



**328<sup>TH</sup> BOARD OF DIRECTORS MEETING  
MINUTES OF THE MEETING  
MARCH 5, 2026  
(Via Microsoft Teams)**

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**DIRECTORS PRESENT**

**District of Columbia Members**

1. Unique Morris-Hughes, Principal, Board Chair
2. Rachna Bhatt, Principal
3. Anthony Giancola, Principal
4. Howard Gibbs, Principal
5. Richard Jackson, Principal
6. Jed Ross, Principal
7. Alexander McPhail, Alternate
8. Jimmy Ortiz, Alternate
9. Robert Hawkins, Alternate

**Prince George's County Members**

1. Kevin Stephen, Principal
2. Samuel Moki, Principal
3. Oluseyi Olugbenle, Alternate

**Montgomery County Members**

1. Fariba Kassiri, Principal
2. Jennifer Macedonia, Principal
3. Amy Stevens, Alternate
4. John Markovs, Alternate

**Fairfax County Members**

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

**DC WATER STAFF**

1. David Gadis, CEO and General Manager

2. Gregory Hope, Interim Chief Legal Officer & EVP
3. Barbara Mitchell, Associate General Counsel and Director of Government Affairs
4. Lola Oyeyemi, Interim Chief Financial Officer & EVP, Finance, Procurement and Compliance
5. Matthew Brown, Chief Operating Officer and EVP
6. Kirsten Williams, Chief Administrative Officer & EVP
7. Michelle Rhodd, Secretary to the Board

The 328<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 9:34 a.m. The meeting was held via Microsoft Teams and streamed live at [dcwater.com](http://dcwater.com). Board Secretary Michelle Rhodd called the roll, and a quorum was established.

## **I. APPROVAL OF THE MINUTES**

Board Chair Dr. Unique Morris-Hughes asked for a motion to approve the minutes of the February 5, 2026, Board of Directors meeting.

**Upon a motion duly made the Board of Directors approved the minutes of the meeting on February 5, 2026, as presented.**

## **II. CHAIRPERSON'S OVERVIEW**

On behalf of the Board, Dr. Morris-Hughes thanked CEO David Gadis and his team for organizing last week's community meetings, which allowed residents to engage with DC Water, government officials, and Maryland representatives regarding the Potomac Interceptor (PI) spill and related environmental responses. These meetings also gave community members a platform to share their concerns.

The new Board member orientation is on April 9, 2026, at DC Water headquarters, and is open to all Board members.

The first facility tour, previously set for March 19, 2026, will now take place after the April Board meeting and will feature overviews and guided visits to key locations.

In recognition of Women's History Month, Dr. Morris-Hughes commended the women of DC Water for their invaluable leadership and commitment. She invited the Board to join the Women of Water conversation on leadership and service on March 25.

### III. COMMITTEE REPORTS

*Meeting of the Environmental Quality and Operations Committee  
Reported by Christopher Herrington*

The Environmental Quality and Operations Committee met on February 19.

Nicholas Passarelli, Vice President of Wastewater Treatment Operations, reported that the Anacostia River Tunnel System captured 71 million gallons in January with no overflows. On-site energy generation was 21% of average treatment plant consumption for the month. There were 11,304 tons of biosolids produced, with 6,597 tons sold through the Blue Drop Bloom program.

Matthew Brown, Chief Operating Officer and EVP, and Lola Oyeyemi, Interim Chief Financial Officer & EVP, Finance, Procurement and Compliance, presented on the Authority's 2026–2035 capital improvement program (CIP).

The Committee also reviewed the budget adoption calendar and discussed priority investments. CIP funding sources include \$3.3 billion in borrowing, \$3.1 billion in Pay-Go financing, \$2.1 billion from wholesale customers, and \$430 million in federal funds. The Authority was noted to have maintained its high bond ratings. The CIP plan assumes a completion rate of approximately 90% for most categories based on historical performance, while preserving full contracting authority.

Actions before the Committee included recommending that the Board approve the \$9.69 billion 10-year CIP and the \$17.4 billion CIP lifetime budget. William Elledge, Director, Capital Water and Lead Free DC (LFDC), discussed the Small Diameter Water Main progressive design-build program and associated request for a contract not to exceed \$212 million, including about \$26 million for Phase 1 design services. The Committee also reviewed a Lead Free DC supplemental agreement outlining a \$50 million program management contract to expand service line replacements.

