500	N/A	N/A	N/A
Reconfiguration of Fire System (adding small Fire Split, 2" or less) (Non- Residential/Multi-Family)	\$2,500	N/A	N/A	N/A
Reconfiguration of Fire System (adding small Fire Split, 2" or less) (Residential)	\$1,500	N/A	N/A	N/A
ProjectDox Signoff on Category I & II and Swimming Pool	\$200	N/A	N/A	N/A
Non-DC Water Zone of Influence (ZOI) Sheeting and Shoring (not within	\$500	N/A	N/A	N/A

Fee Name	Standard Fee	Expedited Review Fee	Standard Review Time* (Business Days)	Expedited Review Time* (Business Days
the influence of DC Water's assets)				
ProjectDox Foundation to Grade	\$500	N/A	N/A	N/A
Non-Department of Transportation (DDOT) Building Civil Permit (non-DDOT BCIV) (Any project that is not DDOT related)	\$500	N/A	N/A	N/A
Building Civil Permit Erosion Sediment Control (BCIV ESC)	\$500	N/A	N/A	N/A

<sup>\*</sup>Review times are estimated; Actual time may vary.

- (d) **DC Water "Velocity" Sign-Off Program** (One Day Final Plan Review and Approval) a District Department of Buildings (DOB) permit applicant may request to participate in the DC Water "Velocity" program in accordance with the following requirements:
  - (1) Participation in DC Water's "Velocity" Sign-Off Program only applies to plans resubmitted after DC Water's initial standard or expedited plan review.
  - (2) Applicant shall pay the minimum DC Water "Velocity" Sign-Off Program fee of \$25,000 in addition to the applicable plan review fee and any other applicable fees.
  - (3) DC Water shall determine if the plans are eligible (complete and suitable) to participate in the program and that staff are available to perform the review requested.
  - (4) Upon acceptance into the DC Water "Velocity" Sign-Off Program, DC Water shall schedule a meeting with the Applicant to review and approve the plans, not less than one (1) week after the request to participate in the program.
  - (5) DC Water shall schedule one four-hour plan review and approval meeting, during which the Applicant shall present the revised plans and responses.

- (6) If approved, the Applicant shall pay all required fees (e.g., SAF, inspection review, deposits, etc.) and DC Water shall issue the Water and Sewer Approval Certificate and approve the plans in ProjectDox.
- (7) If DC Water issues additional comments or requirements, the applicant shall resubmit the revised plans within two (2) business days, and if all comments are acceptable, the plans shall be approved within one business day.
- (e) **Existing/Proposed As-Built Fee** shall be as provided in the table below as follows:

Fee Name	Fee		
Small Residential	\$265 (each bldg.)		
Small Non-Residential	\$265 (each bldg.)		
Small Hybrid	\$265 (each bldg.)		
Large Project	\$795 (Each Connection – water		
	or sewer)		
Installation of New Water or Sewer Main (20 to 100 feet)	\$2,650		
Each additional 200 feet of Water Main	\$2,120		
Each additional 400 feet of Sewer Main	\$2,120		
Installation of Water Main - larger than 24" in diameter Determined on a per projection			
Installation of Sewer Main - larger than 60" in diameter	Determined on a per project basis		

### Subsection 112.6 is amended to read as follows, effective October 1, 2025:

112.6 Waste Hauler Permit and Disposal Fees; Pretreatment Industrial User Permit and Sampling Fees; High Strength Waste Fees; and FOG Facility fees shall be as follows:

Fee Name	Fee
Waste Hauler Discharge Annual Permit Fee per Vehicle	\$55
Waste Hauling Disposal Fees	
High strength grease trap waste	\$0.091 per gallon
High strength septage waste	\$0.091 per gallon
Domestic strength waste	\$0.004 per gallon
Low strength waste	\$0.004 per gallon
Industrial User Permit Fees	
Permit Initial Fee	\$3,040
Permit Renewal Fee	\$1,015
Industrial User Annual Compliance Fees	
Significant or Non-Significant Categorical Industrial User	
1 Outfall	\$3,490
2 or more Outfalls	\$4,835
Significant Non-Categorical Industrial User Fees	
1 Outfall	\$3,490
2 or more Outfalls	\$4,835
Non-Significant Non-Categorical User	
1 Outfall	\$790
2 or more Outfalls	\$1,015
Sampling and Analysis Fees	
PFAS	
1 <sup>st</sup> Sample	\$895/sample
Each Additional Sample	\$420/sample
High Strength Waste Fees	
Biochemical Oxygen Demand (BOD)	\$0.151 per pound
Total Suspended Solids (TSS)	\$0.350 per pound
Total Kjeldahl Nitrogen (TKN) or Total Nitrogen (TN)	\$1.526 per pound
Total Phosphorus (TP)	\$9.815 per pound
Fats, Oil and Grease (FOG) Facility Monthly Fee	\$24.50 per month

