



# District of Columbia Water and Sewer Authority Board of Directors

## 328<sup>th</sup> Meeting of the Board of Directors

Thursday, March 5, 2026 / 9:30am

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

- I. **Call to Order** ..... Unique Morris-Hughes, Chairperson
- II. **Roll Call** ..... Michelle Rhodd, Board Secretary
- III. **[Approval of the February 5, 2026 Meeting Minutes](#)**
- IV. **Chairperson’s Overview**
- V. **Committee Reports**
  - 1. [Environmental Quality and Operations Committee \(Christopher Herrington\)](#)
  - 2. [Emergency Meeting of the Executive Committee \(Unique Morris-Hughes\)](#)
  - 3. [DC Retail Water and Sewer Rates Committee \(Rachna Bhatt\)](#)
  - 4. [Emergency Meeting of the Human Resources and Labor Relations Committee \(Jed Ross\)](#)
  - 5. [Finance and Budget Committee \(Anthony Giancola\)](#)
- VI. **[CEO and General Manager’s Report \(David L. Gadis\)](#)**
- VII. **Consent Items (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 IR&R Contract for FY24-FY27, 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)

**VIII. Consent Items (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 \(Ramboll Engineering, PC and CDM Smith Inc\) – 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 1B Pure Water DC Discovery Center, Kokosing Industrial, Inc. – Resolution No. 26-21](#) (Recommended by the Environmental Quality and for 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 \(PIF\), 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)

**IX. Executive Session\*..... Unique Morris-Hughes**

1. To obtain legal advice and preserve attorney-client privilege under D.C. Official Code § 2-575(b)(4)(A)

**X. Adjournment** ..... Unique Morris-Hughes

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 [opengovoffice@dc.gov](mailto:opengovoffice@dc.gov).

\*The 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)(10); third-party proprietary 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**

- **March 5<sup>th</sup> (After Board Meeting)** Executive Committee **(In person only)**
- **March 11<sup>th</sup> @ 9:30 am** Human Resources and Labor Relations Committee
- **March 18<sup>th</sup> @ 9:30 am** DC Retail Water and Sewer Rates Committee
- **March 19<sup>th</sup> @ 9:30 am** Environmental Quality and Operations Committee
- **March 26<sup>th</sup> @ 9:30 am** Finance and Budget Committee

**Next Board of Directors' Meeting | In-person**

Tuesday, April 7, 2026 @ 9:30 am



**327<sup>TH</sup> BOARD OF DIRECTORS MEETING  
MINUTES OF THE MEETING  
FEBRUARY 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

**Prince George's County Members**

1. Kevin Stephen, Principal
2. Samuel Moki, Principal

**Montgomery County Members**

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

**Fairfax County Members**

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

**DC WATER STAFF**

1. David L. Gadis, CEO/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
5. Matthew Brown, Chief Operating Officer & EVP
6. Kirsten Williams, Chief Administrative Officer & EVP
7. Michelle Rhodd, Secretary to the Board

The 327<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 9:31 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 Board of Directors meeting on January 15, 2026.

**Upon a motion duly made, the Board of Directors approved the minutes of the meeting on January 15, 2026, as presented.**

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

Dr. Morris-Hughes acknowledged the efforts of DC Water staff to address the Potomac Interceptor break. She informed board members about the facilities tour taking place after the Environmental Quality and Operations Committee meeting on March 19. Additional tours are planned for April and May. Dr. Morris-Hughes concluded her remarks with an update on the Joint Use/Non Joint Use Workshop.

## **III. COMMITTEE REPORTS**

*Meeting of the Governance Committee  
Reported by Unique Morris-Hughes*

The Governance Committee met on January 21.

Chris Peot, President of Blue Drop, provided the quarterly update. Legislation targeting PFAS in biosolids may present challenges, though Blue Drop's Bloom maintains very low levels. Blue Drop and DC Water are working with local councils on draft bills in Maryland and Virginia that will address PFAS limits.

In December 2025, DC Water authorized \$2.5 million for land acquisition to build a Bloom storage facility to improve inventory management and address seasonal sales fluctuations.

New renewable energy credit (REC) sources include solar projects at Brentwood Reservoir, Fort Reno, and Ames Place, which generate lease payments, RECs, and power savings. Solar panels installed on the new curing pad are expected to generate over \$200,000 in solar RECs and \$80,000 in annual savings. Blue Drop also registered equipment for combined heat and power, qualifying for Tier 1 renewable energy credits and savings.

DC Water's new headquarters, HQO, now hosts corporate events that have helped enhance DC Water's profile. Blue Plains' intellectual property and cell tower revenues have also contributed income, though REC prices have dropped due to reduced REC demand resulting from a federal executive order.

A portion of Blue Drop's net revenue is returned to IMA partners, with reserved funds supporting sustainability initiatives.

*Meeting of the Audit and Risk Committee  
Reported by Christopher Herrington, Chair*

The Audit and Risk Committee met on January 22.

Lola Oyeyemi, Interim Chief Financial Officer, reviewed the FY 2025 Audited Financial Statement Performance. DC Water received an unmodified, clean audit opinion for FY 2025, with no material findings. The Authority earned its 28th consecutive GFOA Certificate of Achievement for financial reporting and its third award for outstanding popular annual reporting.

Controller Henok Getahun noted two new GASB standards: No. 101 Compensated Absences led to an \$8.7 million accrual for union sick leave in the restated financials, while No. 102 Risk Disclosures required no extra disclosures. DC Water's net position increased 10% to \$3.8B, driven by operating results and capital contributions. Revenue rose to \$1.1 billion, and expenses were \$731 million. Operating revenue exceeded \$1 billion for the first time, driven by rate adjustments and increased wholesale revenue. The clean audit was DC Water's 29th consecutive clean opinion.

Auditor Graylin Smith of SB & Company confirmed management's full cooperation, a timely unmodified opinion, and that no material weaknesses or fraud were detected. For the uniform guidance audit, federal assistance totaled \$71.78 million, with 52% tested for compliance. Management policies and practices were found to be sound, with no adverse findings.

Next, Cherry Bekaert provided the internal audit update. The FY 2026 internal audit plan includes audits on billing, emergency management, legal operations, HR, and asset

management. Two audits are complete, and action plans are being drafted. Eight prior audit findings were closed in the quarter, including six high-risk findings. Only one high-risk finding remains open.

Six Fraud, Waste, and Abuse Hotline cases were received in 2026. Four were closed, and two remain open. SOPs for how the internal auditor handles hotline reports, particularly those involving senior management, will be shared for committee review.

Finally, Francis Cooper, Director, Enterprise Program Management Office, provided an ERM and non-revenue water update. ERM training has now been provided to most eligible staff, and a board-centric training session is planned. An annual ERM report is in development. For non-revenue water, efforts focus on better metering and data accuracy. A 91% meter read rate has been achieved, with plans to repair or replace 14,000 meters and install more at key points for more precise tracking of losses. A formal water loss control plan with the aim of advanced reporting performance is in development, and a remediation plan with targets to be presented at the next meeting.

*Meeting of the Environmental Quality and Operations Committee  
Reported by Sarah Motsch, Chair*

The Environmental Quality and Operations Committee met on January 22.

Nicholas Passarelli, Vice President of Wastewater Treatment Operations, reported that the Blue Plains Advanced Wastewater Treatment Plant met all NPDES permit requirements for December 2025. The facility handled an average daily flow of 242 million gallons (MGD), with a peak of 358 MGD. December saw 1.8 inches of rain, with 23 million gallons collected and no overflows. On-site electrical generation supplied about 27% of the plant's total power needs. The average power purchased from Pepco was just under 20 MW due to high on-site power generation.

Sales of Class A biosolids (Bloom) were strong despite the winter weather. In December, 6,118 tons of Bloom were sold, bringing the fiscal year-to-date total to 14,516 tons. During the month, Blue Plains produced 12,439 tons of biosolids with 6,321 tons sold as Bloom.

Matthew Brown, Chief Operating Officer and EVP, and Moussa Wone, Chief Engineer and VP of Engineering and Clean Rivers, reviewed the proposed 10-year capital improvement plan (CIP). Mr. Brown outlined DC Water's risk-based prioritization for the CIP, focusing on regulatory compliance while supporting operational needs through investments such as valve and hydrant improvements, ongoing upgrades to aging infrastructure, and accelerating the AMI metering program. Financial planning assumes roughly 90% of CIP funds will be spent.

Dr. Wone noted that the approved \$9.7 billion CIP budget is allocated using a risk-based approach, prioritizing major assets such as sewers, transmission mains, and pump stations while keeping moderate replacement rates for lower-risk items.

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

The Retail Water and Sewer Rates Committee met on January 27.

Syed Khalil, Vice President of Rates and Revenue, reported favorable revenue variances for the fiscal year ending December 31, 2025. Cash receipts were \$259.5 million, with the Residential, Commercial, and Multi-family categories favorable to budget due to higher Clean Rivers Impervious Area Charges (CRIAC) and prior bill collections. The DC Housing Authority had an unfavorable variance due to lower consumption resulting from account reclassifications. Revised projections for other customer groups will be reflected in March's budget update.

Delinquent accounts increased particularly in the Multi-family category, which accounts for 48% of the 90-day delinquent balance. The Developer Deposits team completed several refunds totaling over \$380,000 during November and December. Committee members highlighted ongoing concerns regarding commercial account delinquencies.

The 2025 Cost-of-Service (COS) Study by Raftelis analyzed water, sewer, and CRIAC rates, focusing on revenue sufficiency, cost allocation, simplicity, and affordability. The study projects that budgeted rates will cover cash needs and maintain reserves, with debt service coverage meeting bond requirements. Operating revenue differences between DC Water's financial plan and Raftelis' analysis are minimal.

Cost allocations in the financial plan reflect the Board's emphasis on equity and include customer assistance plan (CAP) support for low-income customers. A new public inconvenience fee from DDOT will be introduced in FY 2027, adding \$0.42 per unit consumed to increase the average customer's monthly bill by approximately \$2.28, generating roughly \$12.7 million annually or \$127 million over 10 years.

Alternative rate structures were discussed, including revised impervious area charge tiers to increase fairness and consistency for all customers. Stormwater asset costs will be reassessed once detailed tracking improves. Proposed rates will be published pending Board approval in March 2026.

*Joint Meeting of the DC Retail Water and Sewer Rates Committee and Finance and Budget Committee*

*Reported by Anthony Giancola, Chair Finance and Budget Committee*

A Joint Meeting of the DC Retail Water and Sewer Rates Committee and Finance and Budget Committee was held on January 27.

Lola Oyeyemi presented the proposed fiscal year 2027 budget, the two-year rate plan, and the 10-year CIP. She reviewed the budget schedule, which includes several meetings with the Board, committees, and stakeholders.

The proposed FY 2027 operating budget is \$844.1 million, and the 10-year CIP budget is \$9.69 billion, a \$67 million increase. For the next two years, proposed rates include a 6% annual increase for volumetric water and sewer services, CRIAC at \$25.50 per equivalent residential unit (ERU) in FY 2027 and \$27.22 in FY 2028, and increases for Payment in Lieu of Taxes (PILOT) and groundwater fees.

Average customer rates are anticipated to rise by 6.6% in FY 2027, lower than the previous forecast of 6.7%. In FY 2028, rates are expected to go up 5.3%, down from an earlier estimate of 5.7%. Without the public inconvenience fee, the FY 2027 increase would have been about 5% for residential customers.

FY 2027 operating sources and uses are balanced at \$1.07 billion. Debt service and Pay-Go constitute the largest expenditures. Ten-year CIP funding is \$9.69 billion, coming from \$3.3 billion in new borrowing, \$3.1 billion in Pay-Go funds (about 67% of financing), 21.3% from Wholesale Customer contributions, and 4.3% from federal grants.

Customer rates are based on using 90% of the CIP budget, excluding mandatory Clean Rivers, Capital Equipment, and Washington Aqueduct expenditure. Otherwise, the average bill for residential customers would increase 7.3% in FY 2027.

Finance and Budget Committee Chair Anthony Giancola noted past delays in capital project completion and asked whether budgeted rates match real spending. Mr. Brown confirmed working closely with advisors and peers to better align budgets and project spending, aiming to minimize future rate hikes.

Mr. Brown outlined the proposed CIP, starting with a 10-year budget of \$9.69 billion and a lifetime project budget of \$17.4 billion. CIP priorities are based on risk and consequences, focusing on large sewers, transmission mains, and urgent work on the Potomac Interceptor (PI) after a recent collapse. Dr. Wone noted that detailed CIP

updates have been provided to committees and the budget remains flat compared to prior approvals.

Ms. Oyeyemi then reviewed debt servicing. The Authority's debt was \$4.1 billion at the end of FY 2025. Another \$3.6 billion in borrowing is planned over the next decade to fund the CIP, which will push rates higher. The goal is to keep debt service at or below 33% of revenues.

Kirsten Williams, Chief Administrative Officer and EVP, discussed the inconvenience fee's role in supporting Lead Free DC. The Authority continues to work with DC Council and local government to stress the importance of completing Lead Free DC.

Ms. Oyeyemi outlined process improvements adopted during the budget preparation. Using feedback from internal auditors, DC Water moved to performance-based and then program-based budgeting for greater transparency and to follow best practices, supporting future decisions aligned with Blueprint 2.0.

The FY 2027 operating budget is \$844.1 million, a \$5.9 million increase over 2026. Personnel costs rose by \$9.5 million largely due to merit increases, overtime, and salary adjustments, per union agreements. Staffing remains at 1,283 FTEs, and the budget assumes a 5% vacancy rate. Mr. Giancola questioned the 5% vacancy rate and suggested overtime should be considered in the budget. Ms. Oyeyemi agreed that more funding may be needed for sick leave accrual and related costs.

Mr. Khalil reviewed FY 2026–2027 revenues, noting growth driven mainly by rate increases and the new inconvenience fee. Residential, commercial, and multi-family revenues are expected to increase due to rate adjustments in FY 2027 and FY 2028. Federal contributions remain stable, while revenue from wholesale customers goes up due to indirect cost and operational projections. Projected rate increases for FY 2027 and FY 2028 are 6.6% and 5.3%, respectively, both below last year's forecasts.

Ms. Oyeyemi outlined the financial plan, noting it supports strategic goals, monitors progress, ensures compliance with debt and liquidity targets, and maintains strong credit ratings for favorable borrowing. The Rate Stabilization Fund (RSF) has \$40.6 million. The RSF policy was revised in 2023 to keep 5% of projected revenues, prioritizing use for emergencies to reduce future rate shocks. The Authority also plans to issue about \$476 million in new bonds in Summer 2027.

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

The Finance and Budget Committee met on January 27, 2026.

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Lola Oyeyemi presented the December 2025 Financial Report. By Q1 FY 2026, operating revenues were \$259.5 million or 25.7% of budget, expenditures were \$178.3 million or 21.3% of budget, and capital disbursements were \$179.2 million or 19.6% of budget. The actuals reflect the adopted budget, pending final adjustments. The Authority expects updated ratings from bond agencies next month after a recent meeting with the rating agencies about an upcoming refunding bond deal.

Auditors provided a clean audit opinion for DC Water's FY 2025 financial statements. The remainder of the audit items are expected to close by February 2026.

There were significant revenue variances in the Residential/Commercial/Multi-Family and DC Housing Authority categories. Residential receipts were higher than anticipated due to the higher CRIAC assumed in the budget, while DC Housing Authority receipts were lower than expected due to lower consumption.

Operating expenses were in line with the budget, except for supply cost pressures, and capital spending will be detailed in the February 2026 committee meeting. Cash investments were \$725.1 million, including the \$40.6 million RSF. December interest income was \$1.2 million, totaling \$3.5 million year-to-date. Retail delinquencies were \$31 million across 12,346 accounts, and 96% of invoices were paid within 30 days.

Ivan Boykin, VP Finance, updated on 2026 Refunding Activities. Management will seek Board approval in February for issuing Series 2026A and 2026B fixed-rate re-funding bonds to refinance older series, seeking lower interest rates and saving over \$26.2 million or 8.9%. The 2026B bonds will be certified as green bonds. Authorization was requested to re-fund \$271.6 million in 2010 Build America Bonds.

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

CEO and General Manager David L. Gadis began by recognizing the newest members of the DC Water Board. He also highlighted the work of a water services team on Cromwell Terrace who responded to resident requests and used the team's front loader to remove several large piles of snow and ice that were blocking a resident's vehicle.

Mr. Gadis noted that winter is typically the most difficult season for water main breaks. DC Water saw 109 breaks in December 2024 and 213 in January 2025, but this year had only 74 in December 2025 and 76 in January 2026 due to the diligent work of Team Blue in challenging conditions to ensure reliable water service. Mr. Gadis asked the Team Blue members to stand for recognition, a photo, and a token of appreciation.

DC Water's high bond rating has been reaffirmed by Standard & Poor's at AAA, AA+ and Fitch and AA+). Moody's ratings are expected to remain unchanged. These ratings will help the Authority maintain low borrowing costs and access market opportunities for refinancing debt.

The Pure Water DC Discovery Center is progressing, with a design-build contract underway. Groundbreaking is targeted for Summer 2026, and all Board members will be invited.

On February 19, 2026, a guaranteed maximum price proposal will be presented to the Environmental Quality and Operations Committee, seeking full Board approval in March, 2026.

On January 27, 2026, Mr. Gadis attended and spoke at the virtual stakeholder alliance meeting. Staff provided updates on rate-making, the FY2027 budget, infrastructure projects, and the Clean Rivers charge.

DC Water is also celebrating Black History Month in February, with staff reflections, coverage in newsletters, and promotion of local black-owned businesses.

## V. ITEMS FOR APPROVAL (JOINT USE)

1. Approval to Award Contract No. 10577, Belt Filter Press Overhaul, Alfa Laval Inc. – **Resolution No. 26-06** (Recommended by the Environmental Quality and Operations Committee 01-21-26)
2. Approval to Fund Option Year 3 and Option Year 4 of Contract No. 10279, Security Systems, Pavion (d/b/a Enterprise Security Solutions) – **Resolution No. 26-07** (Recommended by the Environmental Quality and Operations Committee 01-21-26)
3. Approving the Substantially Final Form of Certain Documents, Authorizing the Sale and Setting Terms and Details of the Series 2026AB Bonds – **Resolution No. 26-08** (Recommended by the Finance and Budget Committee 02-05-26)

Mr. Herrington asked whether Resolution No. 26-08 is different from previous bond resolutions, recalling prior resolutions for refinancing or refunding of old debt. Ms. Oyeyemi confirmed a similar resolution was used last year for new bonds, while this year's deal is to refinance expiring series and Build America Bonds with delayed payments. The process aligns with past documents and does not authorize new debt, as it only refinances existing obligations. Mr. Herrington noted some confusion about delegated authority and execution sections, but agreed that refinancing old debt is consistent practice. He also

noted that the document uses gender-specific language despite their current female chairperson. Staff will make the correction.

**Upon a motion made duly made, the Board of Directors voted to approve Joint-Use Resolutions Nos. 26-06 through 26-08 as presented.**

## **VI. EXECUTIVE SESSION**

After a motion duly made and majority vote, the Board moved into an executive session at 10:28 a.m. to consult with an attorney to obtain legal advice and to preserve the attorney-client privilege between an attorney and a public body pursuant to the DC Open Meetings Act of 2010, §2-575(4)(A).

The Board reconvened in open session at 11:04 a.m.

## **VII. ADJOURN**

There being no further business to come before the Board, the meeting adjourned at 11:06 a.m.

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Michelle Rhodd  
Secretary to the Board of Directors



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

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**COMMITTEE MEMBERS PRESENT**

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

**DC WATER STAFF PRESENT**

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

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

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

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*Minutes of the February 19, 2026, Environmental Quality & Operations Committee Meeting*

## **I. BPAWTP PERFORMANCE UPDATE**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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*Minutes of the February 19, 2026 Environmental Quality & Operations Committee Meeting*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **IX. ACTION ITEMS**

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

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

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

**Joint Use**

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

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

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

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

**XI. ADJOURNMENT**

The meeting adjourned at 11:20 AM.



**MINUTES OF THE MEETING  
EMERGENCY MEETING OF THE EXECUTIVE COMMITTEE**

**February 23, 2026**  
(via Microsoft Teams)

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**COMMITTEE MEMBERS PRESENT**

1. Unique Morris-Hughes, Chairperson
2. Rachna Bhatt, District of Columbia
3. Christopher Herrington, Fairfax County
4. Fariba Kassiri, Montgomery County
5. Kevin Stephen, Prince George's County
6. Robert Hawkins, District of Columbia

**DC WATER STAFF**

1. David Gadis, CEO and General Manager
2. Gregory Hope, Interim Chief Legal Officer, and EVP Legal & Government Affairs
3. Lola Oyeyemi, Interim Chief Financial Officer and EVP, Finance, Procurement & Compliance
4. Matthew Brown, Chief Operations Officer and EVP
5. Kirsten Williams, Chief Administrative Officer and EVP
6. Barbara Mitchell, Associate General Counsel and Director, Government Affairs & Public Policy
7. Kelly Fisher, Director & Associate General Counsel
8. Moussa Wone, Vice President, Engineering and Clean Rivers
9. Korey Gray, Vice President, Chief Procurement Officer
10. Michelle Rhodd, Secretary to the Board

**I. CALL TO ORDER**

Chairperson Unique Morris-Hughes called the Emergency Meeting of the Executive Committee to order at 8:47 a.m. The meeting was held via Microsoft Teams. Board Secretary Michelle Rhodd called the roll for attendance.

**II. EXECUTIVE SESSION**

The Committee moved to 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).

### **III. ADJOURNMENT**

The meeting resumed in public session, with the acknowledgment that time constraints prevented discussion of the personnel issue; consequently, a separate meeting will be scheduled to address this matter. There being no other matters to come before the Committee, the meeting adjourned at 9:51 a.m.



**MINUTES OF THE MEETING  
RETAIL WATER AND SEWER RATES COMMITTEE  
FEBRUARY 23, 2026  
(via Microsoft Teams)**

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**COMMITTEE MEMBERS PRESENT**

1. Rachna Bhatt, Chairperson
2. Howard Gibbs, Vice Chairperson
3. Anthony Giancola, Principal
4. Richard Jackson, Principal
5. Alexander McPhail, Alternate
6. Jimmy Ortiz, Alternate
7. Jed Ross, Principal

**DC WATER STAFF**

1. Lola Oyeyemi, Interim Chief Financial Officer and EVP Finance, Procurement and Compliance
2. Gregory Hope, Interim Chief Legal Officer and EVP
3. Matthew Brown, Chief Operating Officer and EVP
4. Kirsten Williams, Chief Administrative Officer and EVP
5. Michelle Rhodd, Secretary to the Board

**CONSULTANT**

1. Ed Markus, Amawalk
2. Shan Lin, Amawalk

The DC Retail Water and Sewer Rates Committee meeting was called to order by Howard Gibbs, Vice Chairperson, at 9:40 AM. Assistant Board Secretary Debra Mathis called the roll.

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

Syed Khalil, Vice President, Rates and Revenue, presented the monthly report for the period ending January 31, 2026.

As of January 31, 2026, cash receipts totaled \$353.0 million or 34.9% of the budget. Federal Government submitted their quarterly payments in January and Wholesale customers remitted their second quarterly payment of \$8.2 million early in January 2026 instead of scheduled in February 2026. Residential, Commercial, and Multi-Family receipts totaled \$194.5 million or 33.2% of the budget, which was \$6.4 million below the monthly target due to lower consumption. District government receipts were \$6.5 million or 23% of the budget, as their December 2025 payment was delayed until February 2026. DC Housing Authority receipts totaled \$4.4 million or 24.1%, which was \$0.4 million below budget due to reduced consumption.

Delinquent accounts increased both in dollar value and number of accounts. Delinquencies increased by approximately \$1.0 million in January 2026, largely attributable to back billing for Georgetown University.

Mr. Khalil reviewed the progress on Developer Deposits, noting that 39 accounts were refunded in December 2025, and 10 accounts were refunded in January 2026, for an approximate total of fifty eight thousand dollars.

## **II. INDEPENDENT REVIEW OF THE PROPOSED RATES FOR FY 2027 & FY 2028**

Mr. Khalil introduced the consultants that conducted the Independent Review of Proposed Rates and Budget. He stated that the presentation summarized the findings of the biennial Independent Review of the proposed rates and budget, including the Water and Sewer Cost of Service Study (last completed in FY2024). He noted that the review was conducted by independent consultant Amawalk Consulting to provide an unbiased perspective which ensures that the study is impartial and objective. He added that Amawalk has extensive experience conducting COS and rate studies for major utilities, and that Shan Lin and Ed Markus bring more than 68 years of combined industry experience.

Mr. Markus presented the study's goals: ensure rate efficiency, benchmark policies against peers, and assess affordability impacts under the 2027–2028 proposals. He noted that from 2021–2025, revenues averaged 1.6% above budget and expenses 1.1% below, with early 2026 results slightly outperforming projections—supporting the reasonableness of the 2027–2028 estimates.

