MINUTES OF THE MEETING
ENVIRONMENTAL QUALITY AND OPERATIONS COMMITTEE
FEBRUARY 21, 2025
(via Microsoft Teams)

COMMITTEE MEMBERS PRESENT

1. Sarah Motsch, Chairperson, Alternate, Fairfax County
2. Howard Gibbs, Vice-Chairperson, Principal, District of Columbia
3. Jared McCarthy, Principal, Prince George's County
4. Christopher Herrington, Principal, Fairfax County
5. Amy Stevens, Alternate, Montgomery County

DC WATER STAFF PRESENT

1. David L. Gadis, Chief Executive Officer and General Manager
2. Marc Battle, Chief Legal Officer and EVP, Government and Legal Affairs
3. Michelle Rhodd, Secretary to the Board
4. Matthew Brown, Chief Financial Officer and EVP, Finance, Procurement and Compliance
5. 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 Operations, presented a summary of the performance of Blue Plains Advanced Wastewater Treatment Plant (BPAWTP) for January. The average flow through to complete treatment was 257 million gallons per day (MGD) for the month, and the peak daily flow was 322 MGD, which occurred on January 31st. It was reported that all weekly and monthly NPDES permit requirements were met.

Mr. Passarelli discussed the performance of the Anacostia tunnel system and wet weather treatment at BPAWTP. It was noted that precipitation for the month of January was under 2-inches and the combined wet weather flows captured by the tunnel system

was 14 million gallons (100% rainwater capture). 1546 MG of volume was captured by Anacostia River Tunnel System in calendar year 2024 through December, with 115 MG overflow. Since the system's inception in 2018, there have been 350 events with a total volume of 17,775 MG captured and 1.6 billion gallons captured to CSO, resulting in a total capture rate of 91.5%.

Mr. Passarelli discussed electrical energy use and onsite generation at BPAWTP. Onsite energy generation from the Combined Heat and Power (CHP) facility and solar panels for the month was 19% of the average consumption at BPAWTP. The CHP Facility generated an average of 6.2 megawatts (MW), of which 5.1 MW was transferred to the Blue Plains grid. The solar system power generation was low at an average of 0.32 MW for the month due to winter conditions. The average electrical consumption for the month was 28.5 MW and the total purchased power from PEPCO averaged 23.0 MW. DC Water saved approximately $0.9 million cumulatively in FY25 due to power generated onsite at BPAWTP (instead of purchasing from PEPCO).

Mr. Passarelli discussed biosolids production and Bloom marketing at BPAWTP. During January, over 12,130 wet tons of biosolids were produced; approximately 665 wet tons were sold as Bloom, and the remaining 11,465 wet tons were land applied through existing land application contracts. For FY25 to date, 9,568 tons have been sold as Bloom, compared to the goal of 70,000 tons for the year.

II. LEAD FREE DC UPDATE

William Elledge, Director, Engineering and Technical Services, provided an update on the Lead Free DC Program, which aims to replace all lead service lines across the district. Mr. Elledge began by discussing the program's key performance indicators (KPIs), which are tracked through a quarterly shared 9-box KPI chart. The program was below its material verification goals at the time of the report, due to an increase in the inventory of addresses, which affected the calculation of material verification percentages.

Mr. Elledge highlighted the impact of external factors such as weather and additional permit holiday Season, which had caused some delays in the program’s progress. Despite these challenges, the program managed to meet its December goals, though it had initially hoped to exceed them by a wider margin.

Mr. Elledge stated the overall replacement progress was reported at 18% completion, with material verification nearly 38% complete. Mr. Elledge acknowledged delays in December and January but remained optimistic about future progress.

The discussion included details about LPRAP (Lead Pipe Replacement Assistance Program), and its focus on private-side replacements, which are critical in areas where previous small diameter water main projects were completed on the public side in the early 2000s.

Mr. Elledge addressed legislative developments that could impact the program. Two bills had been reintroduced at DC Council concerning the mandate of lead pipe replacements, which the legal team was closely monitoring. Mr. Elledge emphasized the ongoing adjustments and planning needed to adapt to these potential regulatory changes and ensure continued compliance and effectiveness of the Lead Free DC initiative.