Dr. Rabia Chaudhry, Director, Water Supply Resilience, shared a fact sheet on the \$5.5 million Phase 1B early work package for the Pure Water DC Discovery Center. Ryu Suzuki, Director of Wastewater Engineering, provided an update on the East and West Outfall relief sewers project, which began as an emergency in 2023 and now requires an additional \$10 million for ongoing rehabilitation.

Mr. Suzuki also presented on the Anacostia Area sewer rehab progressive design-build project, and the committee recommended Board approval for the \$46.2 million contract covering preconstruction Phase 1 services.

Finally, Chris Collier, Vice President, Water Operations, presented a request for \$18.5 million in additional funding for the emergency sewer main inspection, repair, and replacement contract needed due to recent large-scale emergencies.

*Emergency Meeting of the Executive Committee  
Reported by Unique Morris-Hughes*

The Executive Committee met on February 23, and moved to an executive session to obtain legal advice and preserve attorney-client privilege under D.C. Official Code § 2-575(b)(4)(A) and to discuss a personnel matter under D.C. Official Code § 2-575(b)(10).

*Meeting of the Retail Water and Sewer Rates Committee  
Reported by Rachna Bhatt*

The Retail Water and Sewer Rates Committee met on February 23.

Syed Khalil, Vice President of Rates and Revenue, presented the monthly report for the period ending January 31, 2026. Year-to-date revenue was favorable by 2.7%. Other Revenue was also favorable to budget. Unfavorable variances were reported in the Residential, Commercial, and Multi-family, District Government, and DC Housing Authority categories. Delinquent accounts increased in both dollar value and number. The multi-family category accounts for 47% of the 90-day delinquent balance.

Amawalk Consulting presented its independent review of the Authority's proposed rates for FY 2027 and FY 2028. The review considered DC Water's recent financial performance, the proposed budgets and rates for FY 2027 and 2028, bill impact assessments, affordability considerations, compliance with Board policies, and the rate model. Rate increases were proposed to address capital investment needs outlined in the 10-year CIP budget of \$9.69 billion and rising operating costs. Debt service is expected to rise to 31.7% and 34.1% of total disbursements in fiscal years 2027 and 2028, respectively. Long-term water demand has decreased by 6.2% from 2016 to 2025, with annual declines projected at 1% moving forward. About 61% of revenues are tied to consumption. Overall, Amawalk confirmed that DC Water's proposed rates were reasonably developed, consistent with industry standards, and compliant with Board policies.

Next, Ms. Oyeyemi presented the rate proposal, including capital, operating, and revenue budgets, as well as a 10-year financial plan. The approval process involves town halls, a public hearing, formal comments, and submission of the adopted budget to Congress and the District of Columbia. The Committee recommended the new water and sewer rates and financial plan to the Board.

The Committee also reviewed the committee work plan for FY 2026.

*Emergency Meeting of the Human Resources and Labor Relations Committee  
Reported by Jed Ross*

The Human Resources and Labor Relations Committee met on February 25 and moved to an executive session to discuss a personnel matter under D.C. Official Code § 2-575(b)(10).

*Meeting of the Finance and Budget Committee  
Reported by Anthony Giancola*

The Finance and Budget Committee met on February 26.

Ms. Oyeyemi presented the December 2025 Financial Report. With approximately 33% of the year completed, total operating revenues were \$353 million or 34.4% of the budget. Operating expenditure was \$235.9 million or 28.1% of the budget, and capital disbursements were \$227.3 million or approximately 24.9% of the budget. Cash investments reached \$715.5 million, including the \$40.6 million rate stabilization fund. Operating interest income as of January was \$4.9 million. Delinquent accounts increased by \$1 million due to Georgetown University's backbilling dispute and hearing request.

Dr. Moussa Wone, Vice President, Engineering and Clean Rivers, provided the CIP report, including service area updates for process facilities, sewer, and water programs. Proposed CIP spending will total \$675 million, representing 97% of the proposed FY 2026 budget of \$695 million.