Next, Mr. Markus explained that the key measures of financial performance include debt service coverage and days of cash on hand. The study confirmed the Authority's compliance with key financial policies, including maintaining a minimum 250-day cash reserve, with a target of reaching 350 days by 2032, and combined debt service coverage of 1.60 or higher. The Authority's strong financials have supported high bond ratings, enabling DC Water to borrow long-term funds at competitive rates. Mr. Markus highlighted that the high job vacancies are consistent with post-COVID staffing levels experienced by peer utilities. He noted that DC Water's Capital Improvement Plan (CIP) projects are

typically on time and within budget and change orders and claims remain low. The average annual capital spending is projected to rise from \$447 million in 2021 to 2025 to \$957 million in 2026 to 2028 to support upgrades needed to maintain reliable service delivery. The increases in the CIP spending are particularly for the Clean Rivers Program, the Lead, Galvanized, and Brass Service Line Replacement program, and the Water Mains and Sewers project.

Mr. Markus noted that rate increases are mainly due to rising capital expenditures and that debt service costs will increase to 31.7% and 34.1% of total disbursements in 2027 and 2028, respectively and that Cash-financed construction will also increase, reducing the need for further debt.

Mr. Markus further stated that there is a growing challenge, which is the long-term decline in water demand, which has decreased by 6.2% from 2016 to 2025. This decline is consistent with similar trends in other major cities. The year-to-date water sales in 2026 are 0.9% lower than at the same time in 2025, with future decreases expected at 1.1% annually. Approximately 61% of FY 2027–2028 receipts are consumption-related, making the usage decline a significant factor in rates.

Next, Ms. Lin outlined the FY 2027–2028 proposed rates, noting that a new Public Inconvenience Fee (PIF) in 2027 will raise bills for District customers. She added that DC Water's customer assistance programs, along with CRIAC relief and the emergency SPLASH program, provide meaningful support to eligible customers.

In conclusion, Mr. Markus affirmed that DC Water's proposed rates for fiscal years 2027 and 2028 were reasonably developed, adhere to Board policies and industry standards, and align with comparable utilities. He explained that while factors like declining water usage, higher interest rates, or unexpected expenses may affect actual financial results, DC Water's rate structure and the availability of funds support both flexibility and effective risk mitigation. Although capital improvement spending is substantial and will drive future rate increases, documented needs and balanced funding strategies help limit debt growth. He noted that DC Water's reserve funds support liquidity and strong credit ratings, helping to control borrowing costs. The Authority's reserve practices are consistent with those of other highly rated utilities.

In response to a question from Committee member Alexander McPhail, Mr. Markus confirmed that DC Water receives limited assistance from the District of Columbia and the Environmental Protection Agency but cannot access the tax programs available in the 50 states.

Committee Chair Rachna Bhatt inquired about strategies used by peer utilities that may benefit DC Water. Mr. Markus noted that the Authority is already leveraging many cost- and rate-reduction strategies and taking advantage of opportunities to limit debt service and other expenses. He noted that the decline in water consumption is affecting utilities

nationwide.

### **III. PROPOSED FY 2027 AND FY 2028 RATE CHANGES AND FEES AND FY 2027 BUDGET**

Lola Oyeyemi, Interim Chief Financial Officer and EVP, Finance, Procurement and Compliance presented an overview of the budget and two-year rate proposals. She noted that like similar utilities, DC Water faces sector-wide challenges, including maintaining and replacing aging infrastructure and rising cost of doing business while keeping rates affordable.

Ms. Oyeyemi provided an overview of the budget process which began in August 2025 including reviews with the Board committees and various stakeholders in January. The budgets and rate proposals are required to be submitted to the District by March 10, 2026, for inclusion in the mayor's budget which is due to the Council on April 1, 2026. She reported that the Customer Affordability Analysis will be conducted by consultants to and will be reviewed with the Committee in April 2026 before the public hearing in May 2026. Townhall meetings will be held in spring to educate customers about rates, the CIP and CAPs, and the meetings will be widely publicized through numerous channels.

Ms. Oyeyemi stated that DC Water's rate-setting policy requires rates to fully fund current costs and meet all bond indenture, and financial ratio requirements, ensuring reliable and predictable revenues through transparent and consistent rate adjustments. She added that surplus revenues can be utilized by the Board to stabilize future rates. She went on to review the process for establishing the rates which includes biennial cost-of-service studies, independent rate reviews, Board review of proposed rates and budgets, and opportunities for public comment before final adoption.

The proposed water and sewer rates will increase by 6% each for FY 2027 and FY 2028. The CRIAC fee will increase to \$25.50 per equivalent residential unit in FY 2027, and \$27.22 in FY 2028. The PILOT fee, consistent with the Memorandum of Understanding with the District, will increase to \$0.62 per centum cubic foot (Ccf) for FY 2027 and \$0.63 per Ccf in FY 2028. The groundwater rate will increase to \$3.90 per Ccf for both FY 2027 and FY 2028. Other fees and charges will remain the same. The newly introduced Public Inconvenience Fee (PIF) will be \$0.42 per Ccf in FY 2027. This fee is being charged by DDOT to recover previously waived permit fees for construction projects in public spaces that extend beyond 30 days, primarily related to the Lead-Free DC initiative and other major water main programs.

Ms. Oyeyemi noted that the recent cost-of-service study aligns with the proposed rates, resulting in slightly lower increases than previously projected—6.6% for FY 2027 (down from 6.7%) and 5.3% for FY 2028, down from last year's forecast of 5.7%. She also highlighted the Authority's commitment to affordability, with CAP+ offering a \$131 monthly discount, \$101 discount for CAP, and \$67 discount for CAP2 eligible customers.

Next, Ms. Oyeyemi provided an overview of the ten-year capital program and operating budgets. She noted that details of the CIP were discussed with the Environmental Quality & Operations Committee who advanced the action item to the Board. The \$9.69 billion 10-year CIP will be funded through \$3.3 billion in planned debt, Pay-Go, wholesale and federal contributions, and about \$413 million in external subsidies. Over the next 10 years, approximately \$5.6 billion will be invested in critical water and sewer infrastructure. The FY 2027 sources and uses of operating funds is balanced at \$1.07 billion. Revenues are projected from retail customers, the federal government, wholesale customers, and other revenues. These funds will be used to pay for debt service, water purchases, and essential personnel costs to support core operations.

Total revenue for FY 2026 includes proposed net reduction of \$3.2 million mainly to align with projected consumption for Federal category, with increases for interest earnings and wholesale revenue attributable to PI costs. Projected total revenue for FY 2027 is \$1.069 billion, rising to \$1.1 billion in FY 2028.

Next, Ms. Oyeyemi reviewed various impacts of the CIP and new PIF fee on the average residential customer bill. She noted that fully funding the \$9.69 billion CIP including the new PIF would require a higher increase of 7.3% in FY 2027 than what is being proposed. For the proposed financial plan without the PIF, the increase would have been lower at 5%. For the proposed financial plan which better aligns with the historical completion rate of the CIP and includes the new PIF, the overall bill increase is 6.6%, slightly lower than last year's Board-approved forecast of 6.7%.

The average residential customer monthly bill based on an average monthly consumption of 5.42 Ccf is projected to be \$156.80 in FY 2027 and \$165.07 in FY 2028. These include increases of approximately \$9.39 in FY 2027 and \$9.44 in FY 2028. Eligible CAP customers will receive significant discounts, including discount on water and sewer for first four Ccf, 100 percent discount for the Water System Replacement Fee, and a 75% discount on the CRIAC fee. The average CAP customer bill is projected at \$50.49 in FY 2027 and \$53.03 in FY 2028, reflecting an average discount of 68%.

Ms. Oyeyemi highlighted DC Water's strong fiscal management, reflected in its AAA (S&P), Aa1 (Moody's), and AA+ (Fitch) bond ratings, which support lower borrowing costs. She stated that the report highlighted several strengths for DC Water including our strong financial profile, robust liquidity, exceptional management policies and independent rate-setting authority. The Ten-Year Financial Plan remains in compliance with the indenture requirements, key board policies, and targets. This includes the days of cash on hand (with a 250-day Board target and 350-day goal by 2032), debt coverage above the 1.6x target, debt service below the 33% threshold, and a \$40.6 million Rate Stabilization Fund meeting the 5% retail revenue requirement.

Ms. Oyeyemi presented a work plan outlining the schedule for rate adoption and public

engagement, leading to the Board adoption of the rates on July 2nd. She presented the action items for the proposed two-year rates, fees and charges and the financial plan for the Committee to advance to the full Board.

Dr. McPhail emphasized the strength of the Authority's CAP programs. He asked if the costs required to support the PIF fee can be absorbed within the budget rather than passing it on to customers, noting that the fee totals \$12 million compared to \$1.07 billion in revenue. Ms. Oyeyemi responded that the board policy requires that we have sufficient fees and revenues to cover the costs noting that the occupancy permits were previously waived by DDOT. She also explained that the cost-of-service study is done every two years, which will help determine the fees based on actual costs in the future.

Ms. Bhatt recommended exploring a more transparent name for the fee to clarify that it is a pass-through charge from the District Department of Transportation. Dr. McPhail highlighted the robustness of the Authority's CAP programs. He and Committee member Anthony Giancola urged the finance team to find room in the budget to absorb the PIF, so it is not passed on to customers, noting that it amounts to \$12 million against revenue of \$1.07 billion. Ms. Bhatt suggested considering a more transparent name for the fee to clarify that the fee is passed through from the District Department of Transportation.

Matthew Brown, Chief Operating Officer EVP acknowledged that the Authority shares the Committee's concerns regarding the new PIF. However, he explained that absorbing the fee would require reductions in other budget areas in order to maintain a balanced budget. He also noted that the approved rates will not be finalized until completion of the public review process, after which the Board will have the opportunity to adopt rates that are lower than those originally proposed. Ms. Bhatt encouraged management to explore opportunities for lower rates as we head towards the final rates adoption in June. She also emphasized the importance of critical investments needed and having to make tough decisions based on current events impacting the Potomac Interceptor. She asked management to explore a more transparent name for the fee to clarify that it is a pass-through charge from the District Department of Transportation.

#### **IV. ACTION ITEMS**

Two action items were submitted for Committee approval prior to Board presentation.

1. Proposed FY 2027 and FY 2028 Rates, Charges and Fees
2. Proposed Ten-Year Financial Plan FY 2026 to FY 2035

The Committee agreed to move both action items forward to the Board.

#### **V. DC RETAIL WATER AND SEWER RATES COMMITTEE WORKPLAN**

Mr. Khalil reviewed the proposed Committee workplan for FY 2026, noting the timeline to

review and approve the Notice of Proposed Rulemaking and complete the public hearing process before approving the proposed rates to take effect on October 1, 2026.

**VI. AGENDA FOR MARCH 18, 2026, COMMITTEE MEETING**

The meeting on March 18, 2026 will include the monthly update, the Committee workplan, and any additional items the Committee wishes to discuss.

**VII. ADJOURNMENT**

The meeting adjourned at 11:01 AM.



**MINUTES OF THE EMERGENCY MEETING  
HUMAN RESOURCES AND LABOR RELATIONS COMMITTEE  
FEBRUARY 25, 2026  
(via Microsoft Teams)**

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**COMMITTEE MEMBERS PRESENT**

1. Jed Ross, Principal, Chair, District of Columbia
2. Jimmy Ortiz, Alternate, Vice Chair, District of Columbia
3. Howard Gibbs, Principal, District of Columbia
4. Unique Morris-Hughes, Principal, District of Columbia
5. John Markovs, Alternate, Montgomery County
6. Robert Hawkins, Alternate, District of Columbia

**OTHER BOARD MEMBERS PRESENT**

1. Anthony Giancola, Principal, District of Columbia
2. Richard Jackson, Principal, District of Columbia
3. Kevin Stephen, Principal, Prince George's County
4. Fariba Kassiri, Principal, Montgomery County
5. Rachna Bhatt, Principal, District of Columbia
6. Samuel Moki, Principal, Prince George's County
7. Alexander McPhail, Alternate, District of Columbia
8. Amy Stevens, Alternate, Montgomery County
9. Sarah Motsch, Alternate, Fairfax County
10. Oluseyi Olugbenle, Alternate, Prince George's County

**DC WATER STAFF**

1. David L. Gadis, CEO/General Manager
2. Lola Oyeyemi, Interim Chief Financial Officer & EVP
3. Gregory Hope, Interim Chief Legal Officer & EVP
4. Amber Jackson, Chief People Officer & EVP
5. Debra Mathis, Assistant Secretary to the Board

**I. CALL TO ORDER**

Chairperson Jed Ross called the Emergency Meeting of the Human Resources and Labor Relations Committee to order at 9:01 AM. The meeting was held via Microsoft Teams. Debra Mathis, Assistant Secretary to the Board, conducted the roll call for attendance.

**II. EXECUTIVE SESSION**

The Committee moved to executive session to discuss a personnel matter under D.C. Official Code § 2-575(b)(10).

**III. ADJOURNMENT**

The Committee reconvened in public session, and with no further business to address, the meeting was adjourned at 10:15 AM.



**MINUTES OF THE MEETING  
FINANCE AND BUDGET COMMITTEE  
FEBRUARY 26, 2026  
(Via Microsoft Teams)**

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**COMMITTEE MEMBERS PRESENT**

1. Anthony Giancola, Principal, Chair, District of Columbia
2. Alexander McPhail, Alternative, Vice Chair, District of Columbia
3. Sarah Motsch, Alternate, Fairfax County
4. Amy Stevens, Alternate, Montgomery County

**DC WATER STAFF**

1. David L. Gadis, CEO and General Manager
2. Lola Oyeyemi, Acting Chief Financial Officer & EVP, Finance, Procurement and Compliance
3. Kirsten Williams, Chief Administration Officer & EVP
4. Gregory Hope, Interim Chief Legal Officer & EVP
5. Dr. Moussa Wone, Vice President, Engineering and Clean Rivers
6. Barbara Mitchell, Director and Associate General Counsel
7. Haydee De Clippeleir, Director, Clean Water and Technology
8. Paul Laban, Senior Manager, CIP Project Controls and Estimating
9. Michelle Rhodd, Secretary to the Board

Anthony Giancola, Chair, called the meeting to order at 9:31 AM. The meeting was conducted via MS Teams. Secretary to the Board Michelle Rhodd called the roll.

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

Lola Oyeyemi, Interim Chief Financial Officer & EVP, Finance, Procurement and Compliance presented the monthly financial report for January 2026 by exception.

As of the end of January 2026, with approximately 33 percent of the fiscal year completed, total operating revenues were \$353.0 million, or 34.9 percent of the budget; operating expenditures were \$235.9 million, or 28.1 percent of the budget; and capital disbursements were \$227.3 million, or approximately 24.9 percent of the budget. She noted that the revenues and capital budgets are subject to revision pending the completion of the FY 2027 budget process. Ms. Oyeyemi informed the Committee that

the DC Council Public Oversight Hearing for FY 2025 – FY 2026 performance is scheduled for March 2, 2026.

Total operating revenues had a favorable variance of approximately \$9.3 million, mainly due to the Wholesale Customers making early payments in January. The Residential/Commercial/Multi-Family category unfavorable variance of approximately \$1.0 million is due to lower-than-anticipated consumption. The Municipal (DC Government) category has an unfavorable variance of approximately \$2.9 million due to the timing of its payment, which was received in February. Total operating expenses at the end of January were \$235.9 million, or 28.1 percent of the budget and consistent with spending with previous year through the same period. Staff will continue to monitor the chemical and supply categories, which are experiencing increased costs for critical spare parts required for operations.

Capital disbursements were \$227.3 million or 24.9 percent of the budget. Ms. Oyeyemi noted that the budget is subject to revision as part of the ongoing FY 2027 budget. Cash investments totaled \$715.5 million, including \$40.6 million in the Rate Stabilization Fund. The operating interest income through the month of January was \$4.9 million. Delinquent accounts increased by \$1 million mainly due to the back-billing of Georgetown University, which is disputing charges and requesting a hearing. The Multi-family category accounts for 47 percent of total delinquent accounts. Overtime is trending above budget at 33.4 percent of the budget.

Developer deposit accounts continue to be processed, with 10 refunds in January 2026 for approximately \$58.5 thousand, with a year-to-date total of \$1.3 million processed since October 2025. In response to Chairperson Giancola's inquiry, Gregory Hope, Acting Chief Legal Officer & EVP, confirmed that an update on delinquent accounts will be presented at the Board meeting on March 5, 2026.

## **II. CAPITAL IMPROVEMENT PLAN (CIP) QUARTERLY REPORT**

Moussa Wone, Vice President, Engineering and Clean Rivers, provided the Capital Improvement Program (CIP) report. Service Area updates were provided for the Process Facilities Program, Sewer Program, and the Water Program. He highlighted ongoing project contract spotlights and accomplishments achieved in each area. For the Sewer Program, recent inspections of the 5th Street NW and O Street NW project revealed displaced bricks and missing mortar in a pipe section, which will require about 200 linear feet of brick sewer rehabilitation. The design phase is underway, with construction targeted for Spring 2026.

The proposed baseline forecast for FY 2026 is \$695 million. Through the first quarter, actual CIP disbursements were \$158 million compared to \$191 million forecast. The team projects total spending will reach \$675 million, which is 97 percent of the proposed FY 2026 budget of \$695 million.

Next, Dr. Wone reviewed the FY26 Spending Performance by Service Area. There are 43 scheduled Key Performance Indicators (KPIs) for projects in the CIP for FY 2026, of which 4 were completed within the threshold and 14 KPIs projected to be outside the 90-day threshold. The Clean Rivers Project is \$11 million under budget, while the Wastewater Treatment Service Area achieved \$17 million of the \$27 million planned spend.

In response to a question from Committee Chair Anthony Giancola, Dr. Wone stated that the Authority achieved 95 percent of its budgeted CIP spending in FY 2024. Mr. Giancola noted that even if the 97 percent target is reached, spending will be \$20 million below budget. He also expressed appreciation for the daily reports on the Potomac Interceptor (PI) repairs.

Committee member Amy Stevens asked how emergency repairs are funded in the capital budget. Dr. Wone and Paul Laban, Senior Manager, CIP Project Controls and Estimating, explained that CIP projects are prioritized based on risk, and that contingency funds are available for emergency contracts. In response to questions from Committee member Alexander McPhail, Dr. Wone confirmed that the estimate for the PI repair is \$15 to \$20 million based on current best estimates and includes emergency response and remediation. The reimbursement from the Federal Emergency Management Agency is expected to cover approximately 75 percent of the repair cost. It was noted that the Parks Service has been very helpful on the PI project.

### **III. R&D WASTEWATER PROGRAM**

Haydee De Clippeleir Director, Clean Water Quality and Technology, provided an overview of the Research and Development (R&D) program. Ms. De Clippeleir noted that a central theme in R&D is achieving more with less, handling increasing loads and flows while being ready for future challenges, including potential new regulations. With DC Water's facilities at capacity, it must operate more efficiently to optimize space, reduce energy and chemical use, lower costs, and enhance sustainability.

The Authority's research spans permit-driven projects, CIP support, and efforts to boost sustainability and affordability, which closely align with strategic goals. Each project can contribute to several objectives.

Ms. De Clippelier noted that wastewater treatment research begins with small-scale tests to understand core principles, then progresses to developing process controls and conducting proof-of-principle pilots. Current pilot projects include the Partial Denitrification (PdNA) Demonstration Pilot, which reduces methanol dependency for nutrient removal while increasing treatment capacity within existing infrastructure. The Densification of Secondary Treatment to Enhance Capacity project aims to address a capacity bottleneck by finding alternatives to building additional reactors. A potential option is cyclones, which improve sludge physics and separate sludge from water. Another project aims to improve polymer optimization by developing a camera-based decision-making tool to reduce reliance on visual inspections by operators.

R&D priorities are set collaboratively with universities, consultants, technology providers, and internal DC Water operations and engineering teams, with project needs reassessed regularly. The team reprioritizes projects annually based on the CIP and team needs. Facility planning shapes long-term strategies, and the research program is reviewed at least three times a year with key teams to ensure it remains aligned and impactful.

The R&D group is embedded within the wastewater operations cluster and interacts daily with engineers, operations, and maintenance. It relies primarily on university research associates rather than DC Water staff, allowing the program to set its own priorities, remain adaptable, and leverage specialized knowledge while supporting students' academic progress. The team includes three DC Water employees and engages 15 students year-round and 10 to 15 summer interns.

R&D funding mainly comes from external sources such as the Environmental Protection Agency (EPA), the Department of Ecology (DOE), and the Water Research Foundation (WRF), which contract directly with the universities. The universities manage these funds and provide students who are funded mostly through full scholarships for graduates and hourly pay for undergraduates. Operational budgets support specialized testing, tool development, and large pilot projects, such as those funded by the CIP. Annual university contracts for student support total about \$660,000 to \$700,000, with the remainder of the research budget allocated to model and tool development, lab testing, and digital infrastructure improvements.

#### **IV. PROPOSED FY 2027 BUDGETS**

Ms. Oyeyemi presented an overview of the Revised FY 2026 and Proposed FY 2027 budgets, with a goal to obtain the committee's recommendation to the full Board for the following items: the Proposed Amended FY 2026 and Proposed FY 2027 Operating

Expenditure Budget, Proposed Revised FY 2026 Operating Revenue Budget, Proposed FY 2026 – FY 2035 Capital Improvement Program (disbursements and lifetime), including the Proposed FY 2027 Capital budget, Proposed FY 2026–FY 2035 Financial Plan, and Intent to Reimburse Capital Expenditures with Proceeds of a Borrowing.

Ms. Oyeyemi acknowledged the feedback from Board members regarding the CIP forecast, rate-reduction opportunities, and the Public Inconvenience Fee (PIF). She advised that during the rate-making and public hearing process, the Board still has the opportunity to reduce rates before finalization in July 2026. A customer affordability analysis will be presented to the committee in April, and its findings will guide the rate discussions before final adjustments are made.

The operating budget and 10-year CIP were discussed in detail with the Board and relevant committees. Ms. Oyeyemi reviewed the budget adoption calendar and noted the budget process began in August with the budget materials reviewed at the January 2026 Budget Workshop with the Board, and briefings held with multiple Committees and stakeholders. All budget milestones are on track. The budget is due to the District on March 10, 2026, with the mayor required to deliver it to the Council by April 1, 2026. Town Hall meetings will be held during Spring to inform customers about the Authority's needs and assistance programs before the Public Hearing on May 14, 2026. Final rate adoption is scheduled for July 2, 2026.

Ms. Oyeyemi reviewed the details of the sources and uses of funds for FY 2027 operating of \$1.07 billion and the ten-year capital program of \$9.69 billion. Revenues remain diversified across the various customer classes, reducing reliance on any single class. The main uses for operating funds include personnel services, debt service, and PAYGO. The Proposed ten-year CIP of \$9.69 billion includes \$3.3 billion that will be funded by debt proceeds, \$3.13 billion leveraging PAYGO financing and \$2.1 billion from wholesale customers, while the largest CIP expenditures are water and sanitary sewer projects.

Ms. Oyeyemi reviewed the proposed bill increases of 6.6 percent for FY 2027 and 5.3 percent for FY 2028, both below previous forecasts, and include the new proposed PIF. DC Water's Customer Assistance Programs (CAP) and expanded CAP eligibility will reduce the burden for lower-income customers.

Next, Ms. Oyeyemi reviewed the proposed 10-year CIP budget of \$9.69 billion and a project lifetime budget of \$17.4 billion. The budget reflects a risk-based approach and is slightly below last year's approved amount, with reductions of \$136.6 million in FY 2026 and \$66.7 million over the 10 years.

The FY 2026 revised operating budget is \$838.1 million, and the FY 2027 proposed operating budget is \$844.1 million. The increase of \$6 million is mainly due to higher personnel, chemical, supply costs and water purchases. The budget for Cash Financed Capital Improvements (CFCI) is used as PAYGO funding to defease debt and act as a buffer to absorb cost pressures if chemical or electricity costs increase. As DC Water operates on a cost-recovery basis, the Board can authorize any surplus to be redirected to PAYGO to reduce long-term debt service costs or Rate Stabilization Fund.

The revised FY 2026 operating revenue budget includes a reduction of \$3.2 million to \$1.01 billion to align with projected federal government consumption, higher interest earnings and Wholesale Customer revenue due to cost for the PI. The proposed operating revenue for FY 2027 is \$1.07 billion, up \$61.2 million from FY 2026. The proposed FY 2028 operating budget is \$1.12 billion budget, \$52 million higher than FY 2027. This growth is primarily due to projected rate increases based on modest consumption estimates and updated flow data impacting wholesale revenues.

Ms. Oyeyemi provided rate scenarios based on Board feedback. The first examines fully funding the \$9.69 billion CIP. Had that assumption been applied, the FY 2027 average customer bill increase would have been 7.3 percent rather than the current 6.6 percent proposal. Without the PIF, which is expected to cost approximately \$120 million over the 10 years, the rate increase would be lower at 5.0 percent. The proposed financial plan reflects CIP reprioritization and updated projections with a bill increase of 6.6 percent in FY 2027 and an average of 5.2 percent over the ten-year period.

Ms. Oyeyemi reviewed the 10-year financial plan and noted that the plan meets bond indenture and liquidity requirements, including cash targets and debt coverage ratios. DC Water's financial health remains strong, supported by reaffirmed high bond ratings, which reduce borrowing costs for ratepayers.

Lastly, Ms. Oyeyemi presented the Intent to Reimburse Capital Expenditures with Proceeds of a Borrowing, seeking approval to reimburse DC Water for "Costs of the System" as defined in the Master Indenture that allows DC Water to reimburse itself for capital expenditures with debt proceeds. She noted that DC Water intends to enter the market in the summer of 2027 to secure new funding for the CIP. The reimbursement authority request for FY 2027 is \$476.2 million.

