dc water is life

331ST BOARD OF DIRECTORS MEETING
MINUTES OF THE MEETING
JUNE 4, 2026
(Via Microsoft Teams)

DIRECTORS PRESENT

District of Columbia Members

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

Prince George's County Members

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

Montgomery County Members

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

Fairfax County Members

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

DC WATER STAFF

1. David Gadis, CEO and General Manager
2. Gregory Hope, Interim Chief Legal Officer & EVP
3. Lola Oyeyemi, Acting Chief Financial Officer & EVP
4. Matthew Brown, Chief Operating Officer & EVP
5. Kirsten Williams, Chief Administrative Officer & EVP
6. Debra Mathis, Acting Secretary to the Board

The 331st 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 9:40 a.m. The meeting was held via Microsoft Teams and streamed live at dcwater.com. Acting Board Secretary Debra Mathis called the roll, and a quorum was established.

I. APPROVAL OF THE MINUTES

Dr. Morris-Hughes asked for a motion to approve the minutes of the Board of Directors meeting on May 7, 2026, and the Special Board of Directors meetings on May 18 and 19, 2026.

Upon a motion made, the Board of Directors approved the minutes of the Board of Directors meeting on May 7, 2026, and the Special Board of Directors meetings on May 18 and 19, 2026, as presented.

II. CHAIRPERSON'S OVERVIEW

Dr. Morris-Hughes thanked the Board and senior executive team for participating in the recent DC Water Board Governance Summit and recognized the organizers for their efforts. She also recognized the contributions of CEO and General Manager David Gadis, as well as the Authority's external partners, for their representations at the congressional hearing on the Potomac Interceptor (PI) collapse.

During the Governance Summit, DC Water staff, with support from Raftelis, initiated the strategic planning process. Board members who had not yet done so were encouraged to sign up for interviews to provide input on the plan.

The Board was also reminded and encouraged to attend the Pure Water Discovery Center groundbreaking at Blue Plains on June 10.

III. COMMITTEE REPORTS

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

The Environmental Quality and Operations Committee met on May 21, 2026.

Nicholas Passarelli, Vice President of Wastewater Treatment Operations, provided a Blue Plains update, reporting that all parameters were within NPDES permit limits. April recorded 1.5 inches of rain with 29 million gallons captured in the Anacostia River Tunnel with no overflows. On-site energy generation was 22 percent of the average treatment plant consumption for the month. There were 14,000 tons of biosolids produced, with 78 percent sold through the Blue Drop program and the remainder land-applied through land-application contracts.

Matthew Brown, Chief Operating Officer and EVP, and Moussa Wone, Chief Engineer and VP, Engineering and Clean Rivers, provided an update on the PI incident and ongoing response efforts. Inspection of the 54-mile PI is substantially complete. The results are being used to update the Capital Improvement Program (CIP) and prioritize future rehabilitation work. Committee Chair Christopher Herrington noted that rehabilitation plans are changing rapidly in response to incoming data. There may be additional CIP expenses or reallocations of CIP costs between projects to accommodate this work.

Dr. Matthew Ries, Vice President, Strategy and Performance, provided an update on the Pure Water DC Discovery Center project. The facility will pilot advanced water reuse technologies, support regulatory evaluation, and provide public education and engagement opportunities related to potable reuse

Paul Guttridge, Director of CIP Infrastructure Management, and Ryu Suzuki, Director, Wastewater Engineering, provided further information on CIP prioritization. They noted that the prioritization model uses analyses of the likelihood and consequence of failure, and weighted benefit criteria while balancing affordability and financial considerations. There is no differential prioritization between District assets and assets shared by wholesale customers.

The committee reviewed and recommended four joint use and one non-joint use action items.

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

The Human Resources and Labor Relations Committee met with the union presidents on May 21, 2026.

The first union topic concerned aligning DC Water's retirement plan withdrawal age with IRS and industry standards to allow employees to retire without benefit penalties at age 59.5. The unions asked Management to ensure that the benefits manager and Fidelity, provides employees with accurate information about the withdrawal age. They also requested a labor representative be placed on the Retirement Committee. The committee noted it would make a request to the Board to add a labor representative to the Retirement Committee.