Mr. Elledge then provided an update on the small diameter water mains and discussed the performance and projections for replacing lead service lines associated with small diameter water main projects, particularly focusing on the production rates and the importance of this component in the broader Lead Free DC program.

Mr. Elledge noted that the monthly production rates for replacing these water mains were gradually increasing over the course of the year. Mr. Elledge highlighted that the program started below target, showing a chart with three purple bars representing actual monthly production which were under a mile per month. Mr. Elledge explained that adjustments had been made to the project approach to improve these numbers, and projections showed that by the final month of the fiscal year, the production rate would reach 1.46 miles per month, aligning with the approved budget renewal rate.

Mr. Elledge stressed that achieving this rate was crucial for meeting the overall objectives of the Lead Free DC initiative, particularly in hitting the target renewal rates necessary for compliance and efficiency. Mr. Elledge mentioned the Memorandum of Understanding (MOU) signed with the Department of Transportation (DDOT) in the context of the Lead Free DC program. Mr. Elledge explained that the MOU's effects had not yet been fully realized in the program as DDOT’s consultant is still in the onboarding phase. Mr. Elledge expects the MOU would significantly contribute to advancing the program's objectives once the consultant is fully integrated and operational.

Mr. Elledge highlighted that the MOU was expected to facilitate better coordination and streamline processes, thereby enhancing the effectiveness of the lead pipe replacement efforts. This collaboration was seen as a crucial step toward improving infrastructure project execution and ensuring the program could meet its goals more efficiently.

III. DC CLEAN RIVERS PROJECT STATUS UPDATE

Jeffrey Peterson, Director, Clean Rivers, provided an update on the Clean Rivers Project. Mr. Peterson focused on several key areas of the project, highlighting recent advancements and the next stages of development.

Potomac River Tunnel: Mr. Peterson reported significant progress at the Potomac River Tunnel, a major component of the project aimed at reducing combined sewer overflows into the Potomac River. Mr. Peterson noted that construction crews had recently mobilized at the CSO 22 site, commonly known as the Watergate site. Mr. Peterson discussed the current excavation of the main shaft at the West Potomac Park site and the completion of the Support of Excavation (SOE) elements for the temporary shaft, which will serve as a secondary excavation point. Mr. Peterson highlighted that the Tunnel Boring Machine (TBM) is being fabricated in Germany and is expected to arrive on schedule for the tunneling operations to begin later in the year.

Piney Branch Tunnel: Mr. Peterson touched on the Piney Branch Tunnel, noting that the environmental assessment had been completed, and the finding of no significant impact (FONSI) is currently pending approval signatures from the National Park Service. He stated that the project is during Phase 1 pre-construction services with Clark Construction, with full construction anticipated to start in 2026 and finish in 2029.

Rock Creek Green Infrastructure Project C: Mr. Peterson provided an update on the Rock Creek Green Infrastructure Project C, which had recently received board approval to proceed. Mr. Peterson mentioned that the project is designed to manage stormwater from 25 impervious acres through the construction of 43 alleys with permeable pavement. The contract type is Construction Management at Risk (CMAR) which was approved by Board during February 5 meeting. Mr. Peterson emphasized that the project is moving swiftly from the award phase to the construction phase, reflecting DC Water's commitment to enhancing green infrastructure. Construction is anticipated to start in 2025 and finish in 2027.

Mr. Peterson's update underscored the strategic progress of the Clean Rivers Project, illustrating DC Water's ongoing efforts to improve the city's water quality and infrastructure resilience through significant engineering and construction projects. Mr. Peterson's presentation conveyed the complexities involved in managing such large-scale infrastructure developments and highlighted the collaborative efforts required to maintain momentum and achieve the environmental goals set forth by the initiative.

IV. PROPOSED MARYLAND PFAS BILL

Chris Peot, Director, DC Water Resource Recovery, provided an update on the proposed Maryland PFAS bill, specifically Senate Bill 732 introduced by Senator Love from

Montgomery County. The Bill aims to lower the limit for PFAS in biosolids to one part per billion, which would significantly impact the management of biosolids, as current levels are typically higher than this proposed limit.