In conclusion, Ms. Oyeyemi presented the management recommendations and action items. Ms. Oyeyemi expressed gratitude to Mr. Giancola and Board members, Mr. Gadis, the Senior Executive Team and staff involved in the budget formulation process

highlighting the extensive collaboration between Finance, Engineering and all departments since summer 2025.

## **V. ACTION ITEMS**

The Committee members recommended approval of the following items to the full Board:

- Recommendation for Approval of the FY 2026 Amended and FY 2027 Proposed Budgets
  1. Fiscal Year 2026 Revised Operating Budget
  2. Fiscal Year 2027 Proposed Operating Budget
  3. Fiscal Year 2026 Revised Operating Revenue Budget
  4. Fiscal Year 2026 – 2035 Capital Improvement Program (Ten-Year Disbursement Plan and Lifetime Budget)
  5. Fiscal Year 2026 – 2035 Financial Plan
  6. Intent to Reimburse Capital Expenditures with Proceeds of a Borrowing

## **VI. AGENDA FOR THE MARCH 2026 COMMITTEE MEETING**

The agenda for the meeting on March 26, 2026, includes the February 2026 Monthly Financial Report and any other items the Committee wishes to discuss.

## **VII. ADJOURNMENT**

The meeting adjourned at 10:46 AM.



# CEO's Report

MARCH  
2026



**ACCOUNTABILITY TRUST TEAMWORK CUSTOMER FOCUS SAFETY WELL-BEING**

## Inside

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# dc Highlights

Chair Morris-Hughes, and members of the Board, it is my pleasure to present you with the CEO's Monthly Report for March 2026. 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 Care; Information Technology; Operations and Engineering; and People and Talent, as well as the monthly update from Internal Audit.



## Equitable

### Stakeholder Alliance Meeting



On the evening of Tuesday, January 27, it was my pleasure to attend and deliver welcoming remarks at our virtual Stakeholder Alliance meeting. I am always impressed at Alliance meetings by the depth and thoroughness of our staff reports and the level of focused engagement of our members.

This meeting was no exception as **Matt Brown** (Chief Operating Officer and EVP), **Lola Oyeyemi** (Acting Chief Financial Officer and EVP), and **Kirsten Williams** (Chief Administrative Officer and EVP) led attendees through a discussion of the rate making process, our proposed FY27 budget, and communicated recent updates about the

Potomac Interceptor sewer line collapse and the Clean Rivers Impervious Area Charge (CRIAC) pause.

I would like to thank **Schannette Grant** (Vice President, Stakeholder Engagement), **Ruth Werner** (Senior Program Manager) and the Stakeholder Engagement team for curating another very productive meeting.



## Sustainable

### All Three Bond Ratings Reaffirmed

**STANDARD  
& POOR'S**

**MOODY'S  
INVESTORS SERVICE**

**FitchRatings**

I am very pleased to share that DC Water's strong bond ratings were reaffirmed in February by all three credit agencies – Standard & Poor's, Moody's, and Fitch – a clear vote of confidence in our financial stewardship.

Standard & Poor's reaffirmed DC Water's AAA/AA+ rating, underscoring our fiscal discipline, strategic planning, and the resilience of our financial operations. Fitch reaffirmed its AA rating, highlighting the Authority's independent ability to increase user charges without external oversight and strong financial metrics. Moody's also reaffirmed its Aa1 and Aa2 ratings, reflecting similar confidence in our financial management practices.

Maintaining strong bond ratings helps lower borrowing costs and positions DC Water to capitalize on market opportunities to refinance debt at lower interest rates. These savings play a critical role in mitigating the impact of rate adjustments and strengthening the Authority's long-term financial stability.

This achievement reflects a true team effort. I would like to thank **Mr. Brown, Ms. Oyeyemi, Ivan Boykin** (Vice-President, Debt & Treasury/Finance), **Syed Khalil** (Vice-President, Rates & Revenue/Finance), and the **Senior Executive Team** for their diligence and expertise in helping DC Water maintain its strong financial profile.



Potomac Interceptor: Emergency Response and Coordinated Recovery Efforts



In February, DC Water made significant progress on emergency repairs to the Potomac Interceptor following the collapse of a section of pipe.

Crews installed a steel bulkhead gate to block all flow within the damaged segment, while an enhanced bypass pumping system was brought fully online to divert wastewater around the collapse site and reintroduce it downstream. This milestone enabled safe access to the compromised area and allowed engineers to begin detailed damage assessments. Due to complex site conditions, debris removal and manual excavation were required to fully expose the pipe. **Importantly, no overflows reached the Potomac River since February 8.**

The bulkhead operated at approximately four feet of depth, supported by six active pumps maintaining continuous bypass operations. Crews worked around the clock. Emergency repairs were projected to take four to six weeks, with long-term rehabilitation and environmental restoration expected to extend approximately 10 additional months.



On February 18, I led a DC Water delegation—including **Matt Brown** (Chief Operating Officer and EVP / Operations and Engineering), and **Kirsten Williams** (Chief Administrative Officer and EVP / Administration) – to a White House–convened meeting with senior officials from FEMA, the EPA, the District, the State of Maryland, and the National Park Service to coordinate response efforts and share technical data.

That same day, Mayor Bowser declared a local public emergency, enabling the District to request federal assistance. The declaration engaged FEMA coordination and positioned the District to recover 100% of eligible recovery costs, while creating a pathway for potential federal funding to support long-term rehabilitation.

Throughout the response, Government and Legal Affairs partnered with OMAC to prepare Council briefings and maintain consistent communication with stakeholders, including community town halls. The Authority will continue to keep the Board informed as recovery efforts advance.

Strengthening Physical Security Through Industry Leadership



DC Water continues to play a leadership role in strengthening physical security across the water sector through active participation in national industry efforts. **Ivelisse Cassas** (Director of Security) recently contributed to the release of WaterISAC’s new fact sheet, “Keys & Locks: The Overlooked Security Risk.”

As Co-Chair of WaterISAC’s Physical Security and Resilience Advisory Committee, Ivelisse helped shape guidance that highlights the critical – yet often underestimated – role of keys, locks, and mechanical access controls in protecting water and wastewater facilities. The resource draws on real-world lessons learned, including insights from our security program and locksmith operations, to help utilities of all sizes – particularly smaller systems with limited resources – strengthen foundational security practices.

This work reinforces our commitment to safeguarding critical infrastructure while sharing expertise that supports resilience across the broader utility community.

# dc Highlights



## 13th STAT Meeting Reviews Strategic Progress



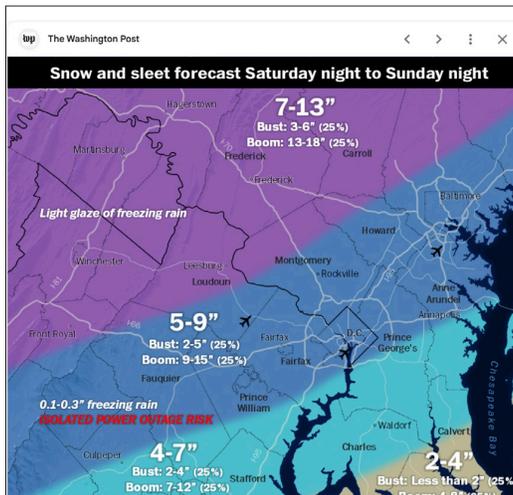
On February 11, the Strategic Management team, led by **Dr. Matt Ries** (Vice President, Strategy & Performance), held the 13th status update meeting to review progress, share insights, and identify priorities in support of Blueprint

2.0. This session's theme, "Beyond the Numbers," emphasized the importance of relationships, collaboration, and the human factors that help advance the Authority's five strategic imperatives. Imperative Accountable Owners and Theme Responsible Owners contributed perspectives aligned with their areas of responsibility, with presentations from teams in Safety, People & Talent, Strategy & Performance, Water Quality, and Wastewater Operations helping to guide discussion among strategic leaders. Participants also provided initial input to inform the upcoming strategic planning process scheduled for this summer.

We thank the Strategy & Performance team and all participating staff for their continued leadership and collaboration in advancing DC Water's strategic priorities.



## Authority, Customers Navigate Winter Storm



In late January, a winter storm struck the Washington metropolitan area. It delivered six inches of snow, additional layers of freezing rain, and because of a parallel cold snap, the frozen ice took weeks to fully melt. Under these conditions the precipitation becomes hardened and more challenging for standard snow removal equipment to manage. Despite the challenging conditions, our teams were positioned for success.

As the weather approached, the Office of Marketing and Communications issued a press release with important tips for customers to avoid problems with frozen pipes, and the Lead Free DC team held a virtual meeting to explain to participating families how extreme weather can impact replacement lines.

On Monday and Tuesday, I declared administrative closures due to the weather, and instructed all employees approved to telework to do so, whether scheduled or unscheduled. Through the end of the week, based on current conditions, I made the decision to allow liberal leave,

and encourage telework whenever possible to keep employees as safe as possible, given the ongoing icy conditions on roadways within the District.

However, throughout the week, our Facilities teams and contract partners worked tirelessly in around-the-clock shifts to clear snow and ice across all Authority campuses. Our Incident Management Team was activated to coordinate the shift in operational posture and the support services needed to weather the storm.

In that sense, it was a true team triumph in ensuring operational continuity, protecting the safety of our teams to the greatest extent possible, and the remarkable commitment of our Facilities team, led by **Brent Christ** (Director, Facilities). His team slept on site to ensure a constant rotation of removal technicians were on duty, and their efforts are greatly appreciated.



## 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.



## Finance, Procurement, and Compliance

### Financial Metrics

Metric	Target	Oct-25	Nov-25	Dec-25	Jan-26
Operating Cash Balance (Millions \$)	\$341.6	\$410.6	\$402.2	\$358.9	\$368.1
Delinquent Account Receivables (%) †	3.30%	3.85%	3.81%	3.84%	3.96%
On-time Vendor Payments (%) ****	97%	95%	96%	96%	96%
Investment Earnings Data (Millions \$)	\$8.8	\$1.2	\$2.3	\$3.5	\$4.9
Core Investment Yield Data (%) - Merrill Lynch 1-3 Year Treasury Index *		3.6%	3.5%	3.5%	3.6%
Core Investment Yield Data (%) - Actual Monthly Yield ††	3.82%	4.1%	4.2%	4.2%	4.2%
Short Term Investment Yield Data (%) - Merrill Lynch 3-Month Treasury Index *		3.8%	3.8%	3.6%	3.6%
Short Term Investment Yield Data (%) - Actual Monthly Yield ††	4.06%	3.9%	3.9%	3.8%	3.8%
Days of Cash on Hand** and ***	282**	372	406	324	325***

#### Notes:

\* Represent annual Treasury Index targets developed and provided by the Authority's investment advisor

\*\* 282 days of cash is the Board policy requirement for annual days of operating reserves excluding the Rate Stabilization Fund.

\*\*\* 325 days of cash is made up of 32 days in the Rate Stabilization Fund and 293 days in the operating cash balance. In adherence to debt covenants, the Authority is required to spend bond proceeds to reimburse itself for capital expenditures from the cash balance account within three years to close out the Series 2022 Bonds. Finance reimbursed \$68.1 million in October 2025. Subsequently, \$24.9 million was reimbursed in December 2025 from the 2025B Green Bonds and \$ 20 million from 2025 C Non-Clean Rivers Bond in Jan 2026.

\*\*\*\* On-time vendor payment performance was affected by year-end closeout activities, including accrued invoice payments.

† 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.

†† 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 2026 Financial Performance

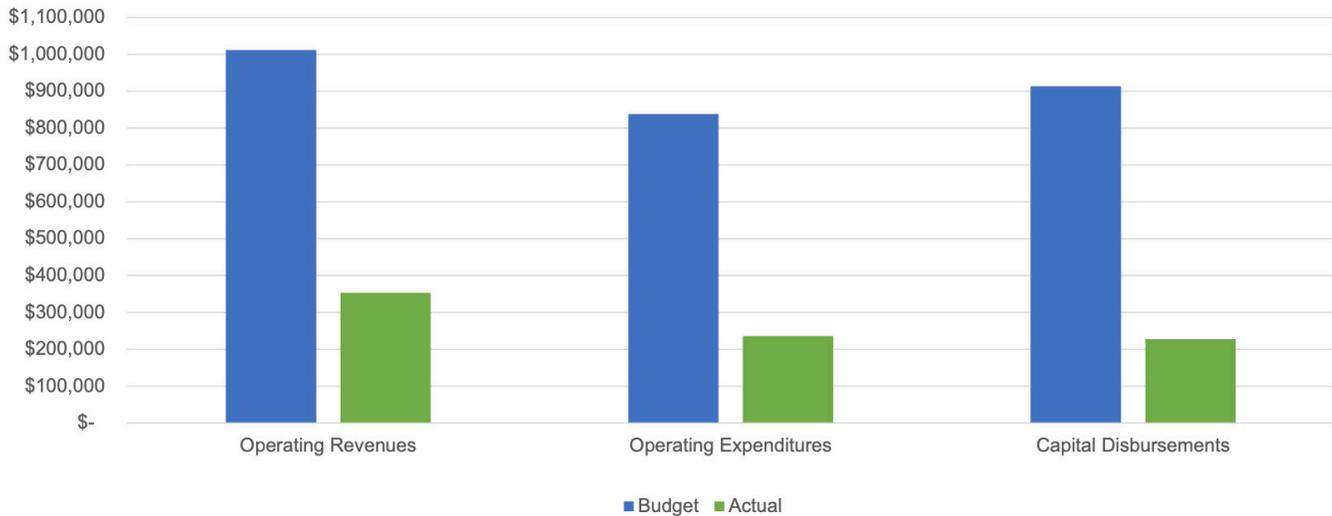
As of January 31, 2026, with approximately 33 percent of the fiscal year completed, DC Water is on track with the budget. Total operating revenues were \$353.0 million or 34.9 percent of the budget. Fairfax and Loudoun Counties made their second quarterly payment of \$8.2 million early in January 2026 instead of scheduled in February 2026. The District Government did not make their January 2026 payment for December 2025 billed amount. The payment has been received in February 2026, which will be reflected in next month's report. Also, the Fire Protection Fee of \$4.4 million for 2nd quarter was received early in January instead of the scheduled February 2026.

Total operating expenditures were \$235.9 million or 28.1 percent and capital disbursements were \$227.3 million or 24.9 percent of the respective budgets. Management presented proposed revisions to the FY 2026 operating expenditure and operating revenues as part of the Proposed FY 2027 Budget presented to the Board in January 2026. These proposed changes would increase the revenue estimate due to higher projected water consumption and reallocate funds from debt services to PAYGO to reduce future borrowing costs.



## Finance, Procurement, and Compliance

### FY 2026 Year to Date Performance Budget vs. Actuals (\$000's)



### FY 2027 Budget Process

DC Water delivered its FY 2027 budget proposal comprising of the annual operating expenditure, operating revenues, ten-year capital improvement program (CIP), the proposed two-year rates, charges and fees and ten-year financial plan to the Board of Directors on January 15, 2026.

This year's budget proposal includes the FY 2027 Operating Expenditure budget of \$844.1 million and the 10-year Capital Improvement Program (Disbursements of \$9.69 billion and Lifetime Project of \$17.4 billion). The 10-year Financial Plan includes proposed FY 2027 and FY 2028 rates and fees and proposed FY 2027 Operating Revenues of \$1.01 billion. Management also provided proposed revisions to the FY 2026 budgets for Operating Expenditure, Operating Revenues and Capital Disbursements.

The multi-year rate proposal includes the Water and Sewer rates increase of 6.0 percent for FY 2027 and FY 2028, proposed CRIAC of \$25.50 per ERU in FY 2027 and \$27.22 per ERU in FY 2028, and proposed PILOT Fee of \$0.62 per Ccf for FY 2027 and \$0.63 per Ccf for FY 2028. The proposed Groundwater Rate is \$3.90 for FY 2027 and FY 2028. Rates and charges that remain the same are the Customer Metering Fee at \$7.75 for 5/8" meters, the Water System Replacement Fee at \$6.30 for 5/8" meters, the High Flow Filter Backwash Sewer Rate at \$3.54, and the Right-of-Way Fee at \$0.20 per Ccf for FY 2027 and FY 2028. Additionally, there is a proposed new rate for the Public Inconvenience Fee of \$0.42 per Ccf. This will be effective in FY 2027 to recover the charges associated with occupancy permits when construction projects in public spaces extend beyond 30 days. The combined rate increases for the average household customer are 6.6 percent in FY 2027 and 5.3 percent in FY 2028 and are lower as compared to last year's forecast of 6.7 percent and 5.7 percent respectively.

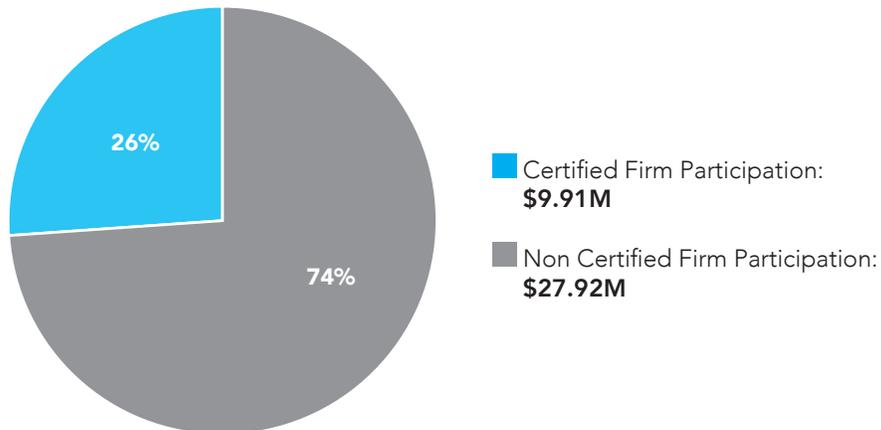
Over the past two months, management conducted detailed review of its budget recommendation with the various Board Committees, Wholesale Customers, Stakeholders Alliance and the DC Office of the People's Counsel.

The Board will vote on and adopt the budgets on March 5, 2026. Following adoption, management and staff will conduct extensive public outreach efforts, including town hall meetings during Spring 2026 and a public hearing on May 14, 2026. Management appreciates the collaborative efforts between all departments and the Budget, Rates and Revenue, Finance and Engineering teams. Their dedication and continued focus on the impact on our ratepayers was evident throughout the process and culminated in the seamless review, prioritization and decision-making process by the Senior Executive Team and the Board members. Detailed information about the budget proposals can be found at [dcwater.com/ratemaking-process](https://dcwater.com/ratemaking-process).

### Procurement and Compliance

In January, five different procurement actions were approved by the Board. The value of the eligible procurement actions for this period totaled \$37.83 million. Of this total, the planned certified firm participation is \$9.91 million (in prime and subcontracting opportunities).

#### Certified Firm Participation December 2026 Awards



### Highlights

#### Certified Firm Participation

- Two certified firms won awards as prime contractors on DC Water Projects.
- Four certified firms were added as subcontractors on existing DC Water contracts.
- Two firms obtained their first contracts (subcontracts) with DC Water.

#### Process Improvement

- Procurement and Compliance are continuing to review, revise, and update the department's processes and procedures. Procurement is also collaborating with the Center of Excellence on Oracle upgrades and contractor management training
- The Goods and Services Team Produced 88 Purchase Orders
- The Materials Management Team Produced 325 Purchase Orders

#### Outreach and Engagement

- Continued our "Vendor Day" contractor engagement efforts. During this reporting period, meetings were held with nine new and existing contractors interested in capital procurement and Goods and Service opportunities.



## Procurement – continued

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

## Goods and Services

Project Title	Description	Solicitation Type	Contract Type	Estimated Total Contract Value	Planned Solicitation Month and Year
Instrumentation and Repair of Electrical Control Equipment	Instrumentation and Repair of Electrical Control Equipment	RFP	Master Service Agreement	\$1-\$5M	January, 2026
Fleet Management Information System	Fleet Management Information System for the management of the DC Water Fleet	RFP	Master Service Agreement	\$1-\$5M	January, 2026
Fleet Vehicle Procurement for 2026 vehicles	Fleet vehicle purchases for 2026 to support DC Water departments with new or replacement vehicles	RFP	Master Service Agreement	\$1-\$5M	January, 2026
Electric Energy Services and Electricity Generation and Transmission	Qualified firm to provide on-going need for retail electricity services	RFP	Master Service Agreement	> \$10M	February, 2026
AI and Data Strategy	AI Process integration	RFP	TBD	TBD	
IT Application Development Services	Multiple awards of MSAs for Task Order based development services	RFP	Master Service Agreement	\$1-\$5M	February, 2026
Microsoft Licenses and Azure Cloud	Microsoft Licenses and Azure Cloud	RFQ	Master Service Agreement	\$5-\$10M	February, 2026
IT Professional Services	Multiple awards of MSAs for Task Order based IT Support Services	RFP	Master Service Agreement	\$1-\$5M	February, 2026
Financial Advisory Services for Bonds	Financial Advisory Services for Bonds	RFP	Master Service Agreement	< \$1M	February, 2026
Bond Counsel	Bond Counsel	RFP	Master Service Agreement	< \$1M	February, 2026
Scaffolding Rental, erection and Dismantling	Scaffolding Rental, erection and Dismantling	RFP	Master Service Agreement	< \$1M	February, 2026
High Voltage Maintenance	Annual Maintenance of Electrical Power Distribution Equipment	RFP	Master Service Agreement	> \$10M	February, 2026
Uniforms	Work Uniforms and Accessories	RFP	Master Purchase Agreement	\$1-\$5M	February, 2026
Elevator Maintenance	Elevator Repair and maintenance	RFP	Master Service Agreement	< \$1M	March, 2026
Independent Risk Management Consulting Services	Services to assist Risk Management with claims, self-insurance and management of the ROCIP VI Program	RFP	Master Service Agreement	>\$1M	March, 2026
Maintenance and Repair of Cranes and Hoists	Maintenance and Repair of Cranes and Hoists	RFP	Master Service Agreement	< \$1M	March, 2026
Inspection of Cranes and Hoists	Inspection of Cranes and Hoists	RFP	Master Service Agreement	< \$1M	March, 2026
Cafeteria	Cafeteria	RFP	Master Service Agreement	0	March, 2026
ROCIP VI and OCIP Insurance Premiums	Insurance Broker that provides coverage for capital construction contractors and subcontractors	RFP	Master Service Agreement	>\$1M	March, 2026
Emergency Alerting System	Emergency Alerting Systems for DC Water employees and residents. Outage and Incident Reporting Platform	RFP	Master Service Agreement	< \$1M	March, 2026
Genesys CX Cloud Licenses	Genesys CX Cloud Licenses	RFQ	Master Service Agreement	< \$1M	April, 2026

– procurement continued

## Procurement / Goods and Services – continued

Project Title	Description	Solicitation Type	Contract Type	Estimated Total Contract Value	Planned Solicitation Month and Year
Rolling Owner Controlled Insurance - Safety Services	Safety Services and Safety Programs for ROCIP and OCIP Projects	RFP	Master Service Agreement	5M	April, 2026
Excavation of Spoils and Catch Basin Debris	Hauling services for the disposal of excavation spoils and catch basin debris	RFP	Master Service Agreement	2M-3M	April, 2026
Grant Management Services	Grant Preparation	RFP	Master Service Agreement	< \$1M	May, 2026
Maximo Scheduling Application	Application for scheduling Maximo Work Orders	RFI	Master Service Agreement	< \$1M	May, 2026
Financial Consulting Services	Financial Consulting (IDIQ) for Rates & Budget	RFP	Master Service Agreement	< \$1M	May, 2026
Network Monitoring Services	24/7 Network Monitoring Services	RFI	Master Service Agreement	< \$1M	June, 2026

## Capitol Projects

Project Title	Description	Solicitation Type	Contract Type	Estimated Contract / Program Value	Planned Solicitation
Water and Sewer PCA	Local sewer cleaning, pipe assessment and related, minor construction work, i.e.; short access path/road, manholes entry excavation/repair, etc.)	RFQ/RFP	Professional Services	\$50M	February, 2026
230030.16 Lead Service Line Replacement Contract: Construction Package 23	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	\$30M - \$35M	February, 2026
Meter Building (HE01) & Distribution Shop Rehab Project (HE02)	Design and construction for a) roof replacement of the Meter Operations Building and b) repair of the Distribution Building at DC Water's Bryant Street location.	Outreach for RFQ/ RFP	TBD	\$4M - \$5M	February, 2026
Small Diameter Water Main (SDWM) Replacement - 19C:	~ 6.06 miles of small diameter water mains twelve inches in diameter and smaller and associated valves and appurtenances.	Competitive Task Order	Construction MSA for Qualified Contractors	\$20M - \$24M	February, 2026
Water Main Infrastructure Repair and Replacement Contract	Responding to requests for emergency repairs on the DC Water water system at various location throughout Washington, DC.	Multi-Step IFB	Construction	\$55M - \$60M	February, 2026
Water Program Manager	Program management services required for the planning and execution of Capital Improvement Program (CIP), and non-CIP tasks in the Water Service Area. The required services include planning, asset management, engineering services, and operations support required for the rehabilitation and upgrading of DC Water's water distribution system.	RFQ/RFP	Professional Services	TBD	February, 2026

– procurement continued



## Procurement / Capitol Projects – continued

Project Title	Description	Solicitation Type	Contract Type	Estimated Contract / Program Value	Planned Solicitation
Public Space Restoration Contract	The work includes emergency sewer main infrastructure repair and replacement at various locations citywide.	Multi-Step IFB	Construction	\$30M - \$35M	March, 2026
Small Diameter Water Main (SDWM) Replacement - 19B:	~ 4.44 miles of small diameter water mains twelve inches in diameter and smaller and associated valves and appurtenances.	Competitive Task Order	Construction MSA for Qualified Contractors	\$15M - \$18M	March, 2026
Supervisory Control and Data Acquisition (SCADA) Systems Integrator Services	Work to be performed will consist of planned and unplanned tasks which may include (e.g. system improvements, troubleshooting, instruments replacement, programming, testing and documentation.	RFQ/RFP	Professional Services	TBD	March, 2026
Non-Process Facilities Program Manager	Program management services required for the planning and execution of Capital Improvement Program (CIP), and non-CIP tasks to support the Facilities Department for all DC Water non-process facilities in the Washington D.C. metro area.	RFQ/RFP	Professional Services	TBD	March, 2026
Sewer Main Infrastructure Repair and Replacement Contract	This contract scope includes responding to requests for emergency repairs on the sewer mains at various locations.	Multi-Step IFB	Construction	\$20M - \$25M	April, 2026
Linear Water Transmission Mains Replacement	This portfolio encompasses critical water infrastructure projects, including critical valve work and large-diameter watermain rehabilitation (greater than or equal to 16-inches in diameter).	RFQ/RFP	TBD	\$80M - \$88M	May, 2026
LFDC Voluntary Full Replacement Contract 2	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	\$8M - \$10M	July, 2026
Water Interconnections and Booster Pump Station Upgrades	Upgrades to existing WSSC Interconnections Improvements - Phase I, Fourth High Reno WSSC Interconnection, WSSC Interconnections Improvements - Phase II, & Fourth High Reno Standby Booster Pumping Station.	RFQ/RFP	Construction Manager at Risk (CMAR)	\$22M - \$26M	July, 2026
Rock Creek Area Sewer Rehabilitation	Scope includes Pipe condition assessment, Sewer rehabilitation, including concrete, RCP, and brick pipe up to 180" diameter, Continuous flow diversion for all sewers as needed, MS4 outfall rehabilitation.	TBD	TBD	TBD	Q3/Q4 2026

– procurement continued

**Procurement / Capitol Projects** – continued

Project Title	Description	Solicitation Type	Contract Type	Estimated Contract / Program Value	Planned Solicitation
Sanitary Sewer Lateral Infrastructure Repair and Replacement Contract	The work includes responding to requests for emergency repairs on the sanitary sewer laterals at various locations throughout Washington, DC.	Multi-Step IFB	Construction	\$30M - \$35M	October, 2026
230030.17 Lead Service Line Replacement Contract: Construction Package 24	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	\$35M - \$40M	Jan-27
230030.18 Lead Service Line Replacement Contract: Construction Package 25	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	\$35M - \$40M	Jan-27



Location	# of New Hires
District of Columbia	9
Prince George's County	13
Montgomery County	1
Fairfax County	1
Loudoun County	0
Outside the User Jurisdiction	4

In January, DC Water Contractors filled six new positions. Five or 83 percent were filled by local residents.