Next, the unions addressed the principles of progressive discipline and the need to ensure these principles and related penalties are applied consistently. The unions agreed to work with Management to address this matter.

Amber Jackson, Chief People Officer and Executive Vice-President, People and Talent, provided the HR update. She thanked Dr. Morris-Hughes and the Department of Employment Services for allowing DC Water to host the Youth Apprenticeship Program. The wellness program continues to engage departments to foster employee participation throughout the agency. It continues to receive positive feedback.

The committee noted the Board's request to review worker injury rates and mitigation opportunities with the People and Talent team.

Committee Chair Jed Ross clarified that employee separation data was appropriately highlighted in the CEO's May report. He noted that specifics on terminations, voluntary and involuntary departures, and other metrics will be added to the HR report. The committee will also work with the Governance Committee to discuss governance matters related to HR.

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

The Retail Water and Sewer Rates Committee met on May 26.

The committee was briefed on the Department of Energy and Environment's (DOEE) proposed stormwater fee increase. The proposed $1.36 per month increase would be collected by DC Water on DOEE's behalf as a pass-through charge. If approved, it would raise the average residential bill by 7.5 percent in FY 2027, up from the 6.6 percent proposed by DC Water. It was noted that the proposal originated with the DC Council's Committee on Transportation and the Environment, not the DOEE, and was described as an inflationary adjustment to support compliance with federal MS4 requirements.

As the proposal was presented during DC Water's FY 2027–2028 rate-setting process, the committee discussed concerns about timing, process, affordability, and customer communications. The proposal requires full Council approval through the Budget Support Act process and is intended to take effect on October 1, 2026.

Syed Khalil, Vice President of Rates and Revenue, shared the financial report for the period ending April 30, 2026. Year-to-date revenue was on track with a slight favorable variance to the revised budget. Wholesale revenues were over budget by $7.3 million, mainly due to early payments. DC Housing Authority receipts were $2.1 million below budget, but most of the shortfall is expected to normalize over the summer. Residential, commercial, and multi-family revenues were approximately $300,000 below budget due to slightly lower consumption. Delinquencies increased by approximately $1 million and 213 accounts. In April, 30 developer deposits were processed for refunds totaling approximately $832,000.

Raftelis provided an update to the cost-of-service study, including an analysis of DC Water's rate affordability for the proposed FY 2027–2028 rates.

DC Water's rates remain within accepted affordability measures, including the Environmental Protection Agency's median household income threshold and the newer lowest-quintile income and federal poverty level framework. Commercial affordability was evaluated using the Public Utility Commission's standards, including benchmarking, bill volatility, and rate-structure equity. Raftelis concluded that DC Water's customer assistance programs, payment plans, cost-of-service-based rates, strict cost recovery, and capital and operating cost control support rates are affordable under applicable criteria for single-family, multi-family, and commercial customers.

Meeting of the Finance and Budget Committee
Reported by Anthony Giancola

The Finance and Budget Committee met on May 28.

Lola Oyeyemi, Interim Chief Finance Officer & EVP, presented the April 2026 Financial Report. As of the end of April, with approximately 58 percent of the fiscal year completed, operating revenues were $600.1 million, or 59.5 percent of the revised budget; operating expenditures were $427.4 million, or 51 percent of the revised budget; and capital disbursements were $387.8 million, or 49.9 percent of the budget. Community outreach on the proposed FY 2027–2028 rates continued with a town hall meeting on May 28, and the public hearing scheduled for June 23. Delinquent accounts increased by $1 million to a total balance of $32 million, with multi-family customers accounting for approximately 50 percent of receivables.

Paul Guttridge, Director, CIP Infrastructure Management, provided the quarterly CIP update. The revised CIP budget for FY 2026 is $695 million. Second quarter disbursements totaled $289 million, compared with a forecast of $347 million. Total spending for 2026 is projected at $655 million, or 95 percent of the revised budget. It was noted that CIP spending is an important measure of project success, but the Authority also considers the frequency of change orders, project milestones, and other performance metrics to judge how well the CIP is being delivered.