The Maryland Department of the Environment (MDE) currently has a framework for managing biosolids that prohibits land application if PFAS levels exceed 100 parts per billion. For levels between 20 and 100 parts per billion, there are tiered application rates, while levels below 20 parts per billion can be applied without restrictions. Mr. Peot outlined the current status of biosolids management at DC Water, emphasizing success in meeting regulatory standards and achieving environmental goals. Mr. Peot noted that the facility consistently produces Class A biosolids, which have been successfully applied in land applications, providing an environmentally friendly alternative to landfill disposal. In January, two samples tested slightly above 20 parts per billion (21 and 23), which required adjustments in land application rates. However, subsequent tests returned to levels below 20 parts per billion, demonstrating DC Water's commitment to safe and sustainable biosolid reuse.

Mr. Peot discussed the challenges posed by a proposed state Senate Bill (SB 732), introduced by State Senator Love from Montgomery County, which seeks to lower the allowable limits of PFAS in biosolids to one part per billion. Mr. Peot explained that such a limit would effectively impose a de facto ban on the land application of biosolids, as achieving such low PFAS levels is currently beyond available technological capabilities.

Mr. Peot provided context on the broader implications of this bill, stating that if passed, it would force utilities like DC Water to divert all biosolids to landfills. This shift would not only increase operational costs significantly — potentially by tens of millions of dollars annually — but also burden landfill capacity and lead to higher environmental and financial costs for the community.

Mr. Peot detailed his involvement in legislative hearings, where he testified about the potential economic impact of the proposed PFAS limits and argued against the bill's feasibility and scientific basis. Mr. Peot stressed that the existing state regulations are protective of human health and the environment, echoing sentiments from other utilities and environmental groups who oppose the bill.

Furthermore, Mr. Peot mentioned proactive measures being taken by DC Water, including ongoing monitoring of PFAS levels and engagement with industrial users to mitigate PFAS sources. He also discussed efforts to educate stakeholders and legislators about the science of biosolids and PFAS, advocating for regulations based on realistic technological capabilities and scientific evidence.

Mr. Peot's update highlighted the complexities of biosolids management in the face of emerging contaminants like PFAS. He detailed presentation underscored the importance of informed legislative processes and the potential consequences of well-intended but scientifically and technologically challenging regulations. Mr. Peot's affirmed DC Water's commitment to environmental stewardship and public health, advocating for sustainable and scientifically grounded solutions to waste management challenges.

Committee members Christopher Herrington and Amy Stevens posed specific questions concerning the potential impacts of the proposed PFAS legislation and DC Water's advocacy efforts.

Mr. Herrington inquired whether DC Water's government relations staff were actively lobbying against the proposed PFAS bill and if they were working behind the scenes to influence legislative outcomes. Mr. Peot confirmed that the government relations team is indeed heavily involved and actively working with legislators to address concerns about the bill. Mr. Peot reassured Mr. Herrington that their efforts were robust and aimed at preventing the passage of the bill in its current form.

Mr. Herrington also asked whether the Board or the General Manager needed to provide any further direction regarding the search for alternative biosolids management strategies if the bill were to pass. Mr. Peot noted that DC Water was already exploring other options for managing biosolids should the need arise. Mr. Peot indicated that formal Board direction was not necessary at this stage since proactive measures were in progress, however, any formal endorsement or guidance that the Board considered appropriate is welcomed.

Ms. Stevens inquired about the position of the Maryland Association of Counties (MACO) and Maryland Association of Municipal Wastewater Agencies (MAMWA) on the bill and the likelihood of it moving forward. Mr. Peot responded that there is a high possibility of an amendment to the bill. Additionally, MAMWA is opposed to the bill and MACO did not take a formal position, but MACO's expressed concerns about costs and avoiding undue financial burdens on ratepayers and users as a result the bill is unlikely to move forward in its current form.

V. CIP QUARTERLY UPDATE

Paul Guttridge, Director of CIP Infrastructure Management, presented the CIP Quarterly Update. The Baseline projection for FY25 is $650 Million and the current fiscal year spending forecast is $628 Million which is approximately 97% of the overall target.

Additionally, recent federal funding impacts were discussed. While reimbursements are still being received, the situation is being closely monitored for potential changes. Mr. Brown reported on this matter to the DC Oversight Committee, and further details will be included in the next Quarterly CIP Report.