The total number of new hires for FY 26 is 28. The table highlights the total (combined) new hires for FY 26 as of December 2025.

**DC Water Works Highlights****Lead Free DC Community Activators Cohort 3**

DC Water has finalized selection for the LFDC Activators training and workforce development program, choosing 11 District residents for the year-long cohort. In partnership with the District of Columbia Department of Employment Services, participants will earn \$17.10 per hour. Upon successful completion, they will be placed with LFDC contractors or subcontractors for ongoing employment.

**DC Water High School Workforce Development Program**

The second pilot of the DC Water High School Workforce Development Program launched during this reporting period. In partnership with IDEA Public Charter School, three seniors will work part-time at DC Water on weekday afternoons. Participants will earn \$20.00 per hour. This training program is scheduled to run from February through August 2026.

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

### Administration Metrics

Metric	Target	Dec-25	Jan-26
FACILITIES: Preventive Maintenance Completion Rate	90%	100%	99%
FACILITIES: Service Request Completion Rate	90%	91%	98%
FLEET: Technician Resource Allocation	50-90%	56%	65%
FLEET: Priority One Vehicles In-Service	90%	84%	83%
FLEET: Technician Productivity	81%	80%	76%
SAFETY: Contractor/ROCIP Lost Time Incident (LTI) (FY)	< 1.0	0.9	0.4
SAFETY: Contractor/ROCIP Recordable Incident Rate (RIR) (FY)	< 2.4	0.5	0.8
SAFETY: DC Water Employee Lost Time Incident (LTI) (FY)	< 1.1	0.32	0.24
SAFETY: DC Water Employee Recordable Incident Rate (RIR) (FY)	< 2.5	1.29	0.98
SECURITY: Percent of security investigations completed within 21 days	95%	100%	100%
SECURITY: Security Camera operational uptime	90%	97%	96%
SECURITY: Smart card readers operational uptime	90%	97%	97%

**Fleet Metric 1:** Priority One (P1) Unit Availability measures the percentage of units available to meet the organization's operational mission. The target is 90 percent. In January, 83 percent of P1 vehicles were available for operation. The expectation is that technicians will continue to spend at least 50 percent of their hours focused on serving P1 vehicles.

**Fleet Metric 2:** Priority 1 Assignment ensures the technician resources are allotted appropriately to the immediate service and repair of P1 units. In this period, 65 percent of the technician hours were allocated to P1 vehicles, (prior month 56 percent). The target is at least 50 percent to support the goal of minimizing unit downtime. Technician's remaining hours are split between servicing P2 & P3 units, representing 70 percent of the fleet.

**Fleet 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 76 percent of the technician hours were classed as productive (prior month 80 percent). This variation can be explained that anything above 81 percent implies that technicians may be working through breaks/lunch. 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 ensures the balance of productive work vs necessary breaks.

While focusing on routine maintenance, 41 units arrived for unscheduled services including oil and filter changes, battery and safety checks, fluid top offs, and repair of seasonal equipment. Fleet responded to 56 roadside assistance calls and 20 fuel requests. Additionally, 2 units were sent to auction generating \$8,372 in revenue.



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

- Delivered 11,542 flyers via Lead-Free DC Activators.
- Promoted assistance during customer calls and emails.
- Produced and shared social media posts for X, Bluesky, Facebook, and Stories to promote DC Water Cares.
- Collaboration with DOEE's Utility Discount Partnership (UDP) to advertise assistance.

### Update on Utility Assistance Enrollment:

- The first enrollment files for the Clean Rivers Impervious Area CAP3 and the CRIAC Non Profit have been received for processing. Enrollment data is expected to be included in the March report.

### Customer Assistance Programs (CAP)

Program	FY2025 Enrolled	FY2025 Dollars	Jan. Enrolled	Jan. Dollars	# FY26 Enrolled	FY2026 Dollars	FY2026 Budget
CAP +	2,174	\$1,537,636	237	\$40,091	468	\$135,419	\$2,700,000
CAP I	1,863	\$1,225,594	169	\$25,115	361	\$96,024	\$2,100,000
CAP II	238	\$102,654	23	\$3,893	74	\$12,024	\$200,000
CAP III	54	\$5,749		\$-	-	\$-	\$10,000
Non Profit CRIAC Relief	174	\$900,902		\$-	-	\$-	\$843,133

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

DOEE is finalizing the MOU for the Repair Program (RLRAP), which DC Water expects to receive by the end of February. Since January, three customers who qualified for the Assessment Program (RLAAP) received an assessment. Once the MOU is fully executed and funding is in place, eligible customers will be offered repair services.



### Metrics:

The team met all its targets this month.

### Key Performance Indicators

Metric	Target/ Service Level	Nov 25	Dec 25	Jan 26
% of bills issued on time (w/in 5 days)	97%	99.70%	99.1%	98.8%
% unbilled	< 2%	0.7%	0.2%	0.2%
# of bill investigations (Disputes)	trend only	157	226	178
% Bill Investigations/Dispute Resolution <= 30 Days	80%	98%	92%	82%
% of calls answered in 60 Seconds (Call Center) (revised)	75%	91%	79%	80%
Monthly call volume served (Call Center)	trend only	7,496	10,359	10,041
Average Wait Time (minutes) (revised)	<0:50	:24	:47	:40
Abandon rate	3%	1%	2%	2%
Emergency dispatch <= 10 Min (ECC)	> 92%	100%	100%	100%

### The Payment Plan Incentive Program participant and payment distribution:

#### The Payment Plan Incentive Program

Adjustment Year	No. Accounts that Received Credits*	Adjustments
FY 2024	470	\$122,307
FY 2025	2250	\$601,461
FY 2026	871	\$270,236

#### FY 2026 Payment Plan Incentive Program

Adjustment Month	No. Accounts that Received Credits*	Adjustments
Oct-25	114	\$35,091
Nov-25	409	\$118,605
Dec-25	133	\$41,988
Jan-26	215	\$74,553
Feb-26	118	\$40,497
<b>FY26 Distribution</b>	<b>989</b>	<b>\$310,734</b>

\*This is the total number of distributions. (24 new accounts with no previous credits.)

### IT Monthly Report

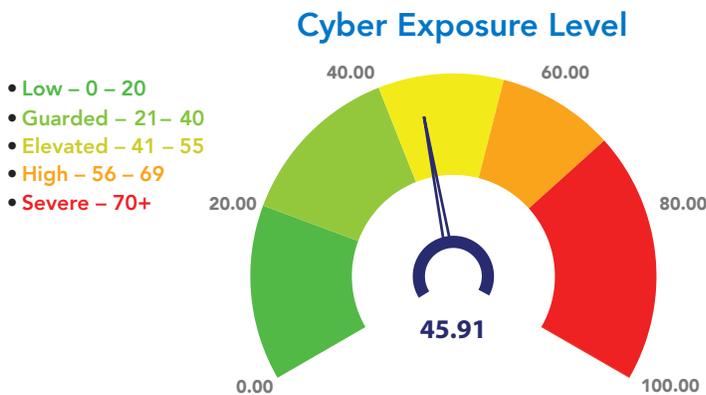
Metric	Target	Nov 25	Dec 25	Jan 26
Number of tickets submitted	Trend only	697	777	684
Number of open tickets	Trend only	4	28	23
SLA Compliance Rate	98%	99%	98.2%	98%
Number of active projects	Trend only	11	10	9
Number of completed projects	Trend only	0	1	0
On schedule performance	90%	90.91%	90%	100%
On budget performance	90%	90.91%	90%	100%
Cyber Awareness Training Compliance	97%	93%	57.13%	57.13%

### Cyber Security Risk Profile

**Cyber Awareness Training Compliance:** The current exposure score is 45.91, indicating a slightly elevated risk. This increase is due to the release of recent patches addressing known vulnerabilities. We anticipate a decline in the exposure score once all mandatory patches have been successfully implemented. At this time, no active threats have been identified.

**Cyber Exposure Level:** All assessed systems were classified as having a Low-Medium Risk. This indicates that any potential harm or negative impact is minimal and can typically be managed with standard precautions and controls.

**Cyber Risk Level:** This month's decline is attributed to the annual training cycle reset, which temporarily lowers completion rates. Scores will improve as employees and contractors progress through their assigned training.




**Operations and Engineering**

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

**Key Performance Indicators**

Metric	Target/Service Level	Oct-25	Nov-25	Dec-25	Jan-26
<b>Wastewater Operations</b>					
NPDES Permit Compliance, percent number of days	100%	100%	100%	100%	100%
Air Permit Compliance, percent number of days	100%	100%	100%	100%	99%
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%	18%	24%	27%	21%
Reactive Maintenance, percent of total maintenance hours	<20%	29%	30%	27%	31%
Critical Asset Availability, percent of total critical assets at the Blue Plains AWTP	>95%	96%	97%	99%	97%
<b>Sewer Operations</b>					
Combined Sewer System (CSS) structures (all outfalls, regulators, tide gates) inspections	100%	100%	100%	100%	100%
*NPDES Permit Requirement to clean catch basins in the MS4 area annually	14,700	44	87	1,121	2,026
*NPDES Permit Requirement to inspect the catch basins in the Combined Sewer Anacostia Tributary area twice annually.	11,400	4,369	7,293	7,500	9,288
*NPDES Permit Requirements to clean 85% of Catch Basins in the Combined Sewer area annually	9,095	2,882	5,232	5,465	5,520
Miles per month Sewer Cleaning and Inspection to meet 1,400 Miles of Small Diameter (<12 inches) in 10Yr Cycle	>12	7.66	6.54	5.4	4.9
Sewer Backup (Investigation to Resolution) Within 24 Hours Excluding Line Breaks	>95%	100%	100%	100%	100%
Number of SSO's	Report	4	7	7	2
SSO's to Body of Water	Report	0	0	4	1
SSO's per 100 miles of pipe (YTD) (AWWA 2021 Utility Benchmarking Report)	2	0.3	0.84	1.35	1.5
SSO's per 100 miles of pipe (Water Body) (YTD)	Information Only	0	0	0.3	0.4
Combined Sewer Overflows (CSOs)/Dry Weather Overflows	0	0	0	0	0

\* Month-to-Month Cumulative Total for Catch Basin Inspection and Cleaning

Key Performance Indicators continued –


**Operations and Engineering**

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

**Key Performance Indicators** continued

Metric	Target/Service Level	Oct-25	Nov-25	Dec-25	Jan-26
<b>Pumping Operations</b>					
Firm Pumping Capacity Maintained	100%	100%	100%	100%	100%
Reactive Maintenance	<20%	13%	14%	17.53%	11%
Critical Asset Availability	>95%	98%	98%	98%	98%
<b>Water Operations</b>					
Safe Drinking Water Compliance	100%	100%	100%	100%	100%
Total Fire Hydrants Replaced	>21/Month	16	24	11	11
Approved Hydrant Flow Tests (Non-Winter Months)	>180	183	103	45	65
Fire Hydrant Operational Rate	99%	99.83%	99.8%	99.86%	99.87%
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%	97%	93%	97%	95%
Water Main Breaks	<28/Month	19	27	74	73
Water Main Break Rate /100 Miles (National Average is 25)	25	46.57	46.10	43.26	30.17
% of Hydrant Leaks in inventory that are not leaking	>90%	99%	99%	99%	99%
<b>Permit Operations</b>					
Overall On-time completion of Permit Reviews	90%	98%	100%	100%	100%
<b>Lead Free DC</b>					
Lead Service Line Replacements	100%*	95%	93%	68%	74%
Material Verifications	100%*	82%	87%	76%	119%
Right-of-Entry Authorizations	100%*	192%	170%	183%	172%
Payment Time	30 Days	25.8	26.2	27.7	**
Public Events & Presentations	N/A	21	6	10	5
Public Events & Presentations	7+	N/A	8.6	9.1	9.8

\* 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

**Lead Service Line Replacements:**

In January, 270 lead service lines were replaced. Cold weather and snowy conditions heavily impacted production rates.



## DC Water Capital Improvement Program

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



- LFDC completed 270 LSRs in January.
- LFDC made meaningful progress in resolving inquiries, closing 1,255 inquiries against 1,270 new submissions.
- LFDC and DC Water successfully coordinated with the District of Columbia Housing Authority to execute the first Right of Entry Agreement with the agency.

- In January, outreach operations resulted in over 22,600 touchpoints, which includes over 14,000 in-person touchpoints.
- LFDC participated in five stakeholder engagement events in December including one Community Meeting, one Agency/Elected Official Briefing, one CBO Engagement, and two ANC Presentations.



#### DC Clean Rivers Projects – Current Status

DC Water/DC Clean Rivers and their consultant SZ PM Consultants Inc. received an Honor Award for the DC Clean Rivers DDOT permitting program as part of the 2025-2026 ACEC/MW Engineering Excellence Awards.

**Northeast Boundary Tunnel (NEBT):** Substantial Completion was October 31, 2024. Well abandonment is nearing completion. Continuing to finalize as-builts and other administrative submittals as well as final acceptance of W Street Ventilation Control Facility.

**Green Infrastructure (GI) Maintenance Contracts:** GI facilities maintenance is ongoing. Clean Rivers continues to work with Procurement on the next contract (June 2026 award).

**Rock Creek Green Infrastructure Project C (RC-C):** Construction field work is ongoing. Thirteen facilities have been completed with four in active construction (out of 43).

**Potomac Interceptor High Priority Sliplining Repairs:** Fort Myer Construction Corporation completed sliplining repair from MH-19 downstream (approx. 800 LF) in December 2025; final restoration will be completed in Q1 of 2026.

**Potomac Interceptor (PI-01) Lock 10/Cabin John Geopolymer Rehab:** Geopolymer rehabilitation of pipe covering 10,800 LF between MH-18 and MH-11 is moving forward. All permitting is complete, and the Environmental Assessment was submitted in December 2025. Procurement outreach will begin in January 2026, with a Request for Qualifications (RFQ) anticipated for release in February 2026.

**Potomac Interceptor Emergency:** Bypass pumping operations are ongoing at the site of the break. Excavation to expose the damaged pipe continues. Working to finalize repair approach and schedule.

#### Updates on Consent Decree Projects

**Potomac River Tunnel Contract B – Tunnel System Construction:** Potomac River Tunnel is an 18' diameter, 5.5-mile-long tunnel designed to provide additional storage & conveyance for the sewer system & to reduce CSO discharges into the Potomac River.

- The north TBM assembly is on-going, and the major forward components are in the OMS north starter tunnel. Gantries are being fitted out. Installation of other WPP mining support systems such as the North TBM grout plant, muck handling and surface conveyors, gantry crane system, TBM support shops, and the slurry treatment plant are ongoing.
- CSO-022: Secant pile installation for Near Surface Structure Support of Excavation is ongoing. Curtain grouting continued around the shaft.
- CSO-028: Excavation and ventilation vault concrete are ongoing with the UPI relocation.
- CSO-029: The tunnel contractor mobilized to the site and began fence installation and construction site setup.
- CSO-024: Contractor moved to north part of K Street roadway to characterize utilities and prepare for jet grouting.
- CSO-027: Bike path relocation is complete, and expansion of the construction site and setup is ongoing.

**Piney Branch Tunnel:** A minimum 4.2-million-gallon tunnel to control CSO 049, the largest CSO to Rock Creek

- The Early Work Package – Tree removal is complete. Roadway relocation, site setup, and design of temporary support of excavation are underway.

# dc DC Water Capital Improvement Program

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

## Featured Project of the Month

### 1st Street and D Street Stormwater Pumping Station Rehabilitation

The 1st and D SWPS project includes installation of three 100-HP vertical centrifugal pumps, one 15-HP dry-pit submersible pump, associated valves, actuators, piping, and control instrumentation. The work also involves constructing walls and doors to separate the Pump Room from the Motor Room, along with upgrades to HVAC, electrical, and control systems, and various structural and architectural repairs. Per EPA direction, flood mitigation measures were incorporated during implementation. As of January 2026, the transformer upgrade, HVAC installation, and monorail crane installation were completed. The project is nearing completion, with only HVAC testing, final architectural repairs, operational demonstration, and Operations & Maintenance (O&M) training remaining.

Contract Budget: \$4,273,860

Start Date: 02/04/2022 / Completion Date: 03/12/2026 / Percent Complete: 97 percent



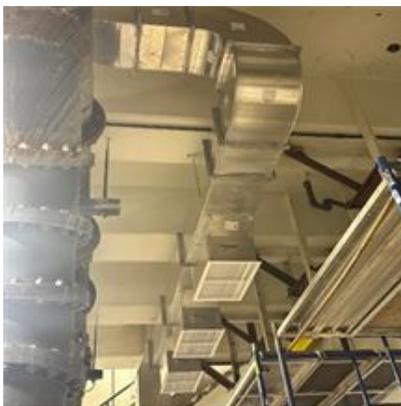
Installed Monorail Crane & Operations Training



Installed control panels and alarm beacon lights



Vertical duct run installed



Installed HVAC



Wiring routed from duct heater to PLC control panel



Installed CT cabinet and meters



## People and Talent

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.

### Highlights & Initiatives

#### Wellness

January was a strong start to the year for our wellness program. We successfully hosted our first in-person yoga session, and the turnout was fantastic. Participation included both office staff and field workers, making it a truly inclusive event focused on movement, stress relief, and connection.

We also continued our standard virtual wellness classes and saw a 21% engagement rate, showing strong ongoing interest in accessible wellness options across locations and schedules.

**Amber Jackson**, People and Talent EVP and Chief People Officer and **Madison Macdougall**, Benefits, Senior Specialist conducted a site visit to Blue Plains during the snowstorm to deliver food and personally check in with employees who were working around the clock to keep the plant running. It was an opportunity to show appreciation and support for the teams who kept operations moving during severe weather conditions. Overall, January focused on connection, care, and bringing wellness directly to our people wherever they work.

### People and Talent Metrics

Metric	Target	Nov-25	Dec-25	Jan-26
Vacancies	N/A	168	171	175
FTEs	N/A	1117	1114	1110
*Vacancy Rate	10%	13.07%	13.31%	13.61%
Temporary Alternative Duty Program (TAD) +	50% of WC claims eligible for TAD program	89%	90%	90%

\*Reflects recommended position eliminations in the approved FY26 Budget.

Metric	Q1	Q2	Q3	Q4
Self-Identified Veterans (Active)	28	29	26	26
Female Workforce (Active)	22.8%	22.9%	22.8%	22.8%

### Key Performance Indicators (KPI Benchmark)

KPI Definition	Business Relevance
+ 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	2021	2022	2023	2024	2025
Involuntary (Dismissal, Medical Disqualification)	1.01%	0.78%	1.97%	1.92%	1.93%
Voluntary (Resignation, Retirement)	4.15%	5.77%	5.55%	5.93%	4.84%
Other (Death)	0.55%	0.10%	0.09%	0.26%	0.35%
<b>Total Turnover Rate</b>	<b>5.71%</b>	<b>6.65%</b>	<b>7.61%</b>	<b>8.11%</b>	<b>7.11%</b>

NOTE: AWWA Turnover Benchmark: 7%

### Key Performance Indicators by Cluster

Cluster	Metric	Dec-25	Jan-26
Learning & Development	Total cost of tuition assistance/reimbursement	\$29,927.13	\$60,358.52
	Total # of employees participating in tuition assistance/reimbursement	16	21
	Total # of employees seeking associate's degree	2	0
	Total # of employees seeking a bachelor's degree	1	2
	Total # of employees seeking a master's degree	3	8
	Total # of employees seeking a doctorate degree	1	0
	Total # of employees seeking a certification	3	4
	Total # of employees participating in external training	9	11

**Key Performance Indicators by Cluster** – continued

Cluster	Metric	Dec-25	Jan-26
Talent Acquisition	Hires	4 (1 external, 3 internal)	13 (4 external, 9 internal)
	Positions Under Recruitment*	73	79
Separations	Separations	4	6
	Term Reasons	<ul style="list-style-type: none"> <li>• 2 voluntary (2 resignations)</li> <li>• 2 involuntary (1 dismissal and 1 death)</li> </ul>	<ul style="list-style-type: none"> <li>• 4 voluntary (4 resignations)</li> <li>• 2 involuntary (2 dismissals)</li> </ul>
Benefits – Retirement Plan Participation	457(b) Pre-Tax	870 Employees Participated	865 Employees Participated
	457(b) Roth	129 Employees Participated	132 Employees Participated

### Government Affairs Highlights:

**Fire Suppression and DC Water Shutoff Discussion (January 6, 2026)** : Government Affairs spoke with the Assistant City Administrator's office about fire suppression systems and DC Water shutoff procedures. A key challenge with multi-family disconnections is determining if fire suppression is linked to the domestic water supply. Newer systems are clear, but older buildings often lack certainty in records, risking accidental fire suppression shutdowns. DC Water proposed a workflow where field crews flag buildings with unknown or legacy plumbing, triggering a hold on shutoffs. DOB/FEMS will assess potential fire protection impacts before proceeding.

**VAMWA Update:** Government Affairs is monitoring Virginia's HB 1443 bill, which mandates sewage treatment works to test sewage sludge for PFAS starting January 1, 2027. Based on PFAS levels, the bill requires changes to land application processes. This could impact DC Water's sludge management operations and require adjustments to ensure compliance with new environmental standards, including possible updates to our Virginia Pollution Abatement and VPDES permits. We will continue tracking the bill's progress and assess its impact on our operations.

**WRDA Submission:** Government Affairs, in collaboration with Operations and Asset Management, has submitted the language for three projects for the Potomac Interceptor Rehabilitation to WRDA through Congresswoman Eleanor Holmes Norton's office. We are requesting similar support on the Senate side.

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

	1st Quarter	FY 2026 YTD
Cases Managed	30	30
New Cases	3	3
Cases Closed	4	4
Amount Demanded of DC Water in Closed Cases	\$507,999.92	\$507,999.92
Amount Paid by DC Water in Closed Cases	\$43,000	\$43,000

\*This data is current as of 1/23/26.

#### Revenue Recovery Cases

Currently, DGLA is managing 212 open foreclosure cases and 65 active bankruptcy cases.