### Subsection 112.12(a) is amended to read as follows, effective October 1, 2025:

### 112.12 Cross-Connection/ Back Flow Prevention Fees and Turn-Off Charges

(a) The Cross-Connection/ Back Flow Prevention Fees and Turn-Off Charges shall be as follows:

Fee Name	Fee
Cross-Connection/Back Flow Prevention Monthly Fee per Assembly	\$6.20
Cross-Connection - Water Service Disconnection - 5/8" to 2"	\$230
Cross-Connection - Water Service Disconnection - 3" to 5"	\$455
Cross-Connection - Water Service Disconnection - 6" and larger	\$1,015

### A new Subsection 112.14 is added to read as follows, effective October 1, 2025:

- 112.14 Freedom of Information Act Request Response Processing Fees shall be as follows:
  - (a) DC Water shall charge the following FOIA Fees in response to a Freedom Information Act (FOIA) request for documents pursuant to the FOIA of 1976, effective March 25, 1977, D.C. Law 1-96, as amended:

FOIA Fee Name	Fee	
FOIA Document Search Fee	Hour(s) x Staff Base Salary/hr.	
FOIA Document Review & Redaction Fee	Hour(s) x Staff Base Salary/hr.	
FOIA Document Duplication Fee		
Standard Letter and Legal Page	\$0.75 per sheet	
Electronic Conversion Fee	Hour(s) x Staff Base Salary/hr.	

- (b) The Staff Base Salary shall be the current Base Salary for the staff performing the search, review or electronic conversion and applied at a hourly rate to the nearest penny.
- (c) The FOIA Document Search Fee, FOIA Document Review & Redaction Fee, and FOIA Document Electronic Conversion Fee shall be calculated by multiplying the number of hours by the hourly rate of the staff person performing that task.
- (d) The FOIA Document Search Fee shall be charged even if the requested records cannot be located after a thorough, good-faith search.
- (e) FOIA Fees may be waived or reduced if DC Water determines the request is in the public interest because furnishing the information can be considered as primarily benefiting the general public.
- (f) A FOIA requester seeking a FOIA Fee waiver or reduction under Section 112.14(d), shall provide a statement in the FOIA request explaining how furnishing the requested record(s) will primarily benefit the general public. The explanation shall address how the requested records will likely contribute significantly to public understanding of the operation or activities of DC Water.
- (g) DC Water may request an advanced payment in full of the FOIA Fees if:
  - (1) The requester previously failed to pay the FOIA Fees; or
  - (2) DC Water determines the estimated FOIA Fees will exceed \$250.
- (h) With respect to any FOIA request for which payment of FOIA Fees in advance is required, DC Water shall consider such request to have been

- withdrawn and shall administratively close such request if the requester has not paid the required FOIA Fee within sixty (60) days of the date when the requester is informed of the fee.
- (i) FOIA fees shall be paid in full prior to DC Water providing access or issuance of the requested documents.
- (j) A receipt of FOIA Fees paid shall be given only upon request. No refund of the FOIA Fees shall be made for services rendered.
- (k) If a request is administratively closed, a requester must submit a new FOIA request to obtain the requested records.
- (l) If the FOIA requester withdraws their request or it is administratively closed, the requester shall be responsible for payment of the FOIA Fees incurred up to the date of withdrawal.
- (m) In accordance with applicable law:
  - (1) Fees shall be limited to reasonable standard charges for document search, duplication, and review and redaction when records are requested for commercial use;
  - (2) Fees shall be limited to reasonable standard charges for document duplication when records are not sought for commercial use and the request is made by an educational or non-commercial scientific institution for scholarly or scientific research or a representative of the news media;
  - (3) For any request for records not described in paragraphs (1) or (2) of this subsection, fees shall be limited to reasonable standard charges for document search and duplication; and
  - (4) Only the direct costs of search, duplication, or review and redaction may be recovered.

Presented and Adopted: July 3, 2025

SUBJECT: Approval to Award Contract Nos. 10439 and 10447 for Liquidity Support of Variable Rate Demand Bond, T.D. Bank, N.A. and Bank of America, N.A.

#25-39
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("DC Water") at its meeting held on July 3, 2025, upon consideration of a non-joint use matter, decided by a vote of \_\_\_\_ ( ) in favor and \_\_\_\_ ( ) opposed to approve the award of Contract Nos. 10439 and 10447, T.D. Bank, N.A. and Bank of America, N.A.