The Committee then discussed how emergency repairs are funded in the CIP budget. Dr. Wone noted CIP projects are prioritized based on risk and that contingency funds are available for emergency contracts. He also confirmed that the estimate for the PI repair is \$15 million to \$20 million based on current best estimates and includes emergency response and remediation. Reimbursement from the Federal Emergency Management Agency (FEMA) is expected to cover about 75% of the repair costs.

The meeting also included a special presentation on the Research and Development Wastewater Program by Haydee De Clippeleir, Director, Clean Water Quality and Technology. The Authority's research includes permit-driven projects, CIP support, and initiatives to enhance sustainability and affordability, all of which align with strategic goals. Projects often serve multiple objectives and project needs are regularly reviewed.

Finally, Ms. Oyeyemi reviewed the revised FY 2026 and proposed FY 2027 budgets. She noted that the Board can still lower rates during the rate-making and public hearing

process, with final decisions set for July 2026. An affordability analysis will be reviewed in April to guide discussions. The budget is due March 10, 2026, and the mayor must submit it by April 1, 2026. Spring town halls will update customers on needs and assistance programs before the May 14, 2026, hearing. Final adoption is planned for July 2, 2026.

The Committee recommended six action items to the Board.

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

CEO and General Manager David L. Gadis began with an update on the repair of the Potomac Interceptor, which suffered a major collapse on January 19, 2026. In February, DC Water crews made significant progress on the repair. The operations team, including sewer services and Clean Rivers, installed a bypass system to divert wastewater around the damaged area and return it to the downstream pipe. Since February 8, no overflow has reached the river.

The daily repair operation has averaged over 31 personnel onsite, 477 equipment hours, and moved nearly 4 tons of material every 24 hours for site stabilization. The team faced challenges such as frequent pump clogs and an extended cold snap that required work in wet, confined, subfreezing conditions. Despite this, operational control was maintained, environmental impacts were minimized, and repairs were carried out safely.

While structural repairs are ongoing, environmental restoration efforts have begun to restore the affected area responsibly. This response has required strong coordination across DC Water and with regional partners.

Marketing and communications ensured public updates and engagement while the Facilities, IT, and Security Departments supported continuous, safe operations. The Office of Emergency Management led incident management in collaboration with agencies such as FEMA and the Homeland Security Emergency Management Agency of the District of Columbia (HSEMA). Customer service has handled an increased call load, maintaining a 2% abandonment rate, significantly better than the national benchmark of 5.8%, and resolved all calls without escalation.

In February, the Authority held briefings with City Council members and attended the Committee on Transportation and Environment's performance oversight hearing. Mr. Gadis also summarized FY 2025 performance and work to protect customer assistance programs, maintain strong bond ratings, and manage infrastructure challenges through strategic planning and modernization.

In late January 2026, the District experienced nine straight days below freezing. Staff worked nonstop to clear snow and ice while keeping operations running. Mr. Gadis recognized each attending member of the team responsible for the Cambi thermal hydrolysis plant, and Nick Passarelli, Vice President, Wastewater Operations, for their work, noting that at one point the Authority was at risk of losing the Blue Plains facility and having an additional spill into the Potomac River.

Board member Anthony Giancola noted that the current staff vacancy rate is over 13% and rising while the target is 10% and the budget is for 5%. There will likely be additional funds remaining in the staff budget area that could be used to reduce rates.

The Board further discussed how costs and emergency funding for the different counties would be tracked throughout the multi-jurisdictional PI repair project. It was noted that DC Water would track costs, had already established cost codes, and retained a consultant, while HSEMA would be the primary point of contact.

Board member Christopher Herrington asked for an update on the Authority's acquisition of the Washington Aqueduct. Mr. Gadis and Dr. Morris-Hughes noted that the Washington Aqueduct project was ongoing, but the Authority's focus had shifted to the PI repair as an immediate priority. Mr. Gadis noted upcoming meetings with Arlington and Fairfax Counties on the matter.

Ms. Bhatt noted recent emails from Montgomery County regarding the PI remediation and emphasized ensuring the county receives the requested update.