#### Freedom of Information Act

DGLA manages requests from the public for information as required by the DC Freedom of Information Act (FOIA). FOIA requests received in January 2026 related to procurement, the Potomac Interceptor sewer overflow, and customer records.

#### FOIA Data

Open Requests	86
Requests Opened this Month	12
Requests Closed this Month	4

#### Other Legal Matters

Type of Legal Matter	# Reviewed/ Processed
Contracts	19
Agreements	3
Easements	2
Subpoenas	2

### Internal Audit CEO Report March 2026

This timeline represents the FY 2026 audit plan and the status of each project. The Cherry Bekaert Internal Audit team is executing the FY 2026 internal audit plan, following up on prior audit findings and monitoring the hotline.

#### FY2026 Timeline

	Oct - 25	Nov - 25	Dec - 25	Jan - 26	Feb - 26	Mar - 26	Apr - 26	May - 26	Jun - 26	Jul - 26	Aug - 26	Sept - 26	Oct - 26	Status
Customer Billing and Collections Audit														Started
Emergency Management Policy Gap Analysis														Started
Legal Operational Audit														Started
Recruitment, Performance Evaluation, Compensation Analysis & Training/ LMS Assessment														Started
Asset Management Lifecycle														Moved FY2027
Cloud Security														Not Started
Work Order Management - Department of Maintenance Services														Not Started
Procurement, Contracting, & Contract Compliance Audit														Not Started
Physical Security - HQO & Fort Reno														Not Started
Operational Technology Resiliency Audit														Not Started
FY 2027 Risk Assessment														Not Started
Ongoing Follow-up Procedures														Ongoing
Ongoing Hotline Monitoring														Ongoing

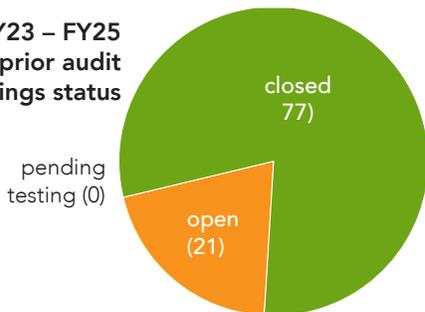
#### Open Prior Audit Findings

Audit Report / Subject	Issue Date	Open
Work Order Management Audit - DWO	7/27/2023	1
Fleet Management Audit	10/27/2023	1
Work Order Management Audit	4/11/2025	6
Safety Audit	6/18/2025	2
Strategic Plan Monitoring Audit	9/29/2025	3
Third-Party Vendor Management Audit	11/6/2025	3
Budget Monitoring Audit	11/12/2025	1
Contract Compliance Audit	12/16/2025	4
		<b>total</b> 21

**No Findings Closed this month**

At least one original remediation target date has been extended.

#### FY23 – FY25 prior audit findings status



In total, 79 percent of all prior audit findings from FY23-FY25 are closed. Management's target closure rate is 95 percent.

Previously, total audit findings were calculated from FY17 through FY25, reflecting open items that have since been resolved from FY17.

The four FY25 findings from the Contract Compliance Audit have been added to the open findings list.

As a result of focusing on a shorter reporting period and adding the remaining FY25 findings, the percentage closed has decreased to 79 percent this month.

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

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

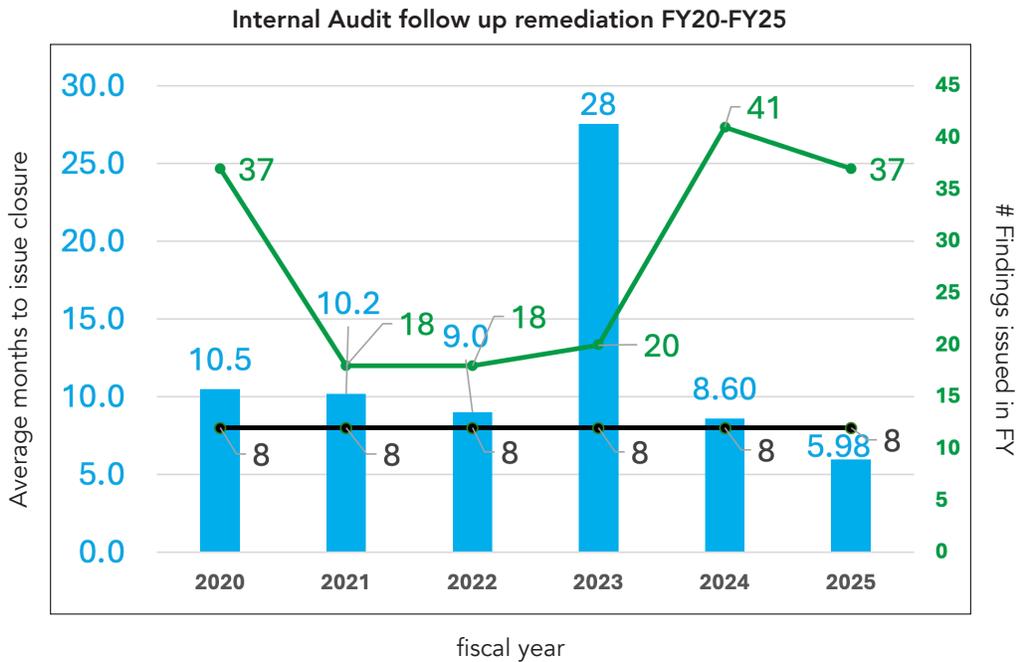
FY25 Contract Compliance Audit: Findings Distributed, Management Action Plans to be supplied during FY2026 Q2. Findings have been added into the count above. Once management responses have been received, any high risk findings will be added to the 'High Risk Open Findings' Chart below

	Audit FY	Issue Date	Audit Report	High Risk Open Finding	Original Target Date	New Target Date	# Extensions
1	2025	4/15/2025	Work Order Management-Facilities Audit	Lack of Current Asset Retirement and Disposal Standard Operating Procedures (SOPs) <i>Facilities team is currently working towards completing the set action plans.</i>	3/31/2026		

\*Note: The audit findings reported above represent open findings through the FY25 Audit Plan year.

**Time to closure by fiscal year**

The graphs below illustrate the average number of quarters from audit finding issuance to audit finding closure year-over-year as of February 2026. Management has made significant improvements to achieve timelier audit finding closure as illustrated by the decline from FY23 to FY24. Management's target time to closure is 8 months.





**Presented and Adopted: March 5, 2026**

**SUBJECT: Approval to Execute Change Order No. 11 of Contract No. 200020, Emergency Sewer Main Infrastructure Repair and Replacement Contract, Spiniello Companies**

**#26-09  
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 March 5, 2026, upon consideration of a joint-use matter, decided by a vote of \_\_\_\_ ( ) in favor and \_\_\_\_ ( ) opposed to approve the execution of Change Order No. 11 of Contract No. 200020, Spiniello Companies.

**Be it resolved that:**

The Board of Directors hereby authorizes the CEO and General Manager to execute Change Order No. 11 of Contract No. 200020, Spiniello Companies. This contract provides emergency and urgent repairs or replacements for sewer infrastructure at Joint Base Anacostia Bolling in Washington, DC. The total value of Change Order No. 11 is \$10,000,000.00.

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**

**INFRASTRUCTURE REPAIR AND REHABILITATION CONTRACT**

**Emergency Sewer Main Infrastructure Repair & Replacement Contract  
(Joint Use)**

Approval to execute Change Order No. 11 for \$10,000,000.00. The modification exceeds the Chief Executive Officer's approval authority.

**CONTRACTOR/SUB/VENDOR INFORMATION**

<b>PRIME:</b>	<b>SUBS:</b>	<b>PARTICIPATION:</b>
Spiniello Companies 3500 E. Biddle Street Baltimore, MD 21213	Bulldog Distribution Trucking, LLC Beltsville, MD	DBE 11.5%
<u>Headquarters</u> Livingston, NJ 07039	Ecotech Hydro Excavation, LLC Quarryville, PA	WBE 45.6%
	RAM Construction Olney, MD	WBE 3.0%

DBE Participation = 11.5 %, WBE Participation = 48.6%

**DESCRIPTION AND PURPOSE**

Original Contract Value:	\$16,011,710
Total of Previous Change Orders:	\$45,450,000
Current Contract Value:	\$61,461,710
Value of this Change Order:	\$10,000,000
Total Contract Value, including this CO:	\$71,461,710
Original Contract Time:	1,095 Days (3 Years, 0 Months)
Time extension, this CO:	848 Days (2 Years, 3 Months)
Total CO time extension:	1,110 Days (3 Years, 1 Month)
Contract Start Date (NTP):	11-12-2020
Anticipated Task Order Completion Date:	11-26-2026
Task Order Work completion %:	83%

**Purpose of the Contract:**

This contract provides emergency and urgent sewer infrastructure rehab and replacement services at Joint Base Anacostia Bolling, Washington, DC.

**Original Contract Scope:**

DC Water awarded an Indefinite Delivery and Indefinite Quantity (IDIQ) contract to the selected contractor. As emergency or urgent work was identified, DC Water Sewer Operations developed scopes of work, negotiated costs using pre-established pricing, and issued task orders to the contractor. Joint-use cost share amounts were determined, communicated, and billed per existing joint-use procedures. Typical task order scopes include:

- Emergency or Scheduled Rehab and Replacement of Sewer & Infrastructure
- Cleaning & CCTV inspection of sanitary sewer mains
- Sanitary sewer bypass pumping

**Previous Change Order Scope:**

- Change Orders 01 through 06 and 09 through 10 provided construction resources for the FY22 block-by-block lead service line replacement program and other administrative changes to adjust the schedule of prices quantity amounts for no additional cost.

- Change Orders 07 & 08: On 5/1/23, severe deterioration was found between the East and West Outfall Relief Sewers (EWORS) at Joint Base Anacostia Bolling (JBAB), including a 75 LF loss of central pipe wall downstream of Structure 2A and significant corrosion with exposed or missing rebar along roughly 467 LF from Structure 2A to Structure 105. Emergency rehabilitation was divided into two phases: Phase 1 included structural stabilization and construction of a gravity diversion structure; Phase 2, included rehabilitation of the relief sewers using reinforced geopolymer and the following:
  - Rebuild the middle wall separating the East and West Outfall Relief Sewers.
  - Design and rehabilitation of the East and West Outfall Relief Sewers and Structure 2A using PALTEM (Pipeline Automatic Lining SYSTEM) Flow-Ring System.
  - Heavy cleaning of relief sewers to create favorable environment for asset rehabilitation.
  - Backfilling of the gravity bypass channel along with reestablishing sewer flow in the newly rehabilitated East-West Outfall Relief Sewers.
  - Site restoration after the work is completed

**Current Change Order Scope:**

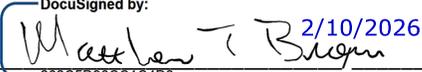
In late June 2025, it was found that the severe deterioration within the EWORS was more extensive than previously thought, having advanced about 200 feet downstream from Structure 2A, with significant compromise observed in both the midwall section and its reinforcement. The Sewer Program Management Team at Brown and Caldwell, in coordination with DC Water, determined that the structure was unsafe, resulting in restricted worker access and a need for the following actions before prior to installing the PALTEM system:

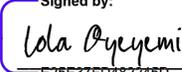
- Removal of approximately 7,300 CY of overburden from EWORS using conventional and hydro excavation.
- Photogrammetry analysis of approximately 200 feet of center wall for condition assessment.
- Rehabilitate additional 200 feet of center wall using geopolymer.
- Backfill and restore additional areas where overburden removed.

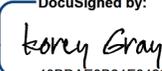
PROCUREMENT INFORMATION			
<b>Contract Type:</b>	Unit Price	<b>Award Based On:</b>	Best Value
<b>Commodity:</b>	Combined Sewer	<b>Contract Number:</b>	200020
<b>Contractor Market:</b>	Open Market		

BUDGET INFORMATION			
<b>Funding:</b>	Capital	<b>Department:</b>	Wastewater Engineering
<b>Service Area:</b>	Sanitary	<b>Department Head:</b>	Ryu Suzuki
<b>Project:</b>	RE		

ESTIMATED USER SHARE INFORMATION		
User	Share %	Dollar Amount
District of Columbia	39.37%	\$ 3,937,000.00
Washington Suburban Sanitary Commission	44.78%	\$ 4,478,000.00
Fairfax County	11.95%	\$ 1,195,000.00
Loudoun County & Potomac Interceptor	3.90%	\$ 390,000.00
<b>Total Estimated Dollar Amount</b>	<b>100.00%</b>	<b>\$ 10,000,000.00</b>

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 Matthew T. Brown Date  
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 and Executive Vice President

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 Lola Oyejemi Date  
 Acting Chief Financial Officer  
 and Vice President, Budget

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 Korey Gray Date  
 Vice President of Compliance  
 and Chief Procurement Officer

  
 David L. Gadis Date  
 Chief Executive Officer and General Manager

**Presented and Adopted: March 5, 2026**

**SUBJECT: Approval to Execute Master Service Agreement (MSA)  
Progressive Design-Build Delivery Contract for Phase 1,  
Contract No. 250110, Anacostia Sewer Rehabilitation,  
Clark Michel JV**

**#26-10  
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 March 5, 2026, upon consideration of a joint-use matter, decided by a vote of \_\_\_\_ ( ) in favor and \_\_\_\_ ( ) opposed to approve the execution of Master Services Agreement (MSA) Progressive Design-Build Delivery Contract for Phase 1, Contract No. 250110, Clark Michels JV.

**Be it resolved that:**

The Board of Directors hereby authorizes the CEO and General Manager to execute Master Service Agreement (MSA) Progressive Design-Build Delivery Contract for Phase 1, Contract No. 250110, Clark Michels JV. The purpose of this contract is to rehabilitate sanitary interceptors, outfalls, and associated structures that have surpassed their design lifespan or exhibit defects. Specifically, the scope includes the following assets: North and South Interconnecting Branch Sewer; East and West Outfall Sewers; East and West Outfall Relief Sewers; and the Anacostia Main Interceptor. The total contract value is not-to-exceed \$47,200,000.00.

This Resolution is effective immediately.

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Secretary to the Board of Directors

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

**ACTION REQUESTED**

**PROGRESSIVE DESIGN-BUILD CONTRACT:**

**Anacostia Sewer Rehabilitation  
(Joint Use)**

Approval to execute a Master Services Agreement (MSA) Progressive Design-Build (PDB) delivery contract for phase 1 preconstruction and early work packages not-to-exceed \$ 47,200,000.00.

**CONTRACTOR/SUB/VENDOR INFORMATION**

<b>PRIME:</b>	<b>*SUBS</b>	<b>*PARTICIPATION:</b>
Clark Michels JV 7900 Westpark Drive, Suite T300 McLean, VA 22102	Phase 1A: See Attachment A for List of DBE/WBE Participants.	Phase 1 Services: 10.5% DBE/WBE  Phase 2 Construction Services: Goals will be set at GMP.

\*Certified DBE/WBE Participation will be finalized as the Construction Phase planning is complete. The prime is committed to working with DC Water to meet (or exceed) the utilization goals for the Construction phase.

**DESCRIPTION AND PURPOSE**

Phase 1 Preconstruction Services (Phase 1A)	\$ 999,486.92
Phase 1 Contract Value, Not-To-Exceed:	\$46,200,513.08
Current Contract Total Value	\$47,200,000.00
Phase 1 Preconstruction Services Duration:	960 Days (2 Year, 8 Months)
Phase 1 Preconstruction Services Start Date:	02-02-2026
Anticipated Phase 2 Construction Services Duration:	2190 Days (6 Year, 1 Months)
Anticipated Construction Services Start Date:	10-01-2027
Anticipated Construction Services Completion Date:	11-01-2033
Other design-builders submitting proposals/qualification statements:	
*Skanska USA Civil/Insituform Technologies*	*Structural Preservation Systems, LLC/Traylor
SAK Construction, LLC	

\* Asterisk indicates short listed firms.

**Purpose of the Contract:**

This Project is designed to rehabilitate sanitary interceptors, outfalls, and associated structures that have outlived its design life and/or are defective, specifically including the following assets:

- North and South Interconnecting Branch Sewers (NIBS/SIBS)
- East and West Outfall Sewers (EWOS)
- East and West Outfall Relief Sewers (EWORS)
- Anacostia Main Interceptor (AMI)

**Current Contract Scope:**

- Phase 1 Services - field investigation and concept finalization, detailed design, permitting, bidding and preparation of Guaranteed Maximum Price (GMP) proposal.

- Early Work Package to allow Contractor to proceed with purchase of long lead time materials and to start early construction of critical assets that are required for the overall success of the project
- Project features include:
  - Heavy cleaning: AMI (5.1 miles), West Outfall (3.0 miles), and NIBS/SIBS (3.0 miles)
  - AMI (constructed in 1910s) - Rehabilitation of ~20,000 LF of concrete pipe with diameters ranging from 24-inch – 120-inch, the majority of which is 54-inch and 60-inch diameter.
  - EWOS, EWORS and NIBS/SIBS: Scope will rehabilitate the full extents of these sewers including ~74,000LF of concrete and reinforced concrete pipe (RCP) with diameters ranging from 48-inch – 165-inch.
  - Emphasis on trenchless rehabilitation, minimizing site disruptions, maintaining operations, and providing bypass pumping during repairs.

**Future Contract Amendment Scope:**

- Multiple Phase 2 GMP Amendments – construction services.

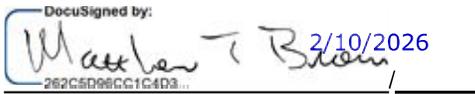
**Federal Grant Status:**

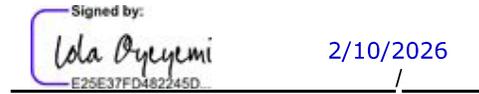
- No federal grant funding assistance associated with this contract at this moment.

PROCUREMENT INFORMATION			
<b>Contract Type:</b>	MSA (Progressive Design-Build)	<b>Award Based On:</b>	Best Value
<b>Commodity:</b>	Design and Construction	<b>Contract Number:</b>	250110
<b>Contractor Market:</b>	Open Market		

BUDGET INFORMATION			
<b>Funding:</b>	Capital	<b>Department:</b>	Wastewater Engineering
<b>Service Area:</b>	Sewer	<b>Department Head:</b>	Ryu Suzuki
<b>Project:</b>	HT, W1		

ESTIMATED USER SHARE INFORMATION		
User	Share %	Dollar Amount
District of Columbia	62.62%	\$ 29,556,640.00
Federal Funds	0.00%	\$ 0.00
Washington Suburban Sanitary Commission	31.69%	\$ 14,957,680.00
Fairfax County	4.29%	\$ 2,024,880.00
Loudoun County & Others	1.40%	\$ 660,800.00
<b>Total Estimated Dollar Amount</b>	<b>100.00%</b>	<b>\$ 47,200,000.00</b>

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 Matthew T. Brown / Date  
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 and Executive Vice President

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 Lola Oyeyemi / Date  
 Acting Chief Financial Officer  
 and Vice President, Budget

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 Korey R. Gray / Date  
 Vice President of Compliance  
 and Chief Procurement Officer

  
 2/26/2026 / Date  
 David L. Gadis / Date  
 Chief Executive Officer and General Manager

**Attachment A****PROGRESSIVE DESIGN BUILD CONTRACT****DESIGN PHASE 1****LIST OF CERTIFIED FIRM SUBCONTRACTORS**

<b>Firm</b>	<b>Certification</b>	<b>PARTICIPATION</b>
Interagency Washington, DC	DBE	4.5%
PEER Consultants, Washington, DC	DBE	0.25%
Aridai Consulting, LLC Washington, DC	DBE	0.5%
Sigma Associates, Inc Bingham Farms, MI	DBE	0.25%
AB Consultants, Inc Lanham, MD	DBE	2.0%
Wave Civil, LLC Alexandria, VA	DBE	0.5%
DM Enterprises, LLC Baltimore, MD	DBE	0.25%
EBA Engineering, Inc Laurel, MD	DBE	2.0%
Engineering Design Technologies Marietta, GA	DBE	0.25%
<b>Subtotal DBE</b>		<b>10.5%</b>

**Presented and Adopted: March 5, 2026**

**SUBJECT: Approval to Execute Change Order No. 01 of Contract No. 230050, Emergency Sewer Main IR&R Contract for FY24-FY27, Anchor Construction Corporation**

**#26-11  
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 March 5, 2026, upon consideration of a joint-use matter, decided by a vote of \_\_\_\_ ( ) in favor and \_\_\_\_ ( ) opposed to approve the execution of Change Order No. 01 of Contract No. 230050, Anchor Construction Corporation.

**Be it resolved that:**

The Board of Directors hereby authorizes the CEO and General Manager to execute Change Order No. 01 of Contract No. 230050, Anchor Construction Corporation. This contract covers emergency and urgent sewer repairs in Washington, D.C. and other jurisdictions served by the Authority. It also manages routine city-wide sewer emergencies by providing an on-call contractor with predetermined pricing. The total value of this change order is \$18,500,000.00.

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 CHANGE ORDER:**

**Emergency Sewer Main IR&R Contract for FY24-FY27  
(Joint Use)**

Approval to execute Change Order No. 01 for \$18,500,000. The modification exceeds the Chief Executive Officer's approval authority.

**CONTRACTOR/SUB/VENDOR INFORMATION**

<b>PRIME:</b>	<b>SUBS:</b>	<b>PARTICIPATION:</b>
Anchor Construction Corporation 2254 25 <sup>th</sup> Place NE Washington, DC 20018	S&J Service Inc Hyattsville, MD	DBE 25.0%
	Saavedra Trucking Adelphi, MD	DBE 8.0%
	95 Traffic Safety Supply Capitol Heights, MD	DBE 2.0%
	United Construction Services Washington, DC	WBE 6.0%
	R&R Contracting Utilities, Inc Olney, MD	WBE 2.0%
	Acorn Supply & Distributing, Inc White Marsh, MD	WBE 1.0%
	Resource Industries, LLC Washinton, DC	WBE 1.0%

DBE Participation = 35%, WBE Participation = 10%

**DESCRIPTION AND PURPOSE**

Original Contract Value:	\$21,429,860.00
Total of Previous Change Orders:	\$ 0.00
Current Contract Value:	\$21,429,860.00
Value of this Change Order:	\$18,500,000.00
Total Contract Value, including this CO:	\$39,929,860.00
Original Contract Time:	1,095 Days (3 Years, 0 Months)
Time extension, this CO:	0 Days
Total CO contract time extension:	0 Days
Contract Start Date (NTP):	02-15-2024
Anticipated Contract Completion Date:	02-15-2027
Cumulative CO % of Original Contract:	56%
Contract completion %:	77%

**Purpose of the Contract:**

This contract provides emergency and urgent sewer infrastructure rehabilitation and replacement services at various public space locations in Washington, D.C and other jurisdictions the Authority services. This contract will address primarily routine city-wide sewer emergencies that are reported to DC Water daily by providing an on-call contractor with pre-negotiated unit and Time & Material prices. The types of work that typically fall under this category occur often enough requiring immediate action that need to have a dedicated mechanism, on stand-by, to address them.

**Original Contract Scope:**

DC Water awarded an Indefinite Delivery and indefinite Quantity (IDIQ) contract to the selected contractor. As emergency or urgent work is identified, DC Water Operations will develop scopes of work, negotiate costs

using pre-established pricing, and issue task assignments to the contractor. Typical scope of tasks may include:

- Emergency rehabilitation, repair, and installation of sewer & storm mains
- Emergency rehabilitation, repair, and installation of sewer manholes
- Emergency rehabilitation, repair, and installation of catch basins
- Emergency rehabilitation, repair, and installation of outfalls, structures and gates

**Current Change Order Scope:**

This contract has been utilized to address several emergencies of greater scale than initially anticipated, resulting in an accelerated expenditure of contract funds beyond original forecasts that now require replenishment. The emergency responses included the following projects:

- Albermarle/Soapstone Sewer
- 22nd and Q St NW Emergency Projects
- Anacostia Force Main Emergency Project
- PI-Manhole 17 SSO Emergency Project (ongoing)

**PROCUREMENT INFORMATION**

<b>Contract Type:</b>	Unit Price	<b>Award Based On:</b>	Lowest responsive, responsible bidder
<b>Commodity:</b>	Construction	<b>Contract Number:</b>	230050
<b>Contractor Market:</b>	Open Market		

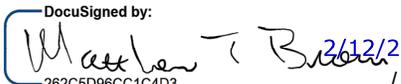
**BUDGET INFORMATION**

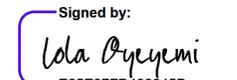
<b>Funding:</b>	Capital	<b>Department:</b>	Water & Sewer Operations
<b>Service Area:</b>	Sewer	<b>Department Head:</b>	Chris Collier
<b>Project:</b>	PI, NW		

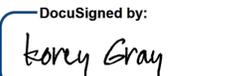
**\*ESTIMATED USER SHARE INFORMATION**

User	Share %	Dollar Amount
District of Columbia	43.24%	\$ 8,000,000.00
Washington Suburban Sanitary Commission	17.54%	\$ 3,244,500.00
Fairfax County	25.60%	\$ 4,735,500.00
Loudoun County & Potomac Interceptor	13.62%	\$ 2,520,000.00
<b>Total Estimated Dollar Amount</b>	<b>100.00%</b>	<b>\$ 18,500,000.00</b>

\*Under the terms of the IMA, the capital costs associated with each joint facility are to be split among the users in proportion to the peak flow each user is allocated. It is not possible, currently, to allocate costs by individual facility. It is anticipated that as projects are developed under individual Task Orders for work associated with specific facilities and costs are developed, the individual users will be notified and billed accordingly

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 Matthew T. Brown Date  
 Chief Operating Officer  
 and Executive Vice President

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 Lola Oyeyemi Date  
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 and Vice President, Budget

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 Korey R. Gray Date  
 Vice President of Compliance  
 and Chief Procurement Officer

  
 / 2/26/2026  
 David L. Gadis Date  
 Chief Executive Officer and General Manager

**Presented and Adopted: March 5, 2026**

**Subject: Approval to Amend Fiscal Year 2026 Operating Budget**

**#26-12  
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, (“DC Water”) at the Board meeting on March 5, 2026, upon consideration of a joint-use matter, decided by a vote of ( ) in favor and ( ) opposed, to take the following action to approve the Amended Fiscal Year 2026 Operating Budget.