Mr. Guttridge explained that the current spending for the Lead Free DC (LFDC) program is expected to overachieve due to better-than-anticipated progress, while the Sewer Area is projected to spend less due to schedule updates on large trunk sewer projects. Additionally, no contingencies for sewer emergency work have arisen, contributing to savings in that area.

The performance tracking includes 52 total KPIs scheduled for FY25. In Q1, two KPIs were completed within the expected threshold, while two others are projected outside the 90-day threshold.

Ryu Suzuki, Director of Engineering, provided an update on the Water, Sewer, and Process Facility Programs. He reported that three new program managers are now fully operational and ready to support the expanding Capital Improvement Program (CIP).

In the Water Program, a major achievement has been the completion of the RFP for the Valve and Fire Hydrant Assessment Program, developed in collaboration with operations. This initiative is crucial for conducting accurate condition assessments and identifying areas in need of repairs and rehabilitation. Additionally, preparations are underway to issue a solicitation package in April for the Water Pumping and Storage Facilities contract, which involves rehabilitating drinking water pumping stations and constructing two new storage reservoirs to enhance system resiliency and reliability.

The Sewer Program is focused on completing inspections of all remaining uninspected large sewers within the fiscal year. Despite permitting challenges, the team is working diligently to meet this goal. As inspections progress, additional urgent or emergency repair needs may arise due to deteriorated sewer conditions. A key project under development will address 17 miles of Anacostia Main Interceptor sewer infrastructure, with a solicitation package currently in preparation.

The Process Facilities Program Manager has been ramping up since December 2024. The team serves as the owner's agent, managing multiple procurements, including upgrades to headworks, primary treatment, and filtration systems. Additionally, a flood wall project is being procured to protect Blue Plains AWTP from flooding above the 500-year flood level. The team will also focus on delivering key improvements to pumping stations across the city. Each of these programs is making significant progress and further updates will be provided as key milestones are reached.

VI. PROPOSED FY 2025 – FY 2034 CAPITAL IMPROVEMENT PROGRAM

Matthew Brown, Chief Financial Officer presented the proposed FY 2025 – FY 2034 Capital Improvement Program (CIP) and sought the recommendation of the Committee for full Board approval. Mr. Brown explained that the CIP was initially presented in January and has undergone two months of review and discussion by the Board of Directors. The proposed $9.6 billion budget includes increases for the Potomac Interceptor, adjustments to the Lead-Free DC program, and revised projected spending for future years, among other changes. The Ten-Year CIP includes the spending forecasts for major expenditures including water, wastewater, and sewer while the Clean Rivers program is a slightly lesser expenditure.

The funding sources include a mix of cash (Pay-Go Financing), new debt issuance of $4 billion, and wholesale capital payments. Additionally, Mr. Brown explained that the $400 million in grants, making up about 4% of the budget, are critical for maintaining affordability to DC water customers.

The Committee was asked to recommend approval of the 10-Year Disbursement Plan and Lifetime Budget before the CIP could be moved to full board for approval. A recommendation was made to move the CIP to the full board for approval.

VII. ACTION ITEMS

John Pappajohn, Procurement Director, Goods and Services, presented the three goods and services fact sheets.

JOINT USE

1. Contract No. 16-PR-DFM-07 – Fleet Management Information System (FMIS) Consulting Services – Chevin Fleet Solutions
2. Contract No. 19- PR-DFS-01 – Heating, Venting and Air- Conditioning (HVAC) Maintenance Services – Complete Building Services

NON-JOINT USE

1. Contract No. 10507 – Underground Utility Location and Marking – Dynamic Concepts, Inc.

The Committee recommended moving all Joint Use and Non-Joint Use Action Items to the full Board for approval.

VIII. OTHER BUSINESS/EMERGING ISSUES

Jeffrey F. Thompson, Chief Operating Officer and EVP, informed the committee that the Committee reporting format will be streamlined starting next month. A technical report will be distributed to the Committee, containing routine and recurring information. Meanwhile, the slide deck and presentation will be more concise and focused on key updates.

IX. ADJOURNMENT

The meeting was adjourned at 10:14am.