## **V. CONSENT ITEMS FOR APPROVAL (JOINT USE)**

1. Approval to Execute Change Order No. 11 of Contract No. 200020, Emergency Sewer Main Infrastructure Repair and Replacement Contract, Spiniello Companies – **Resolution No. 26-09** (Recommended by the Environmental Quality and Operations Committee 02-19-26)
2. Approval to Execute Master Service Agreement (MSA) Progressive Design-Build Delivery Contract for Phase I, Contract No. 250110 Anacostia Sewer Rehabilitation, Clark Michels JV – **Resolution No. 26-10** (Recommended by the Environmental Quality and Operations Committee 02-19-26)
3. Approval to Execute Change Order No. 01 of Contract No. 230050, Emergency Sewer Main I R&R Contract for FY24-FY27 1 Anchor Construction Corporation – **Resolution No. 26-11** (Recommended by the Environmental Quality and Operations Committee 02-19-26)
4. Approval to Amend Fiscal Year 2026 Operating Budget – **Resolution No. 26-12** (Recommended by the Finance and Budget Committee 02-26-26)

5. Approval of Proposed Fiscal Year 2027 Operating Budget – **Resolution No. 26-13** (Recommended by the Finance and Budget Committee 02-26-26)
6. Approval to Amend Fiscal Year 2026 Revenue Budget – **Resolution No. 26-14** (Recommended by the Finance and Budget Committee 02-26-25)
7. Approval of Proposed Fiscal Year 2026 - FY 2035 Capital Improvement Program – **Resolution No. 26-15** (Recommended by the Environmental Quality and Operations Committee 02-19-26; and Finance and Budget Committee 02-26-26)
8. Approval of Fiscal Year 2026-2035 Ten-Year Financial Plan – **Resolution No. 26-16** (Recommended by the DC Retail Water and Sewer Rates Committee 02-23-26; and Finance and Budget Committee 02-26-26)
9. Approval of Official Intent to Reimburse Fiscal Year 2027 Capital Expenditures with Proceeds of a Borrowing – **Resolution No. 26-17** (Recommended by the Finance and Budget Committee 02-26-26)

**Upon a motion duly made the Board of Directors voted to approve Joint-Use Resolutions Nos. 26-09 through 26-17 as presented.**

#### **VI. CONSENT ITEMS FOR APPROVAL (NON-JOINT USE)**

1. Approval to Execute Progressive Design-Build Contract No. 250060, Small Diameter Water Main Replacement Contract 1 & 2, Flatiron Dragados – **Resolution No. 26-18** (Recommended by the Environmental Quality and Operations Committee 02-19-26)
2. Approval to Execute Supplemental Agreement No. 2 of Contract No. DCFA-519, Lead Free DC - Program Management and Construction Management. Lead Free Group, Joint Venture (Ramboll Engineering, PC and COM Smith Inc) – **Resolution No. 26-19** (Recommended by the Environmental Quality and Operations Committee 02-19-26)
3. Approval to Increase Budget for Contract No. 230030, Lead Free DC – Lead Service Line Replacement Program FY23 - FY30, Multiple Vendors – **Resolution No. 26-20** (Recommended by the Environmental Quality and Operations Committee 02-19-26)
4. Approval to Execute Amendment No. 1 of Contract No. 260020, Progressive Design-Build Delivery Contract for Phase 1 B Pure Water DC Discovery Center, Kokosing Industrial, Inc. – **Resolution No. 26-21** (Recommended by the Environmental Quality and Operations Committee 02-19-26)
5. Approval of Proposed Fiscal Years 2027 and 2028 Retail Metered Water and Sewer Services Rates, Right-of-Way (ROW), Payment-in-Lieu of Taxes (PILOT) Fee, Public Inconvenience FEE (PIF), and Clean Rivers Impervious Area Charge (CRIAC). Retail Groundwater Sanitary Sewer Service Rate and High Flow Filter

Backwash Sewer Rate – **Resolution No. 26-22** (Recommended by the DC Retail Water and Sewer Rates Committee 02-23-26)

**Upon a motion duly made the Board of Directors voted to approve Joint-Use Resolutions Nos. 26-18 through 26-22 as presented.**

**VII. EXECUTIVE SESSION**

**After a motion and majority vote, the Board moved into an executive session at 10:45 a.m. to obtain legal advice and preserve attorney-client privilege under D.C. Official Code § 2-575(b)(4)(A).**

**VIII. ADJOURN**

The Board reconvened in open session at 2:30 p.m. and, hearing no further business, the meeting adjourned at 2:32 p.m.

*Michelle Rhodd*

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Michelle Rhodd  
Secretary to the Board of Directors