**WHEREAS**, on March 6, 2025, through Resolution #25-09, the Board approved the Fiscal Year 2026 Operating Budget that totaled \$838,132,575; and

**WHEREAS**, during the Fiscal Year 2027 Budget Workshop on January 15, 2026, the Chief Executive Officer and General Manager and Acting Chief Financial Officer and Executive Vice President, Finance, Procurement and Compliance, briefed the Board on the proposed amendment of DC Water’s Fiscal Year 2026 Operating Budget to reallocate \$24,041,318 from debt services to Cash Financed Capital Improvements (CFCI) and maintain the Approved Fiscal Year 2026 Operating Budget of \$838,132,575; and

**WHEREAS**, on January 27, 2026, the Finance and Budget Committee in a joint session with the Retail and Rates Committee, during which management presented proposed amendment of DC Water’s FY 2026 Operating Budget, to reallocate \$24,041,318 from debt service, due to structure of new debt and refinancing, to CFCI for PAYGO to reduce future borrowing costs and maintain the Approved Fiscal Year 2026 Operating Budget of \$838,132,575; and

**WHEREAS**, on February 26, 2026, the Finance and Budget Committee was further briefed on the proposed amendment of DC Water’s FY 2026 Operating Budget, to reallocate \$24,041,318 from debt service due to structure of new debt and refinancing, to CFCI for PAYGO to reduce future borrowing costs and maintain the Approved Fiscal Year 2026 Operating Budget at \$838,132,575; and

**WHEREAS**, on February 26, 2026, the Finance and Budget Committee, after further consideration and discussion, recommended Board approval of the proposed amendment of DC Water’s FY 2026 Operating Budget as presented by management.

**NOW THEREFORE BE IT RESOLVED THAT:**

The Board hereby approves the amended DC Water's Fiscal Year 2026 Operating Budget to reallocate \$24,041,318 from Debt Service to the Cash Financed Capital Improvements Fund for PAYGO to reduce future borrowing costs and maintain the Approved Fiscal Year 2026 Operating Budget at \$838,132,575.

This resolution is effective immediately.

\_\_\_\_\_  
Secretary to the Board of Directors

**Presented and Adopted: March 5, 2026**

**Subject: Approval of Proposed Fiscal Year 2027 Operating Budget**

**#26-13  
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, (“DC Water”) at the Board meeting on March 5, 2026, upon consideration of a joint-use matter, decided by a vote of \_\_\_\_ ( ) in favor and \_\_\_\_ ( ) opposed, to take the following action to approve the Proposed Fiscal Year 2027 Operating Budget.

**WHEREAS**, during the Fiscal Year 2027 Budget Workshop on January 15, 2026, the Chief Executive Officer and General Manager, Acting Chief Financial Officer and Executive Vice President, Finance, Procurement and Compliance, and members of the Senior Executive Team briefed the Board on the Proposed Fiscal Year 2027 Operating Budget that totaled \$844,105,090; and

**WHEREAS**, on January 27, 2026, the Finance and Budget Committee, in a joint session with the Retail and Rates Committee, reviewed the budget and two-year rate proposals and discussed in detail, the budget drivers, budget assumptions, risks and customer impacts; and

**WHEREAS**, on February 26, 2026, the Finance and Budget Committee further reviewed the budget proposals, and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, risks and customer impact, and recommended that the Board approve the Proposed Fiscal Year 2027 Operating Budget that totals \$844,105,090, including \$25,000 for representation and \$15,000 for official meetings.

**NOW THEREFORE BE IT RESOLVED THAT:**

The Board hereby approves and adopts DC Water’s Proposed Fiscal Year 2027 Operating Budget totaling \$844,105,090, including \$25,000 for representation and \$15,000 for official meetings, and as further detailed in the Chief Executive Officer and General Manager’s Proposed Fiscal Year 2027 Budget and accompanying materials presented on January 15, 2026.

This resolution is effective immediately.

\_\_\_\_\_  
Secretary to the Board of Directors

**Presented and Adopted: March 5, 2026**  
**Subject: Approval to Amend Fiscal Year 2026 Revenue Budget**

**#26-14**  
**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, ("DC Water") at the Board meeting on March 5, 2026, upon consideration of a joint-use matter, decided by a vote of \_\_\_\_ () in favor and \_\_\_\_ () opposed, to take the following action with respect to the Amended Fiscal Year 2026 Revenue Budget.

**WHEREAS**, on March 6, 2025, through Resolution #25-10, the Board approved the Fiscal Year 2025-2034 Ten Year Financial Plan, which included the Fiscal Year 2026 Revenue Budget (Operating Receipts) of \$1,011,384,900; and

**WHEREAS**, on January 27, 2026, the Finance & Budget Committee and Retail Water and Sewer Rate Committee met to consider revisions to the Fiscal Year 2026 year-end forecasts for revenue, operating expenditure, capital disbursements and net cash position and their impact on the projected Fiscal Year Revenue Budget; and

**WHEREAS**, the General Manager proposed revising the Fiscal Year 2026 Revenue Budget (as shown below) for approval by the Board due to decreases in consumption projection for retail class of customers, increases in Other Revenue, increase in Wholesale Revenue due to increase in Potomac Interceptor (PI) costs from \$3.5 million to \$5.1 million based on 2025 PI Cost of Service Study (COS), increase in Interest Earnings due to higher interest rates, and decreases in Other Revenue, as reflected in the Financial Plan for FY 2026-2035.

	<b>Approved FY 2026</b>	<b>Revised FY 2026</b>	<b>Increase/</b>
	<b>Revenue Budget</b>	<b>Revenue Budget</b>	<b>(Decrease)</b>
Retail Revenue	\$ 796,922,810	\$ 791,856,136	\$ (5,066,674)
Wholesale Revenue	122,611,848	124,219,084	1,607,236
Interest Earnings	8,815,944	13,049,442	4,233,498
Other Revenue	82,633,689	78,738,932	(3,894,757)
Interest on Bond Reserve	400,609	330,609	(70,000)
<b>Total Revenue Budget</b>	<b>\$ 1,011,384,900</b>	<b>\$ 1,008,194,203</b>	<b>\$ (3,190,697)</b>

**WHEREAS**, on February 26, 2026, the Finance & Budget Committee met to consider the final proposal to amend the Fiscal Year 2026 year-end forecasts and recommended the Board approve the amendments to the Fiscal Year 2026 Revenue Budget to \$1,008,194,203.

**NOW THEREFORE BE IT RESOLVED THAT:**

1. The Board hereby approves and adopts the amended FY 2026 Revenue Budget to decrease it to \$1,008,194,203 as presented in the Fiscal Year 2026-2035 Ten Year Financial Plan.
2. This resolution is effective immediately.

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Secretary to the Board of Directors

**Presented and Adopted: March 5, 2026**

**Subject: Approval of Proposed Fiscal Year 2026 - 2035 Capital Improvement Program**

**#26-15  
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, (“DC Water”) at its meeting on March 5, 2026, upon consideration of a joint-use matter, decided by a vote of \_\_\_\_ ( ) in favor and \_\_\_\_ ( ) opposed, to take the following action with respect to the approval of the Fiscal Year 2026 - 2035 Capital Improvement Program.

**WHEREAS**, pursuant to Resolution #10-76, dated July 1, 2010, the Board’s Rate Stabilization Fund Policy requires an annually updated 10-Year Financial Plan, which includes a 10-Year Capital Disbursement Plan; and

**WHEREAS**, on March 6, 2025, through Resolution #25-11, the Board approved the Proposed Fiscal Year (FY) 2025 - 2034 Capital Improvement Program, which includes the FY 2025 - 2034 Capital Disbursement Plan and related Lifetime Budget; and

**WHEREAS**, on January 15, 2026, during the FY 2027 Budget Workshop, the Chief Executive Officer and General Manager, Acting Chief Financial Officer and Executive Vice President, Finance, Procurement & Compliance, Chief Operating Officer and Executive Vice President, and the Vice President, Engineering briefed Board members on the FY 2026 - 2035 Capital Improvement Program, which includes the proposed Revised FY 2026 CIP Disbursement Budget of \$776,786,926, the proposed 10-Year Disbursement Plan totaling \$9,690,281,334 and the proposed Lifetime Budget of \$17,441,411,035 and

**WHEREAS**, on January 22, 2026, the Environmental Quality and Operations Committee reviewed the budget proposals and discussed in detail the budget, budget drivers, budget assumptions, grants available for eligible projects and programs, and risks; and

**WHEREAS**, on January 27, 2026, the Finance & Budget Committee and the DC Retail Water and Sewer Rates Committee, in a joint meeting, reviewed the budget proposals and discussed in detail the budget, budget drivers, budget assumptions, grants available for eligible projects and programs, risks, and customer impacts; and

**WHEREAS**, on February 19, 2026, the Environmental Quality and Operations Committee, reviewed the budget proposals, and discussed in detail the budget drivers, grants available for eligible projects and programs, and risks, and recommended that the

Board approve and adopt the FY 2026 - 2035 Capital Improvement Program, which includes the proposed Revised FY 2026 CIP Disbursement Budget of \$776,786,926, proposed 10-Year Capital Disbursement Plan totaling \$9,690,281,334, and related Lifetime Budget, totaling \$17,441,411,035; and

**WHEREAS**, on February 23, 2026, the DC Retail Water and Sewer Rates Committee reviewed the budget proposals and discussed in detail the budget drivers, budget assumptions, and customer impacts; and

**WHEREAS**, on February 26, 2026, the Finance & Budget Committee, reviewed the budget proposals and discussed in detail the budget drivers, budget assumptions and customer impacts, and recommended that the Board approve and adopt the FY 2026 - 2035 Capital Improvement Program, which includes the proposed Revised FY 2026 CIP Disbursement Budget of \$776,786,926, proposed 10-Year Capital Disbursement Plan totaling \$9,690,281,334, and related Lifetime Budget, totaling \$17,441,411,035, as provided in Attachment A-1; and authorize the identification, application and expenditure of grant funds to implement the CIP.

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

The Board hereby approves and adopts DC Water's FY 2026 - 2035 Capital Improvement Program, which includes the Revised FY 2026 CIP Disbursement Budget of \$776,786,926, Fiscal Year 2026 – 2035 Capital Improvement Program Disbursement Plan totaling \$9,690,281,334, and related Lifetime Budget totaling \$17,441,411,035, as provided in Attachment A-1; and authorizes the identification, application and expenditure of grant funds to implement the CIP, as further detailed in the Chief Executive Officer and General Manager's Proposed Fiscal Year 2027 Budget and accompanying materials presented on January 15, 2026.

This resolution is effective immediately.

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Secretary to the Board of Directors

**Capital Improvement Program Proposed Budget**

**Attachment A-1**

(\$ in thousands)	FY 2026 - FY 2035 Disbursement Plan										10-Yr Total	Lifetime Budget
	Revised Budget											
	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY 33	FY34	FY 35		
<b>NON PROCESS FACILITIES</b>												
Facility Land Use	15,467	32,671	43,535	43,848	27,523	22,366	22,277	14,582	10,820	10,303	243,392	412,191
Subtotal	<b>15,467</b>	<b>32,671</b>	<b>43,535</b>	<b>43,848</b>	<b>27,523</b>	<b>22,366</b>	<b>22,277</b>	<b>14,582</b>	<b>10,820</b>	<b>10,303</b>	<b>243,392</b>	<b>412,191</b>
<b>WASTEWATER TREATMENT</b>												
Liquid Processing	37,432	62,890	78,208	76,148	101,432	93,828	131,267	135,146	125,731	109,722	951,804	1,419,040
Plantwide	36,576	48,741	52,539	43,570	51,136	50,246	45,654	28,592	11,253	7,649	375,957	632,318
Solids Processing	8,944	15,905	20,917	18,619	11,838	28,377	21,532	21,006	57,706	61,641	266,485	427,942
Enhanced Nitrogen Removal Facilities	246	-	-	-	-	-	-	-	-	-	246	191,177
Subtotal	<b>83,199</b>	<b>127,537</b>	<b>151,664</b>	<b>138,337</b>	<b>164,406</b>	<b>172,451</b>	<b>198,453</b>	<b>184,744</b>	<b>194,690</b>	<b>179,012</b>	<b>1,594,492</b>	<b>2,670,477</b>
<b>COMBINED SEWER OVERFLOW</b>												
DC Clean Rivers Program	226,435	279,237	286,251	246,763	75,192	34,630	-	-	-	-	1,148,507	3,560,771
Combined Sewer Overflow Program	11,047	31,779	35,442	17,484	19,225	7,984	11,098	10,000	11,000	11,000	166,059	201,679
Subtotal	<b>237,482</b>	<b>311,016</b>	<b>321,693</b>	<b>264,247</b>	<b>94,417</b>	<b>42,614</b>	<b>11,098</b>	<b>10,000</b>	<b>11,000</b>	<b>11,000</b>	<b>1,314,566</b>	<b>3,762,450</b>
<b>STORMWATER</b>												
Storm Local Drainage Program	2,634	5,728	5,283	5,501	4,472	1,352	407	406	406	406	26,595	39,153
Storm On-Going Program	614	1,217	1,634	1,657	248	561	368	768	617	373	8,057	10,413
Storm Pumping Facilities	11,747	5,785	8,602	16,884	15,861	6,568	-	-	-	-	65,446	84,738
Stormwater Program Management	585	519	970	871	1,848	-	-	-	-	-	4,793	14,849
Stormwater Trunk/Force Sewers	969	1,491	1,697	2,928	6,779	4,440	1,543	1,076	1,076	534	22,534	41,383
Subtotal	<b>16,550</b>	<b>14,740</b>	<b>18,186</b>	<b>27,841</b>	<b>29,208</b>	<b>12,921</b>	<b>2,318</b>	<b>2,250</b>	<b>2,099</b>	<b>1,313</b>	<b>127,426</b>	<b>190,536</b>
<b>SANITARY SEWER</b>												
Sanitary Collection System	15,894	20,632	28,321	18,700	33,911	62,486	36,292	11,833	11,833	11,074	250,976	677,291
Sanitary On-Going Projects	15,454	18,638	28,042	13,572	15,297	15,289	15,756	15,169	15,169	15,169	167,555	265,252
Sanitary Pumping Facilities	8,096	12,126	10,187	7,416	15,693	32,497	48,364	34,847	20,484	8,240	197,951	254,616
Sanitary Program Management	16,400	20,398	10,309	6,604	5,995	5,995	6,012	7,732	7,500	7,100	94,045	200,562
Interceptor/Trunk Force Sewers	99,526	158,919	189,968	176,943	229,760	172,124	188,824	241,475	305,060	224,000	1,986,599	2,817,552
Subtotal	<b>155,371</b>	<b>230,713</b>	<b>266,827</b>	<b>223,235</b>	<b>300,656</b>	<b>288,391</b>	<b>295,248</b>	<b>311,056</b>	<b>360,046</b>	<b>265,583</b>	<b>2,697,126</b>	<b>4,215,274</b>
<b>WATER</b>												
Water Distribution Systems	58,259	87,333	87,620	96,097	107,036	111,467	120,433	145,279	160,456	171,636	1,145,616	2,278,645
Lead Free DC Program	93,954	132,752	133,000	133,000	133,000	83,000	83,000	83,000	83,000	83,000	1,040,707	1,783,489
Water On-Going Projects	13,646	15,927	12,173	20,990	29,536	16,957	14,081	27,014	24,932	19,903	195,159	267,044
Water Pumping Facilities	2,070	8,076	7,221	5,125	4,203	3,625	3,569	3,560	3,560	3,072	44,081	95,809
Water Storage Facilities	2,807	16,608	32,201	40,294	31,430	45,231	28,736	20,046	18,857	21,000	257,210	272,759
Water Service Program Management	16,020	13,863	13,112	7,097	7,142	8,373	8,774	8,746	8,746	8,746	100,619	146,874
Subtotal	<b>186,757</b>	<b>274,558</b>	<b>285,327</b>	<b>302,603</b>	<b>312,347</b>	<b>268,653</b>	<b>258,593</b>	<b>287,645</b>	<b>299,551</b>	<b>307,357</b>	<b>2,783,392</b>	<b>4,844,619</b>
<b>CAPITAL PROJECTS</b>												
Capital Equipment Reporting	29,401	39,664	38,398	37,681	38,269	38,558	38,855	39,162	39,478	39,803	379,267	379,267
Meter Replacement/AMR	3,080	5,583	5,583	3,883	3,000	3,000	3,000	3,000	3,000	3,000	36,130	36,130
Washington Aqueduct Reporting	49,480	35,770	35,770	35,770	35,770	71,540	71,540	71,540	71,540	35,770	514,490	514,490
<b>ADDITIONAL CAPITAL PROGRAMS</b>												
	81,961	81,018	79,751	77,334	77,039	113,098	113,395	113,702	114,018	78,573	929,888	929,888
<b>LABOR</b>												
												415,976
<b>TOTAL CAPITAL BUDGETS</b>	<b>776,787</b>	<b>1,072,251</b>	<b>1,166,983</b>	<b>1,077,446</b>	<b>1,005,595</b>	<b>920,494</b>	<b>901,382</b>	<b>923,979</b>	<b>992,224</b>	<b>853,141</b>	<b>9,690,281</b>	<b>17,441,411</b>

**Presented and Adopted: March 5, 2026**  
**SUBJECT: Approval of Fiscal Year 2026-2035 Ten-Year Financial Plan**

**#26-16**  
**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 (“DC Water”) at the Board meeting held on March 5, 2026, upon consideration of a joint-use matter decided by a vote of \_\_\_ () in favor and \_\_\_ () opposed, to take the following action with respect to the Fiscal Year 2026-2035 Ten Year Financial Plan.

**WHEREAS**, prudent utility financial management requires a long-term financial plan that integrates common elements of the ten-year capital improvement program, future capital financing plans, projected operating and maintenance budgets, revenue requirements and projected rate increases to support long-term capital and operating needs; and

**WHEREAS**, the Board, in Resolutions 11-10, dated January 6, 2011 and 23-58, dated October 5, 2023 (Board Policies), adopted a series of financial policies in the areas of capital financing, long-term financial planning, and rate-setting to assure the short-term and long-term financial health of DC Water; and

**WHEREAS**, adherence to these financial policies has allowed the DC Water to receive strong bond ratings that will reduce debt service costs over the ten-year planning period; and

**WHEREAS**, consistent with the Board Policies and management financial targets, the General Manager has prepared a ten-year financial plan in conjunction with and based on the assumptions in the proposed FY 2027 Operating and Capital Budgets; and

**WHEREAS**, the proposed Fiscal Year 2026-2035 Ten Year Financial Plan is consistent with projections in the attached Schedules A, B and C of this Resolution; and

**WHEREAS**, on February 23, 2026, and February 26, 2026, the Finance and Budget Committee and the DC Retail Water and Sewer Rates Committee, respectively, met, reviewed and recommended the Board adopt the Fiscal Year 2026-2035 Ten Year Financial Plan as recommended by the General Manager.

**NOW THEREFORE BE IT RESOLVED THAT:**

1. The Board hereby adopts and approves the proposed Fiscal Year 2026-2035 Ten Year Financial Plan that is consistent with the projections in the attached Schedule A, B and C and the proposed Fiscal Year 2027 Operating and Capital Budgets.

This resolution is effective immediately.

\_\_\_\_\_  
Secretary to the Board of Directors

**District of Columbia Water & Sewer Authority  
FY 2026 – FY 2035 Financial Plan**

<b>OPERATING</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>	<b>FY 2030</b>	<b>FY 2031</b>	<b>FY 2032</b>	<b>FY 2033</b>	<b>FY 2034</b>	<b>FY 2035</b>
<i>Retail</i>	816,012	853,845	898,154	942,103	989,001	1,038,284	1,066,317	1,116,185	1,164,677	1,207,724
<i>Wholesale</i>	124,219	134,090	140,055	145,657	151,484	157,543	163,845	170,399	177,215	184,303
<i>Other</i>	67,963	81,440	83,160	84,536	88,174	84,233	86,575	89,609	95,076	86,040
<i>RSF</i>	0	-	-	-	-	-	-	-	-	-
<b>Operating Receipts <sup>(1)</sup></b>	<b>\$ 1,008,194</b>	<b>\$ 1,069,375</b>	<b>\$ 1,121,369</b>	<b>\$ 1,172,296</b>	<b>\$ 1,228,658</b>	<b>\$ 1,280,060</b>	<b>\$ 1,316,736</b>	<b>\$ 1,376,192</b>	<b>\$ 1,436,968</b>	<b>\$ 1,478,067</b>
<b>Operating Expenses</b>	<b>461,839</b>	<b>478,001</b>	<b>500,730</b>	<b>520,158</b>	<b>540,356</b>	<b>561,353</b>	<b>583,182</b>	<b>605,876</b>	<b>629,469</b>	<b>653,997</b>
<b>Debt Service</b>	<b>247,448</b>	<b>257,898</b>	<b>300,831</b>	<b>331,501</b>	<b>356,875</b>	<b>380,840</b>	<b>406,900</b>	<b>427,353</b>	<b>454,080</b>	<b>472,555</b>
<b>Cash Financed Capital Improvement</b>	<b>\$ 97,938</b>	<b>\$ 76,846</b>	<b>\$ 80,834</b>	<b>\$ 84,789</b>	<b>\$ 89,010</b>	<b>\$ 93,446</b>	<b>\$ 95,968</b>	<b>\$ 100,457</b>	<b>\$ 104,821</b>	<b>\$ 108,695</b>
<b>Net Revenues After Debt Service</b>	<b>\$ 200,968</b>	<b>\$ 256,630</b>	<b>\$ 238,975</b>	<b>\$ 235,848</b>	<b>\$ 242,417</b>	<b>\$ 244,421</b>	<b>\$ 230,685</b>	<b>\$ 242,507</b>	<b>\$ 248,598</b>	<b>\$ 242,820</b>
<b>Operating Reserve-Beg Balance</b>	<b>333,716</b>	<b>341,600</b>	<b>354,600</b>	<b>372,600</b>	<b>386,600</b>	<b>401,600</b>	<b>418,600</b>	<b>434,600</b>	<b>450,900</b>	<b>468,900</b>
<b>Other Misc (Disbursements)/Receipts</b>										
Wholesale/Federal True Up	(14,310)	(497)	(10,000)	-	-	-	-	-	-	-
Project Billing Refunds	(2,000)	-	-	-	-	-	-	-	-	-
Transfers to RSF	-	-	-	-	-	-	-	-	-	-
Pay-Go Financing	(176,775)	(243,133)	(210,975)	(221,848)	(227,417)	(227,421)	(214,685)	(226,207)	(230,598)	(223,820)
<b>Operating Reserve - Ending Balance</b>	<b>\$ 341,600</b>	<b>\$ 354,600</b>	<b>\$ 372,600</b>	<b>\$ 386,600</b>	<b>\$ 401,600</b>	<b>\$ 418,600</b>	<b>\$ 434,600</b>	<b>\$ 450,900</b>	<b>\$ 468,900</b>	<b>\$ 487,900</b>
<b>Rate Stabilization Fund Balance RSF</b>	<b>\$ 40,644</b>									
<b>Senior Debt Service Coverage</b>	<b>939%</b>	<b>1043%</b>	<b>1017%</b>	<b>1045%</b>	<b>861%</b>	<b>902%</b>	<b>815%</b>	<b>790%</b>	<b>860%</b>	<b>856%</b>
<b>Combined Debt Service Coverage</b>	<b>224%</b>	<b>239%</b>	<b>211%</b>	<b>204%</b>	<b>200%</b>	<b>196%</b>	<b>187%</b>	<b>187%</b>	<b>184%</b>	<b>180%</b>
<b>Actual/Projected Water/Sewer Rate Increases</b>	<b>6.00%</b>	<b>6.00%</b>	<b>6.00%</b>	<b>6.00%</b>	<b>6.00%</b>	<b>7.00%</b>	<b>7.00%</b>	<b>7.00%</b>	<b>6.50%</b>	<b>6.00%</b>
<b>Operating Receipts \$ Increase/Decrease</b>										
Retail	13,069	37,833	44,309	43,949	46,898	49,283	28,033	49,868	48,492	43,047
Wholesale	9,878	9,871	5,965	5,602	5,826	6,059	6,302	6,554	6,816	7,089
<b>Operating Receipts % Increase/Decrease</b>										
Retail	1.6%	4.6%	5.2%	4.9%	5.0%	5.0%	2.7%	4.7%	4.3%	3.7%
Wholesale	8.6%	7.9%	4.4%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