### Be it resolved that:

The Board of Directors hereby authorizes the CEO and General Manager to execute the award of Contract Nos. 10439 and 10447, T.D. Bank, N.A. and Bank of America, N.A. DC Water needs a replacement liquidity facility for the Series 2014B Bonds up to \$100 million, which will be supported by T.D. Bank, N.A. Additionally, DC Water requires a liquidity facility for the new Series 2025C Bonds up to \$185 million, supported by Bank of America, N.A. The contract value for T.D. Bank, N.A. is \$1,258,019 for \$100 million for a 5-year term and \$1,676,962 for \$185 million for a 3-year term with a combined contract value of \$2.934.981.00.

value of \$2,934,981.00.	
This Resolution is effective immediately.	
	Secretary to the Board of Directors

## DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY BOARD OF DIRECTORS CONTRACTOR FACT SHEET

### **ACTION REQUESTED**

### **GOODS AND SERVICES CONTRACT NEW AWARD**

### **VARIABLE RATE DEMAND BONDS**

(Non-Joint Indirect)

Approval to award two contracts totaling \$2,934,981 for Liquidity Support of Variable Rate Demand Bonds (VRDBs). One to TD Bank, N.A. in the amount of \$1,258,019 for \$100 million for a 5-year term, and another to Bank of America, N.A. in the amount of \$1,676,962 for \$185 million for a 3-year term.

CONTRACTOR/SUB/VENDOR INFORMATION				
PRIME:	SUBS:	PARTICIPATION:		
T.D. Bank, N. A.	N/A	N/A		
1919 Gallows Road				
Vienna, VA 11182				
Bank of America, N.A.				
620 S. Tryon Street, 25th Floor				
Charlotte, NC 28255				

### **DESCRIPTION AND PURPOSE**

Contract Value (T.D. Bank): \$1,258,019

Contract Dates (T.D. Bank): 07-23-2025—07-23-2030

Contract Value (Bank of America): \$1,676,962

Contract Dates (Bank of America): 08-13-2025—08-13-2028

Option Years: N/A
Total Number of Proposals: 23

Total Value of Contract \$2,934,981

Proposal Price Range \$170,000 - \$6,105,000

### **Purpose of the Contract:**

DC Water requires a replacement liquidity facility to support the outstanding Series 2014B Bonds of up to \$100 million. The TD Bank, N.A., facility will support the Series 2014B bonds. In addition, DC Water also requires a liquidity facility to support a new issue of Series 2025C Bonds of up to \$185 million. The Bank of America, N.A., facility will support the Series 2025C Bonds.

### **Contract Scope:**

Liquidity services are documented in the form of Standby Bond Purchase Agreements that are governed by the terms of DC Water's bond indenture and negotiated between DC Water and liquidity providers. DC Water will issue \$285 million in VRDBs, requiring a bank provided credit facility for support. The Bank will provide liquidity support and pay investors that tender their bonds in the event DC Water is unable to provide the necessary cash. Investors require (and indenture mandates) that a credit facility secure both the Series 2014B bonds and the Series 2025C bonds.

#### Solicitation:

Open market RFP DCW-SOL-25-10439 was published on March 12, 2025, with a proposal due date of April 4, 2025. Seven companies responded to the RFP. Each vendor had the opportunity to respond to up to 5 options based on terms ranging from 1-5 years (35 in total). The final selection is based on the evaluation criteria of implementation costs, ongoing commitment fees, interest rates on drawn amounts and downgrade pricing, credit terms, Bank Credit Ratings and simplicity of execution. TD Bank, N.A., and Bank of America, N.A., offer the best value combination to DC Water of lowest price and high technical score.

### PROCUREMENT INFORMATION

Contract Type:	Fixed Basis Points	Award Based On:	Best Value
Commodity:	Bank Credit Facility	Contract Number:	10439, 10447
Contractor Market:	Open Market		

BUDGET INFORMATION				
Funding: Operating Department: Finance				
Project Area:	DC Water – wide	Department Head:	Matthew Brown	

ESTIMATED USER SHARE INFORMATION		
User - Operating	Share %	Dollar Amount
District of Columbia	100.00%	\$2,934,981
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$2,934,981

| 6/18/2025 | South | 6/18/2025 | Ivan Boykin Date

**VP Finance** 

Corcy Gray 6/23/2025

Korey Gray Date

VP Compliance and Chief Procurement Officer

Matthew T. Brown Date
CFO and Executive Vice-President of

6/30/2025

Finance, Procurement and Compliance

David L. Gadis Date

CEO and General Manager