<sup>(1)</sup> Includes interest earnings on senior lien revenue bonds' debt service reserve fund

<sup>(2)</sup> FY 2026 - FY 2035 planned transfer of \$0.0 million to Rate Stabilization Fund and \$0.0 million utilization will keep the total fund balance at 40.644 million

## District of Columbia Water & Sewer Authority

### Average Residential Customer Monthly Bill

#### FY 2026- FY 2035

	Units	Current Proposed Projections										
		FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
DC Water Water and Sewer Rates (1)	107	\$ 33.91	\$ 37.77	\$ 37.66	\$ 40.66	\$ 41.01	\$ 43.47	\$ 47.48	\$ 47.71	\$ 51.41	\$ 57.60	\$ 57.79
DC Water Clean Fee (1) (2)	BRU	\$ 0.00	\$ 24.00	\$ 23.00	\$ 27.00	\$ 28.00	\$ 29.04	\$ 30.00	\$ 29.74	\$ 29.70	\$ 29.74	\$ 29.70
DC Water Customer Metering Fee	\$ 0.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00
DC Water Water System Replacement Fee (4)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Subtotal DC Water Rates & Charges		\$ 30.91	\$ 48.78	\$ 47.66	\$ 55.66	\$ 56.01	\$ 59.51	\$ 64.18	\$ 64.45	\$ 68.11	\$ 74.34	\$ 74.49
Increase / Decrease		<b>\$ 6.27</b>	<b>\$ 8.84</b>	<b>\$ 7.36</b>	<b>\$ 8.22</b>	<b>\$ 8.88</b>	<b>\$ 9.55</b>	<b>\$ 9.95</b>	<b>\$ 5.88</b>	<b>\$ 10.34</b>	<b>\$ 10.26</b>	<b>\$ 9.45</b>
Percent Increase in DC Water Portion of Bill		5.0%	6.7%	5.3%	5.4%	5.7%	5.8%	5.7%	3.2%	5.4%	5.1%	4.5%
District of Columbia R-107 Fee (1)	107	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.47	\$ 0.80	\$ 1.26	\$ 1.43	\$ 1.44	\$ 1.74	\$ 1.74
District of Columbia Right-of-Way Fee (1)	107	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
District of Columbia Right-of-Way R-107 Fee	414	\$ 4.44	\$ 4.44	\$ 4.44	\$ 4.44	\$ 4.44	\$ 4.44	\$ 4.71	\$ 4.71	\$ 4.90	\$ 4.90	\$ 4.90
District of Columbia Public Improvement Fee	107	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
District of Columbia Stormwater Fee (3)	BRU	\$ 2.67	\$ 2.67	\$ 2.67	\$ 2.67	\$ 2.67	\$ 2.67	\$ 2.67	\$ 2.67	\$ 2.67	\$ 2.67	\$ 2.67
Subtotal District of Columbia Charges		\$ 7.11	\$ 7.11	\$ 7.11	\$ 7.11	\$ 7.58	\$ 7.58	\$ 7.97	\$ 7.97	\$ 7.96	\$ 7.96	\$ 7.96
Total Amount Appearing on DC Water Bill		\$ 38.02	\$ 47.14	\$ 46.60	\$ 55.37	\$ 56.07	\$ 59.57	\$ 64.55	\$ 64.42	\$ 68.07	\$ 74.30	\$ 74.45
Increase / Decrease Over Prior Year		<b>\$ 6.27</b>	<b>\$ 8.94</b>	<b>\$ 8.64</b>	<b>\$ 8.27</b>	<b>\$ 9.00</b>	<b>\$ 9.60</b>	<b>\$ 10.01</b>	<b>\$ 5.93</b>	<b>\$ 10.40</b>	<b>\$ 10.36</b>	<b>\$ 9.50</b>
Percent Increase in Total Bill		4.8%	6.5%	6.3%	5.2%	5.5%	5.3%	5.4%	3.1%	5.2%	4.9%	4.3%

- 1 - Assumes average monthly consumption of 9.42 Ccf (or 4,084 gallons)
- 2 - Assumes average 1 BRU (or 1 Residential Unit) BRU
- 3 - District Department of Energy & Environment stormwater fee of \$0.07 effective 1/1/2025
- 4 - DC Water Water System Replacement Fee of \$0.00 for BRU (no size effective 1/1/2026)

**District of Columbia Water & Sewer Authority**  
**Retail Rates, Charges and Fees**  
**FY 2026 - FY 2028**

	<b>Units</b>	<b>Current FY 2026</b>	<b>Proposed FY 2027</b>	<b>Proposed FY 2028</b>
DC Water Retail Rates – Water:				
Residential – Lifeline (0- 4 Ccf)	Ccf	\$5.78	\$6.49	\$7.11
Residential – (> 4 Ccf)	Ccf	7.60	8.4	9.40
Multi-family	Ccf	6.47	7.21	7.98
Non-Residential	Ccf	7.84	8.66	9.71
DC Water Retail Rates – Sewer				
Groundwater	Ccf	3.76	3.90	3.90
High-Flow Filter Backwash	Ccf	3.54	3.54	3.54
DC Water Clean Rivers IAC	ERU	24.23	25.5	27.22
DC Water Customer Metering Fee	5/8”	7.75	7.75	7.75
DC Water System Replacement Fee	5/8”	6.30	6.30	6.30
District of Columbia PILOT Fee	Ccf	0.62	0.62	0.63
District of Columbia Right of Way Fee	Ccf	0.20	0.20	0.20
District of Columbia Public Inconvenience Fee	Ccf	0.00	0.42	0.42
District of Columbia Stormwater Fee	ERU	2.67	2.67	2.67

**Presented and Adopted: March 5, 2026**

**SUBJECT: Approval of Official Intent to Reimburse Fiscal Year 2027  
Capital Expenditures with Proceeds of a Borrowing**

**#26-17  
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, (“DC Water”) at the Board meeting held on March 5, 2026, upon consideration of a joint-use matter, decided by a vote of \_\_\_\_ ( ) in favor and \_\_\_\_ ( ) opposed, to take the following action with respect to Approval of Official Intent to Reimburse Fiscal Year 2027 Capital Expenditures with Proceeds of a Borrowing.

**WHEREAS**, on February 26, 2026, the Finance and Budget Committee met to consider the proposed Original Intent to Reimburse FY 2027 capital expenditures from proceeds of a borrowing; and

**WHEREAS**, the General Manager presented the proposal for the Original Intent to Reimburse DC Water for “Costs of the System” as defined in the Master Indenture, which if approved, would allow DC Water to reimburse itself for capital expenditures with debt proceeds; and

**WHEREAS**, United States Treasury Regulations §1.150-2 (the Reimbursement Regulations) prescribe conditions under which proceeds of bonds, notes or other obligations (Bonds) used to reimburse advances made for capital and certain expenditures (Original Expenditures) paid before the issuance of such Bonds will be deemed to be expended (or properly allocated to expenditures) for purposes of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended (the Code), upon such reimbursement so that the proceeds so used will no longer be subject to requirements or restrictions under those sections of the Code; and

**WHEREAS**, for purposes of this Resolution, “Reimbursement” or “reimburse” means the restoration to DC Water of money temporarily advanced from its other funds and spent for Original Expenditures before the issuance of the Bonds, evidenced in writing by an allocation on the books and records of DC Water that shows the use of the proceeds of the Bonds to restore the money advanced for the Original Expenditures. “Reimbursement” or “reimburse” generally does not include the refunding or retiring of Bonds previously issued and sold to, or borrowings from, unrelated entities; and

**WHEREAS**, certain provisions of the Reimbursement Regulations require that there be a Declaration of Official Intent not later than 60 days following payment of the Original

Expenditures expected to be reimbursed from proceeds of Bonds, and that the reimbursement occur within certain prescribed time periods after an Original Expenditure is paid or after the property resulting from that Original Expenditure is placed in service; and

**WHEREAS**, DC Water intends to acquire, construct and equip improvements to the “System,” which shall be considered “Costs of the System” as both terms are defined in the Master Indenture of Trust between DC Water and Wells Fargo Bank, N.A., dated April 1, 1998, including, but not limited to the items and List of Projects set forth in Exhibit A hereto (collectively, the “Projects”); and

**WHEREAS**, plans for the Projects have advanced and DC Water expects to advance its own funds to pay capital expenditures related to the Projects herein to be considered Original Expenditures) prior to incurring indebtedness and to receive reimbursement for such Original Expenditures from proceeds of Bonds, or both; and

**WHEREAS**, on February 26, 2026, the Finance and Budget Committee further reviewed the Projects and intended Original Expenditures and recommended the Board adopt the proposed Official Intent.

**NOW THEREFORE BE IT RESOLVED THAT:**

1. DC Water utilize the proceeds of tax-exempt b, taxable bonds or notes (the “Bonds”) or other debt in an amount not currently expected to exceed \$476,243,000 to pay costs of the Projects in Fiscal Year 2027.
2. The Board approves the CEO and General Manager’s “Official Intent” to use the proceeds of the Bonds to reimburse Original Expenditures with respect to the Projects made on or after the date that is 60 days prior to the date of this Resolution. DC Water reasonably expects on the date hereof that it will reimburse the Original Expenditures with the proceeds of the Bonds.
3. Each Original Expenditure was or will be, unless otherwise supported by the opinion of bond counsel, either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Original Expenditure), (b) a cost of issuance with respect to the Bonds, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of DC Water so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of DC Water.
4. The Board authorizes the CEO and General Manager to make a reimbursement allocation, which is a written allocation by DC Water that evidences DC Water’s use of proceeds of the Bonds to reimburse an Original Expenditure, no later than 18 months after the later of the date on which the Original Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three

years after the date on which the Original Expenditure is paid. DC Water recognizes that exceptions are available for certain “preliminary expenditures,” costs of issuance, certain de minimis amounts, expenditures by “small issuers” and expenditures for any construction, the completion of which is expected to require at least five years.

5. The Board adopts this Resolution confirming DC Water’s “Official Intent” within the meaning of the Reimbursement Regulations.
6. This Resolution is effective immediately.

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Secretary to the Board of Directors

### **Exhibit A – Description of Projects**

Costs of the System, including costs related to the improvement of the following:

- Blue Plains Plantwide Projects
- Blue Plains Enhanced Nitrogen Removal Facilities
- Blue Plains Liquid and Solids Processing Projects
- Sanitary Sewer System Projects
- Combined Sewer System Projects
- DC Clean Rivers Project
- Stormwater Sewer System Projects
- Water Pumping, Distribution and Storage Projects
- Metering and Capital Equipment
- Washington Aqueduct Projects

**Presented and Adopted: March 5, 2026**

**SUBJECT: Approval to Execute Progressive Design-Build Contract No. 250060, Small Diameter Water Main Replacement Contract 1 & 2, Flatiron Dragados**

**#26-18  
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 March 5, 2026, upon consideration of a non-joint use matter, decided by a vote of \_\_\_\_ ( ) in favor and \_\_\_\_ ( ) opposed to approve the execution of Progressive Design-Build Contract No. 250060, Flatiron Dragados.

The Board of Directors hereby authorizes the CEO and General Manager to execute Progressive Design-Build Contract No. 250060, Flatiron Dragados. This contract aims to provide design services (Phase 1) and construction services (Phase 2) for the Small Diameter Water Main Replacement Program. This program focuses on areas in the District of Columbia that have either experienced water main failures or have a history of low water pressure or water quality issues. The total contract value is not-to-exceed \$212,000,000.00

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**

**PROGRESSIVE DESIGN-BUILD CONTRACT:**

**Small Diameter Water Main Replacement (SDWMR) Contract 1 & 2  
(Non-Joint Use)**

Approval to execute a not to exceed Progressive Design-Build contract for \$212,000,000.00

**CONTRACTOR/SUB/VENDOR INFORMATION**

<b>PRIME:</b>	<b>SUBS:</b>	<b>*PARTICIPATION:</b>
Flatiron Dragados Constructors, Inc. 6361 Walker Lane, Suite 210 Alexandria, VA 22310  <u>Headquarters</u> Atlanta, GA 30319	Precision Systems, Inc. Washington, DC DBE	7.6%
	BvF Engineering, Inc. Columbia, MD DBE	3.3%
	DM Enterprises of Baltimore, LLC Baltimore, MD DBE	0.59%
	Straughn Environmental, Inc. Columbia, MD DBE	0.34%
	Idle Time Advertising, LLC Stevensville, MD DBE	0.23%
	Albrecht Engineering, Inc Baltimore, MD WBE	0.46%

This contract is divided between Design and Construction. The not to exceed amount for Design is \$26,093,769.00, and the not to exceed amount for Construction is \$185,906,2310.00. The utilization reflected on this fact sheet captures participation for the Design component only. **DBE Participation = 12.06% WBE Participation = 0.46%**

The Prime is committed to working with DC Water to meet (or exceed) the utilization goals for Construction Phases.

**DESCRIPTION AND PURPOSE**

Contract Value, Not-To-Exceed: \$ 212,000,000.00  
 Contract Time: 1,400 Days (3 Years, 10 Months)  
 Anticipated Contract Start Date (NTP): 03-28-2026  
 Anticipated Contract Completion Date: 01-26-2030  
 Number of Firms Submitting Qualifications: 5  
 Number of Firms Shortlisted\*: 3  
 EXP US Services Inc.\*  
 Flatiron Dragados Constructors\*  
 Fort Myer Construction Corp.\*  
 InfraSource Construction, LLC.  
 Skoda Contracting Company

**Purpose of the Contract:**

- Provide design (Phase 1 negotiated at \$26,093,769) and construction services (Phase 2) for the SDWMR program.
- Replacement of small diameter water mains that have experienced failures, or have a history of low water pressure, or water quality issues across various locations within the D.C.

**Contract Scope:**

- Replace about 45 miles of water mains ranging from three (3) inches to sixteen (16) inches in diameter and associated valves and appurtenances.
- Replace water services two (2) inches in diameter and smaller in public and private space as needed.

- Replace 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.
- Provide permanent pavement and surface restoration.

**Federal Grant Status:**

- The construction contract is funded in part by a Federal grant.
- The Federal funding is applicable to the private side of the lead service line replacements associated with the SDWM program.

**PROCUREMENT INFORMATION**

<b>Contract Type:</b>	Fixed Price	<b>Award Based On:</b>	Best value
<b>Commodity:</b>	Design and Construction	<b>Contract Number:</b>	250060
<b>Contractor Market:</b>	Open Market		

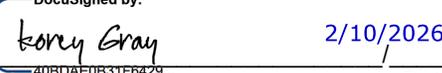
**BUDGET INFORMATION**

<b>Funding:</b>	Capital	<b>Department:</b>	Water Program and Lead Free DC
<b>Service Area:</b>	Water	<b>Department Head:</b>	William Elledge
<b>Project:</b>	KG, KH, ST		

**ESTIMATED USER SHARE INFORMATION**

User	Share %	Dollar Amount
District of Columbia	86.91%	\$ 184,250,357.00
Federal Funds	13.09%	\$ 27,749,643.00
Washington Suburban Sanitary Commission	0.00%	\$ 0.00
Fairfax County	0.00%	\$ 0.00
Loudoun County & Potomac Interceptor	0.00%	\$ 0.00
<b>Total Estimated Dollar Amount</b>	<b>100.00%</b>	<b>\$ 212,000,000.00</b>

DocuSigned by:  
  
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 Matthew T. Brown Date  
 Chief Operating Officer  
 and Executive Vice President

DocuSigned by:  
  
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 Korey R. Gray Date  
 Vice President of Compliance  
 and Chief Procurement Officer

Signed by:  
  
 E25E37FD482245D...  
 Lola Oyeyemi Date  
 Acting Chief Financial Officer  
 and Vice President, Budget

  
 David L. Gadis Date  
 Chief Executive Officer and General Manager

**Presented and Adopted: March 5, 2026**

**SUBJECT: 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 CDM Smith Inc.)**

**#26-19  
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 March 5, 2026, upon consideration of a non-joint use matter, decided by a vote of \_\_\_\_ ( ) in favor and \_\_\_\_ ( ) opposed to approve the execution of Supplemental Agreement No. 2 of Contract No. DCFA-519, Lead Free Group, Joint Venture (Ramboll Engineering, PC and CDM Smith Inc.).

The Board of Directors hereby authorizes the CEO and General Manager to execute Supplemental Agreement No. 2 of Contract No. DCFA-519, Lead Free Group, Joint Venture (Ramboll Engineering, PC and CDM Smith Inc.). The purpose of this contract is to deliver comprehensive program management, construction management, and all requisite technical services required to fulfill the Lead Free DC program goal of replacing all lead service lines throughout Washington, DC by 2030. The total value of Supplemental Agreement No. 2 is \$50,000,000.00.

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**

**ENGINEERING SERVICES SUPPLEMENTAL AGREEMENT:**

**Lead Free DC - Program Management & Construction Management (PMCM)  
(Non-Joint Use)**

Approval to execute Supplemental Agreement No. 2 for \$50,000,000.00. The modification exceeds the Chief Executive Officer's approval authority.

**CONTRACTOR/SUB/VENDOR INFORMATION**

<b>PRIME:</b>	<b>SUBS:</b>	<b>PARTICIPATION:</b>
Lead Free Group, Joint Venture (Ramboll Engineering, PC and CDM Smith Inc.)  10306 Eaton PI, Suite 220 Fairfax, VA 22030	BVF Engineering, Inc. Wayne, NJ	DBE 5.3%
	ADC Management Solutions Washington, DC	DBE 4.3%
	Bryant Associates, Inc. Hyattsville, MD	DBE 4.1%
	DM Enterprises, LLC Baltimore, MD	DBE 3.2%
	PL Associates, Inc. Edgewood, MD	DBE 3.2%
	CorGroup, LLC Indianapolis, IN	DBE 1.5%
	Interagency, Inc. Washington, DC	DBE 1.4%
	DP Consultants, Inc. Washington, DC	WBE 3.2%
	SZ PM Consultants, Inc. Oakton, VA	WBE 3.1%
	PRR, Inc. Baltimore, MD	WBE 2.1%

DBE Participation = 23%, WBE Participation = 8.4%. This project is still on pace to meet the overall utilization goals.

**DESCRIPTION AND PURPOSE**

Original Contract Value:	\$ 66,354,880.00
Total of Previous SA's	\$ 35,250,000.00
Current Contract Value:	\$101,604,880.00
Value of this SA:	\$ 50,000,000.00
Total Contract Value, Including this SA:	\$ 151,604,880.00
Original Contract Time:	1,460 Days (4 Years, 0 Months)
No. of Option Years in Contract	4
Option Years Exercised:	1
Contract Start Date (NTP):	10-01-2022
Current Contract Completion Date	09-30-2027 (including 1 Option Year)

**Purpose of the Contract:**

Provide program management, construction management, and all necessary technical services to achieve the Lead Free DC program goal of replacing all lead service lines in Washington, DC.

**Original Contract Scope:**

The overall scope is to replace all lead service lines within the District of Columbia by 2030. This contract provides core services needed to obtain that goal. Work includes:

- Providing program and construction management services.
- Providing public outreach and communication, program controls, and reporting to maximize customer participation.
- Providing data management, field management services, technical support, workshops, and other related services as needed.
- Expanding and refining DC Water's existing service line data inventory.
- Enhancing local subconsultants/subcontractors' participation.

**Previous Supplemental Agreement Scope:**

Perform an additional level of effort required for the program including:

- Accommodate a 47% increase in the number of estimated lead service line replacements.
- Inclusion of Small Diameter Water Main (SDWM) Replacement projects in the program
- Volume of assigned tasks under the original contract scope exceeding initial estimated quantities.
- Provide original and supplemental scope through year 4 of the contract, through the end of the 2026 Fiscal Year.

**Current Supplemental Agreement Scope:**

- Continue level of effort required for the program.
- Inclusion of Small Diameter Water Main (SDWM) Replacement program management.
- Provide original and supplemental scope through option term 1 of the contract, through the end of the 2027 Fiscal Year.

**Future Supplemental Agreement Scope:**

- A future supplemental agreement may be authorized to continue services into 1 or more of the option years of the contract.

**PROCUREMENT INFORMATION**

<b>Contract Type:</b>	Cost Plus Fixed Fee	<b>Award Based On:</b>	Best Value
<b>Commodity:</b>	Professional Services	<b>Contract Number:</b>	DCFA 519
<b>Contractor Market:</b>	Open Market		

**BUDGET INFORMATION**

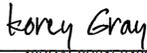
<b>Funding:</b>	Capital	<b>Department:</b>	Water Program and Lead Free DC
<b>Service Area:</b>	Water	<b>Department Head:</b>	William Elledge
<b>Project:</b>	ST		

**ESTIMATED USER SHARE INFORMATION**

User	Share %	Dollar Amount
District of Columbia	100.00%	\$50,000,000.00
Federal Funds	0.00%	\$
Washington Suburban Sanitary Commission	0.00%	\$
Fairfax County	0.00%	\$
Loudoun County & Potomac Interceptor	0.00%	\$
<b>Total Estimated Dollar Amount</b>	<b>100.00%</b>	<b>\$50,000,000.00</b>

Signed by:  
  
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 Kirsten B. Williams  
 Chief Administrative Officer  
 and Executive Vice President  
 Date

Signed by:  
  
 E25E37FD482245D / 2/11/2026  
 Lola Oyeyemi  
 Acting Chief Financial Officer  
 and Vice President, Budget  
 Date

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 Korey Gray  
 Vice President of Compliance  
 and Chief Procurement Officer  
 Date

  
 / 12/26/2026 /  
 David L. Gadis  
 Chief Executive Officer and General Manager  
 Date

**Presented and Adopted: March 5, 2026**

**SUBJECT: Approval to Increase Budget for Contract No. 230030,  
Lead Free DC - Lead Service Line Replacement Program  
FY23 – FY30, Multiple Contractors**

**#26-20  
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 March 5, 2026, upon consideration of a non-joint use matter, decided by a vote of \_\_\_\_ ( ) in favor and \_\_\_\_ ( ) opposed to approve an Increase Budget for Contract No. 230030, Lead Free DC – Lead Service Line Replacement Program FY23 – FY30, Multiple Contractors.

The Board of Directors hereby authorizes the CEO and General Manager to Increase Budget for Contract No. 230030, Lead Free DC – Lead Service Line Replacement Program FY23 – FY30, Multiple Contractors. This contract supports DC Water’s Lead-Free DC Program to replace about 28,000 lead service lines in the District of Columbia by 2030. It also provides construction resources for block-by-block lead service line replacements for the same period as a component of the Lead Free DC Capital Improvement Program. The total value of the amendment is not-to-exceed \$120,000,000.00

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 AMENDMENT 3:**

**LEAD FREE DC (LFDC) LEAD SERVICE LINE REPLACEMENT (LSLR) PROGRAM FY23-FY30  
BLOCK BY BLOCK CONSTRUCTION  
(Non-Joint Use)**

Approval of the budget increase amount not-to-exceed \$120,000,000 for the task order-based Lead-Free DC (LFDC) Lead Service Line Replacement (LSLR) Program. The amendment exceeds the Chief Executive Officer and General Manager’s approval authority.

**CONTRACTOR/SUB/VENDOR INFORMATION**

<b>PRIME:</b> See Attachment A for list of PRIME Qualified Contractor Participation	<b>SUBS:</b> Subs will be identified for each task order awarded.*	<b>PARTICIPATION:</b> See Notes Below**
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\* Eleven firms were prequalified to participate on the Lead Free DC (LFDC) Lead Service Line Replacement (LSLR) Program. Each of the Eleven 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.

\*\* The overall utilization goals for the Master Service Agreement are 32% DBE and 6% WBE, respectively.

**DESCRIPTION AND PURPOSE**

<b>Original Program Value, Not-to-Exceed</b>	\$ 130,000,000.00
<b>Value of past Amendments</b>	\$ 320,000,000.00
<b>Value of this Amendment, Not-to-Exceed</b>	\$ 120,000,000.00
<b>Current Program Value, including this Amendment</b>	\$ 440,000,000.00
<b>Original Program Time:</b>	1,096 Days (3 years)
<b>Time Extension, Previous Amendment:</b>	1,767 Days (4 years, 10 Months)
<b>Program Start Date (NTP):</b>	02-28-2023
<b>Program Completion Date:</b>	12-31-2030

**Purpose of the Program:**

To support DC Water’s Lead-Free DC (LFDC) Lead Service Line Replacement (LSLR) Program, which will replace approximately 28,000 lead service lines in the District of Columbia by 2030. This contract will provide construction resources for FY23-FY30 block-by-block lead service line replacements as a component of the LFDC Capital Improvement Program.

- Qualification Program to identify and engage a pool of multiple contractors who are ready and willing to participate and compete for LFDC LSLR projects/work
- Issuance of master service agreements that will allow early engagement with Suppliers for materials planning and constructability/risk mitigation during project planning phase and the opportunity to efficiently compete for LFDC/LSLR projects as task orders.

**Original Contract Scope:**

- Test pit investigations to determine service line material.
- Removal of existing lead, galvanized, and brass water service lines, replacement with new copper service line.
- Installation of Meters (provided by DC Water), Meter Boxes, Frames and Covers. Meter activation will be completed by DC Water staff.
- Installation of Curb Stops and Curb Stop Boxes.
- Private side tie-ins and coordination with homeowners.
- Restoration and/or replacement of asphalt and concrete roadways (i.e., permanent street restoration), brick and concrete sidewalks, landscaped areas, and other miscellaneous repairs that result from block-by-block projects.
- Interior restoration as required.

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**Previous Amendment 1 Scope**

- In accordance with DC Water’s June 2023 Lead Free DC Plan, the volume of work needed to complete the LFDC Initiative of replacing all lead service lines for 2030 has recently been more clearly defined. The scope and therefore cost of the program has grown significantly. There is a need to accelerate the work by increasing the number and size of construction contracts to meet the yearly replacement goals.
- The amendment of \$70,000,000 expanded the contract capacity of the Master Service Agreement (MSA) while maintaining the 3-year timeline.

**Previous Amendment 2 Scope**

- In accordance with DC Water’s June 2023 Lead Free DC Plan, the volume of work needed to complete the LFDC Initiative of replacing approximately 28,000 lead service lines for 2030 have recently been more clearly defined and coordinated with the 10-year Capital Improvement Plan. The scope and cost of the program has grown significantly. There is a need to accelerate the work by increasing the number and size of construction contracts to meet the yearly replacement goals.
- The budget increase of \$250,000,000 will expand the contract capacity of the Master Service Agreement and extend the timeline to December 31, 2030.

**Current Amendment 3 Scope**

- In accordance with DC Water’s June 2023 Lead Free DC Plan, the volume of work needed to complete the LFDC Initiative of replacing approximately 28,000 lead service lines for 2030 have been coordinated with the 10-year Capital Improvement Plan. This amendment provides MSA capacity for the next two years of construction contracts, in alignment with the approved Capital Improvement Plan, to meet replacement goals, and allows an opportunity for qualified contractors to apply to enter into the MSA.
- The budget increase of \$120,000,000 will expand the contract capacity of the Master Service Agreement and maintain the December 31, 2030, final completion date.

**Federal Grant Status:**

- This Construction Contract is eligible for Federal grant funding assistance.

**PROCUREMENT INFORMATION**

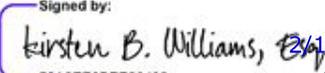
<b>Contract Type:</b>	Unit Price	<b>Award Based On:</b>	Lowest responsive, Responsible Bidder
<b>Commodity:</b>	Construction	<b>Contract Number:</b>	230030
<b>Contractor Market:</b>	Pre-Qualified Contractors		

**BUDGET INFORMATION**

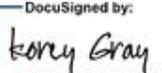
<b>Funding:</b>	Capital	<b>Department:</b>	Water Program and Lead Free DC
<b>Service Area:</b>	Water	<b>Department Head:</b>	William Elledge
<b>Project:</b>	ST		

**ESTIMATED USER SHARE INFORMATION**

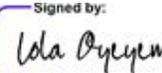
User	Share %	Dollar Amount
District of Columbia	66.26%	\$ 79,507,000.00
Federal Funds	33.74%	\$ 40,493,000.00
<b>Total Estimated Dollar Amount</b>	<b>100.00%</b>	<b>\$ 120,000,00.00</b>

Signed by:  
  
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 2/10/2026

Kirsten B. Williams  
 Chief Administrative Officer  
 and Executive Vice President

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 2/11/2026

Korey Gray  
 Vice President of Compliance  
 and Chief Procurement Officer

Signed by:  
  
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 2/11/2026

Lola Oyeyemi  
 Acting Chief Financial Officer  
 and Vice President, Budget

  
 2/26/2026

David L. Gadis  
 Chief Executive Officer and General Manager

**CONSTRUCTION CONTRACT AMENDMENT 3:**

**Lead Free DC (LFDC) Lead Service Line Replacement (LSLR) Program**

<b><u>Original Contractors</u></b>	<b><u>Original Contractors</u></b>
Anchor Construction Co Inc. 2254 25 <sup>th</sup> Place NE Washington, DC 20018	Capital AECON JV 20 Carlson Court, Suite 105 Toronto, Ontario, Canada M9W 7K6
Capitol Paving of DC Inc. 2211 Channing Street, N.E. Washington, DC 20018	Murphy Pipeline Contractors 12235 New Berlin Road Jacksonville, FL 32226
Capital Premier Construction, LLC (DBE) 650 Massachusetts, NW Washington, DC 20018	Sagres Construction Corp. 3680-Wheeler Avenue Alexandria, VA 22304
Fort Myer Construction Corporation 2237 33 <sup>rd</sup> Street, Northeast Washington, DC 20018	Spiniello Companies 3500 East Biddle Street Baltimore, MD 21213
National Services Contractors (DBE) 2007 MLK Jr Ave, SE Washington, DC 20020	The Ford Design Group (DBE) 111 N Orange Avenue, Suite 860 Orlando, FL, 32801
North Arrow Inc (DBE) 820 First St, NE, Suite LL 170, Washington, DC 20002	

**Presented and Adopted: March 5, 2026**

**SUBJECT: Approval to Execute Amendment No. 1 of Contract No. 260020, Progressive Design-Build Delivery Contract for Phase 1B Pure Water DC Discovery Center, Kokosing Industrial, Inc.**

**#26-21  
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 March 5, 2026, upon consideration of a non-joint use matter, decided by a vote of \_\_\_\_ ( ) in favor and \_\_\_\_ ( ) opposed to approve to execute Amendment No. 1 of Contract No. 260020, Kokosing Industrial, Inc.

The Board of Directors hereby authorizes the CEO and General Manager to execute Amendment No. 1 of Contract No. 260020, Kokosing Industrial, Inc. The purpose of this contract is to advance the design and implementation of purified recycled water as a secondary drinking water source for the DC region. Through a two-phased Progressive Design-Build contract, the project aims to collaboratively develop innovative design solutions, pilot and optimize water treatment technologies using Blue Plains final effluent, and gather critical long-term data to support regulatory permitting and public health protection.

Additionally, the initiative includes renovating an existing building to serve as the Pure Water Discovery Center—a space dedicated to public education and outreach, featuring interactive exhibits to foster public acceptance and understanding of purified recycled water. The total value of this amendment is not-to-exceed \$5,500,000.00.

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**

**PROGRESSIVE DESIGN-BUILD CONTRACT:**

**Pure Water DC Discovery Center  
(Non-Joint Use)**

Approval to execute Amendment No. 1 for the Progressive Design Build (PDB) delivery contract for phase 1B preconstruction and early work packages not-to-exceed \$5,500,000.00.

**CONTRACTOR/SUB/VENDOR INFORMATION**

<b>PRIME:</b> Kokosing Industrial, Inc. 6235 Westerville, Westerville, OH 43081	<b>PARTICIPATION</b>  10% DBE
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The 10% DBE Goal is set for the Early Work Package (EWP) Phase. Additional goals for certified firm utilization will be set at GMP.

**DESCRIPTION AND PURPOSE**

Preconstruction Services Value (Phase 1A)	\$995,000.00 (not to exceed)
Preconstruction Services (Phase 1A) Start Date	12-30-2025
Preconstruction Services (Phase 1A) Duration	75 Days (2.5 Months)
Preconstruction (Phase 1B) & Early Work Package Amendment 1 Value	\$5,500,000.00 (not to exceed)
Total Contract Value, including this first Amendment	\$6,495,000.00
Anticipated Amendment 1 (Phase 1B) & EWP Start Date	03-15-2026
Anticipated Amendment 1 (Phase 1B) & EWP Duration	275 Days (9 Months)

**Purpose of the Contract:**

The two-phased PDB delivery was chosen for this contract to collaboratively develop the design, foster innovation, and improve project definition in phases. During ongoing Phase 1A, the team progressed the design considerably and identified pilot equipment and investigative site assessment for phase 1B to further the design, reduce risk, and refine the total cost. This factsheet describes the early work package amendment for phase 1B. Another amendment for the construction phase guaranteed maximum price will be presented to the Board in the future.

- Successful implementation of purified recycled water as a second drinking water source for the DC region requires data collection for regulatory permitting and outreach for public acceptance. The Pure Water Discovery Center will accomplish both of these goals.
- Piloting and optimizing multiple treatment technologies and configurations to create purified recycled water using Blue Plains final effluent and provide design criteria for a future full-scale facility.
- Gather long-term data to demonstrate effectiveness of the treatment for public health protection and regulatory permitting. The Piloting approach is a successful model for achieving regulatory buy-in.
- Design and renovation of existing building to provide a welcoming space for public education and outreach, including interactive exhibits for school-aged children and adult dignitaries.

**Current Contract Scope:**

- Finalize design of adaptable recycling pilot treatment configurations including both carbon-based and membrane-based technologies to enable flexibility depending on multiple regulatory and engineering feasibility scenarios.
- Procure long-lead time items, which primarily include specialized pilot treatment equipment (Ozone / Biological Activated Carbon, Ultrafiltration, Reverse Osmosis, Ultraviolet / Advanced Oxidation

Process, Granular Activated Carbon, and chlorine skids plus their associated Electrical and Instrumentation & Control elements.)

- Investigative site assessment of the existing building to update old records including hazardous materials assessment. Design of building renovation and upgrades in alignment with relevant codes.
- Identification and process for required building upgrade permitting.
- Finalization of number, scope, and design of interactive museum quality exhibits.
- Successful Interim Milestone includes visual elements and site preparation for the Discovery Center Groundbreaking event on June 21, 2026 during the American Water Works Annual Conference and Exhibition.
- Develop extensive source water characterization (Blue Plains effluent) sampling plan and initiate sampling campaign. Use these data to optimize recycling pilot treatment.
- Engage with the regulator to identify the requirements and path for permitting a full-scale potable recycling plant.

**Federal Grant Status:**

- Preconstruction Contract is not eligible for Federal grant funding assistance.

**PROCUREMENT INFORMATION**

<b>Contract Type:</b>	Progressive Design Build	<b>Award Based On:</b>	Best Value
<b>Commodity:</b>	Design	<b>Contract Number:</b>	260020
<b>Contractor Market:</b>	Open Market		

**BUDGET INFORMATION**

<b>Funding:</b>	Capital	<b>Department:</b>	Strategy & Performance
<b>Service Area:</b>	Water	<b>Department Head:</b>	Matt Ries
<b>Project:</b>	S8		

**ESTIMATED USER SHARE INFORMATION**

User	Share %	Dollar Amount
District of Columbia	100.00%	\$5,500,000.00
Federal Funds	0.00%	\$ 0.00
Washington Suburban Sanitary Commission	0.00%	\$ 0.00
Fairfax County	0.00%	\$ 0.00
Loudoun County & Potomac Interceptor	0.00%	\$ 0.00
<b>Total Estimated Dollar Amount</b>	<b>100.00%</b>	<b>\$5,500,000.00</b>

Signed by:  
  
 7D17E7FA8BE5425 / 2/11/2026  
 For Wayne Griffith / Date  
 Chief of Staff and Executive Vice President,  
 Strategy & Performance

Signed by:  
  
 E25E37FD482245D... / 2/12/2026  
 Lola Oyeyemi / Date  
 Acting Chief Financial Officer  
 and Vice President, Budget

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 Korey R. Gray / Date  
 Vice President of Compliance  
 and Chief Procurement Officer

  
 2/26/2026 / Date  
 David L. Gadis / Date  
 Chief Executive Officer and General Manager

**Presented and Adopted: March 5, 2026**

**SUBJECT: Approval of Proposed Fiscal Years 2027 and 2028 Retail Metered Water and Sewer Service Rates, Right-of-Way (ROW), Payment-in-Lieu of Taxes (PILOT) Fee, Public Inconvenience Fee (PIF), Clean Rivers Impervious Area Charge (CRIAC), Retail Groundwater Sanitary Sewer Service Rate and High Flow Filter Backwash Sewer Rate**

**#26-22  
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 (“DC Water”) at the Board meeting held on March 5, 2026 upon consideration of a non-joint use matter, decided by a vote of \_\_\_\_ ( ) in favor and \_\_\_\_ ( ) opposed, to approve the following action with respect to the proposed Fiscal Year 2027 and Fiscal Year 2028 Retail Metered Water and Sewer Rates, Clean Rivers Impervious Area Charge (IAC), Right-of-Way Occupancy Fee (ROW), Payment In Lieu of Taxes Fee (PILOT), Public Inconvenience Fee (PIF), Retail Groundwater Sanitary Sewer Service Rate and High Flow Filter Backwash Sewer Rate.

**WHEREAS**, pursuant to Resolution 11-10, dated January 6, 2011, the Board has adopted a revised rate setting policy that calls for rates, charges and fees that, together with other revenue sources, yield a reliable and predictable stream of revenues and will generate sufficient revenues to pay for DC Water’s projected operating and capital expenses; and

**WHEREAS**, the Board has adopted various financial policies that require revenues to ensure compliance with Board policies regarding maintenance of senior debt coverage and cash reserves; and

**WHEREAS**, pursuant to Resolution 13-79, dated July 3, 2013 and Resolution 17-52, dated September 7, 2017, DC Water established three classes of customers: residential, multi-family and non-residential, as promulgated in Section 4104 of Title 21 of the District of Columbia Municipal Regulations (DCMR); and

**WHEREAS**, on February 23, 2026, the DC Retail Water and Sewer Rates Committee met to consider the proposed rate, charges and fee charges for Fiscal Year (“FY”) 2027 and FY 2028; and

**WHEREAS**, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$1.10 per one hundred cubic feet (“Ccf”) (\$1.47 per 1,000 gallons) for the first 4 Ccf of Residential customer’s water use (Lifeline) for FY 2027 and \$1.10 per Ccf (\$1.47 per 1,000 gallons) for the first 4 Ccf of Residential customer’s water use (Lifeline) for FY 2028; and

**WHEREAS**, the proposed increase in the Lifeline (Residential customer’s first 4 Ccf of water usage) retail metered water and sewer rates will result in a combined water and sewer rate of \$19.40 per Ccf (\$25.94 per 1,000 gallons) of metered water and sewer use for FY 2027 and a combined water and sewer rate of \$20.50 per Ccf (\$27.41 per 1,000 gallons) for FY 2028; and

**WHEREAS**, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$1.19 per Ccf (\$1.59 per 1,000 gallons) for water usage greater than 4 Ccf for Residential customers for FY 2027 and a combined retail water and sewer rate increase of \$1.48 per Ccf (\$1.98 per 1,000 gallons) for water usage greater than 4 Ccf for Residential customers for FY 2028; and

**WHEREAS**, the proposed increase for water usage greater than 4 Ccf and the sewer rates for Residential customers will result in a combined water and sewer rate of \$21.31 per Ccf (\$28.49 per 1,000 gallons) of metered water and sewer use for FY 2027 and a combined water and sewer rate of \$22.79 per Ccf (\$30.47 per 1,000 gallons) of metered water and sewer use for FY 2028; and

**WHEREAS**, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$1.13 per Ccf (\$1.51 per 1,000 gallons) for Multi-family customers for FY 2027 and a combined retail water and sewer rate increase of \$1.25 per Ccf (\$1.67 per 1,000 gallons) for Multi-family customers for FY 2028; and

**WHEREAS**, the proposed increase in the water and sewer rates for Multi-family customers will result in a combined water and sewer rate of \$20.12 per Ccf (\$26.90 per 1,000 gallons) of metered water and sewer use for FY 2027 and a combined water and sewer rate of \$21.37 per Ccf (\$28.57 per 1,000 gallons) of metered water and sewer use for FY 2028; and

**WHEREAS**, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$1.21 per Ccf (\$1.62 per 1,000 gallons) for Non-Residential customers for FY 2027 and a combined retail rate increase of \$1.53 per Ccf (\$2.04 per 1,000 gallons) for Non-Residential customers for FY 2028; and

**WHEREAS**, the proposed increase in the water and sewer rates for Non-Residential customers will result in a combined water and sewer rate of \$21.57 per Ccf (\$28.84 per

1,000 gallons) of metered water and sewer use for FY 2027 and a combined water and sewer rate of \$23.10 per Ccf (\$30.88 per 1,000 gallons) of metered water and sewer use for FY 2028; and

**WHEREAS**, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment an increase in the monthly Clean Rivers Impervious Area Charge of \$1.27 per Equivalent Residential Unit (“ERU”) for FY 2027 and an increase in the monthly Clean Rivers Impervious Area Charge of \$1.72 per ERU for FY 2028 to recover the \$3.56 Billion costs of the Combined Sewer Overflow Long-Term Control Plan (CSO-LTCP); and

**WHEREAS**, the DC Retail Water and Sewer Rates Committee recommended that the Board maintain the ROW fee at the current amount of \$0.20 per Ccf (\$0.27 per 1,000 gallons) of water used for FY 2027 and for FY 2028 to recover the full costs of the District of Columbia government charges; and

**WHEREAS**, the DC Retail Water and Sewer Rates Committee recommended that the Board maintain the Pilot fee at the current amount of \$0.62 per Ccf (\$0.83 per 1000 gallons) of water used for FY 2027 and consider for public comment, an increase in the PILOT fee of \$0.01 per Ccf (\$0.01 per 1,000 gallons) for FY 2028 to recover the full cost of the District of Columbia government charges; and

**WHEREAS**, the DC Retail Water and Sewer Rates Committee recommended that the Board establish a new District of Columbia Public Inconvenience Fee (DC PIF) of \$0.42 per Ccf (\$0.56 per 1,000 gallons) for FY 2027 and FY 2028 to recover the charges associated with occupancy permits when construction projects in public spaces entered beyond 30 days; and

**WHEREAS**, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, an increase in the retail groundwater sanitary sewer service rate of \$0.14 per Ccf (\$0.18 per 1,000 gallons) for FY 2027, and maintain the retail groundwater sanitary sewer service rate of \$3.90 per Ccf (\$5.21 per 1,000 gallons) for FY 2028; and

**WHEREAS**, the DC Retail Water and Sewer Rates Committee recommended that the Board maintain the high flow filter backwash sewer rate of \$3.54 per Ccf (\$4.73 per 1,000 gallons) for FY 2027 and FY 2028; and

**WHEREAS**, adoption of these rate and fee changes would increase the monthly bill of the average Residential customer using 5.42 Ccf (or 4,054 gallons) by approximately \$9.64 per month or \$115.68 per year for FY 2027 and by approximately \$8.27 per month or \$99.24 per year for FY 2028; and

**WHEREAS**, the total revenues for FY 2027 and FY2028 are projected at \$1,069.37 million and \$1,121.37 million respectively; and

**WHEREAS**, DC Water’s retail revenue projections for Fiscal Year 2027 reflect an

approximate \$37.44 million increase; and

**WHEREAS**, DC Water’s retail revenue projections for Fiscal Year 2028 reflect an approximate \$43.92 million increase; and

**WHEREAS**, on February 23, 2026, the DC Retail Water and Sewer Rates Committee recommended the Board approve the publication of the Notice of Proposed Rulemaking for the proposed rate and fee increases and new DC PIF for public comment.

**NOW THEREFORE BE IT RESOLVED THAT:**

1. The Board finds that DC Water’s projected expenditures require that it propose, for public comment, the rate and fee increases as described below:

**Retail Metered Water Service Rates**

- a. An increase in the rate for metered water services:

	Metered Water Services									
	FY 2026		FY 2027		FY 2028		FY 2027 vs. FY 2026 Incr. / (Decr.)		FY 2028 vs. FY 2027 Incr. / (Decr.)	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential - Lifeline (0-4 Ccf)	\$5.78	\$7.73	\$6.49	\$8.68	\$7.11	\$9.51	\$0.71	\$0.95	\$0.62	\$0.83
Residential - (>4 Ccf)	\$7.60	\$10.16	\$8.40	\$11.23	\$9.40	\$12.57	\$0.80	\$1.07	\$1.00	\$1.34
Multi-Family	\$6.47	\$8.65	\$7.21	\$9.64	\$7.98	\$10.67	\$0.74	\$0.99	\$0.77	\$1.03
Non-Residential	\$7.84	\$10.48	\$8.66	\$11.58	\$9.71	\$12.98	\$0.82	\$1.10	\$1.05	\$1.40

**Retail Sewer Service Rates**

- b. An increase in the rate for sanitary sewer services:

	Metered Sewer Services									
	FY 2026		FY 2027		FY 2028		FY 2027 vs. FY 2026 Incr. / (Decr.)		FY 2028 vs. FY 2027 Incr. / (Decr.)	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential Customers	\$12.52	\$16.74	\$12.91	\$17.26	\$13.39	\$17.90	\$0.39	\$0.52	\$0.48	\$0.64
Multi-Family	\$12.52	\$16.74	\$12.91	\$17.26	\$13.39	\$17.90	\$0.39	\$0.52	\$0.48	\$0.64
Non-Residential	\$12.52	\$16.74	\$12.91	\$17.26	\$13.39	\$17.90	\$0.39	\$0.52	\$0.48	\$0.64

**Clean Rivers Impervious Area Charge (CRIAC)**

- c. An increase in the annual Clean Rivers Impervious Area Charge (CRIAC) from \$290.76 to \$306.00 per Equivalent Residential Unit (ERU) in FY 2027 and an increase in the annual Clean Rivers Impervious Area Charge (CRIAC) from \$306.00 to \$326.64 per Equivalent Residential Unit (ERU) in FY 2028.

The charge per ERU will be billed monthly at:

Clean River Impervious Area Charge (CRIAC)

	FY 2026	FY 2027	FY 2028	FY 2027 vs. FY 2026 Incr. / (Decr.)	FY 2028 vs. FY 2027 Incr. / (Decr.)
	ERU	ERU	ERU	ERU	ERU
Residential Customers	\$24.23	\$25.50	\$27.22	\$1.27	\$1.72
Multi-Family	\$24.23	\$25.50	\$27.22	\$1.27	\$1.72
Non-Residential	\$24.23	\$25.50	\$27.22	\$1.27	\$1.72

**District of Columbia Pass Through Charge  
Right-of-Way Occupancy / PILOT Fee**

d. No increase in the **Right-of-Way Occupancy Fee** in FY 2027 and FY 2028:

ROW

	FY 2026		FY 2027		FY 2028		FY 2027 vs. FY 2026 Incr. / (Decr.)		FY 2028 vs. FY 2027 Incr. / (Decr.)	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential Customers	\$0.20	\$0.27	\$0.20	\$0.27	\$0.20	\$0.27	\$0.00	\$0.00	\$0.00	\$0.00
Multi-Family	\$0.20	\$0.27	\$0.20	\$0.27	\$0.20	\$0.27	\$0.00	\$0.00	\$0.00	\$0.00
Non-Residential	\$0.20	\$0.27	\$0.20	\$0.27	\$0.20	\$0.27	\$0.00	\$0.00	\$0.00	\$0.00

e. No increase in the **Payment-in-Lieu of Taxes Fee** for FY 2027, an increase in the **Payment-in-Lieu of Taxes Fee** for FY 2028:

PILOT

	FY 2026		FY 2027		FY 2028		FY 2027 vs. FY 2026 Incr. / (Decr.)		FY 2028 vs. FY 2027 Incr. / (Decr.)	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential Customers	\$0.62	\$0.83	\$0.62	\$0.83	\$0.63	\$0.84	\$0.00	\$0.00	\$0.01	\$0.01
Multi-Family	\$0.62	\$0.83	\$0.62	\$0.83	\$0.63	\$0.84	\$0.00	\$0.00	\$0.01	\$0.01
Non-Residential	\$0.62	\$0.83	\$0.62	\$0.83	\$0.63	\$0.84	\$0.00	\$0.00	\$0.01	\$0.01

- f. Establish new District of Columbia Public Inconvenience Fee of \$0.42 per Ccf for FY 2027 and FY 2028 to recover the charges associated with occupancy permits when construction projects in public spaces entered beyond 30 days:

District of Columbia Public Inconvenience Fee

FY 2026		FY 2027		FY 2028		FY 2027 vs. FY 2026 Incr. / (Decr.)		FY 2028 vs. FY 2027 Incr. / (Decr.)	
Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
\$0.00	\$0.00	\$0.42	\$0.56	\$0.42	\$0.56	\$0.42	\$0.56	\$0.00	\$0.00

- g. An increase in the retail groundwater sewer service rate for FY 2027. There is no increase in the retail groundwater sewer service rate for FY 2028:

Groundwater

FY 2026		FY 2027		FY 2028		FY 2027 vs. FY 2026 Incr. / (Decr.)		FY 2028 vs. FY 2027 Incr. / (Decr.)	
Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
\$3.76	\$5.03	\$3.90	\$5.21	\$3.90	\$5.21	\$0.14	\$0.18	\$0.00	\$0.00

- h. There is no increase in the high flow filter backwash sewer rate for FY 2027 and FY 2028:

High Flow Filter Backwash Wastewater Retail Sewer Rate

FY 2026		FY 2027		FY 2028		FY 2027 vs. FY 2026 Incr. / (Decr.)		FY 2028 vs. FY 2027 Incr. / (Decr.)	
Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
3.54	4.73	3.54	4.73	3.54	4.73	\$0.00	\$0.00	\$0.00	\$0.00

2. The General Manager is authorized to take all steps necessary in his judgment and as otherwise required to publish the Notice of Proposed Rulemaking to provide notice of the proposed rate adjustments and fees and receive public comments and Notice of Public Hearing to receive testimony at the public hearing in accordance with D.C. Official Code § 34-2202.16(b), 21 DCMR Chapter 40, and the District of Columbia's Administrative Procedures Act.
3. This resolution is effective immediately.

\_\_\_\_\_  
Secretary to the Board of Directors