The committee inquired about the impact of CIP underspending on rates. Matthew Brown, Chief Operating Officer and EVP, noted that for the current CIP, both the retail rates and wholesale customer calculations incorporated the assumption that CIP spending would reach 93 percent of the forecast.

Tanya DeLeon, Risk Manager, provided an update on the Authority's property and casualty insurance renewals and a request for the committee recommendation for approval of the July 1 insurance renewal at a total not-to-exceed $7.6 million. She also reviewed proposed owner-controlled insurance program costs.

The committee reviewed and recommended one joint-use and one non-joint use action item.

Meeting of the Executive Committee
Reported by Dr. Unique Morris-Hughes

The Executive Committee met in closed session on May 28 to discuss a personnel matter under D.C. Official Code § 2-575(b)(10).

Joint Meeting of the Chairs and Vice-Chairs of the Governance, Environmental Quality and Operations, and Finance and Budget Committees
Reported by Howard Gibbs

The chairs and vice chairs of the Governance, Environmental Quality & Operations and Finance & Budget Committees met in closed session on May 26 to discuss a personnel matter under D.C. Official Code § 2-575(b)(10).

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

The Human Resources and Labor Relations Committee met in closed session on June 1 to discuss a personnel matter under D.C. Official Code § 2-575(b)(10).

IV. CEO AND GENERAL MANAGER'S REPORT

Chief Executive Officer and General Manager David L. Gadis provided his State of the Utility Report. He began by recognizing Dr. Rabia Chaudry for her leadership in advancing DC Water's vision for water source resilience.

On May 19, the Maryland Department of the Environment hosted a community meeting at Glen Echo Town Hall on restoration efforts related to the PI incident. DC Water provided updates, answered stakeholder questions, and reaffirmed its commitment to environmental restoration, transparency, and ongoing community engagement.

On May 20, Mr. Gadis testified before the House Energy and Commerce Subcommittee on Oversight and Investigations on the PI collapse. He emphasized Team Blue's rapid, coordinated response under challenging conditions and the Authority's commitment to transparency, public partnership, and coordination with federal, state, and regional agencies. He also noted lessons learned, including the need for stronger coordination on critical infrastructure work in sensitive corridors.

DC Water will reach a milestone with June's groundbreaking ceremony at Blue Plains for the Pure Water DC Discovery Center. The plant will treat effluent into purified drinking water. The Discovery Center will demonstrate the technology and serve as an educational resource for researchers, students, and peer utilities. It will also be the subject of a showcase during the upcoming American Water Works Association's ACE 26 conference on June 26.

In May, DC Water leadership attended an Accenture executive AI event in New York City, with leaders from more than 65 organizations. The event featured live demonstrations, focused on end-to-end AI-driven operations, showing how connected systems and AI-enabled workflows can improve visibility, strengthen decision-making, and accelerate the operational response. One demonstration highlighted proactive customer communication capabilities by linking operational, customer, and RGIS information to deliver more accurate, timely and targeted communications during service disruptions and infrastructure events. Next steps will focus on applying similar capabilities within the DC Water data environment while carefully measuring operational impact, customer outcomes, and business value.

Finally, Mr. Gadis welcomed the 2026 summer interns. The internship program provides paid scholarships to promising college and graduate students entering the water sector in roles ranging from water service to finance and communications.

V. CONSENT ITEMS FOR APPROVAL (JOINT USE)

1. Approval to Award Contract No. 106116 for Two Base Years and Three Option Years, HVAC Corrective Maintenance and Emergency Repair Services, AAA Complete Building Services, Inc. – **Resolution No. 26-29** (Recommended by the Environmental Quality and Operations Committee 05-21-26)
2. Approval to Award Contract No. 10617 for Two Base Years and Two Option Years, Instrumentation and Repair of Electrical Control Equipment, Optimum Controls Corp (OCC) – **Resolution No. 26-30** (Recommended by the Environmental Quality and Operations Committee 05-21-26)
3. Approval to Award and Execute Agreement for FY2026 and FY2027 Fleet Vehicles and Equipment Multiple Suppliers – **Resolution No. 26-31** (Recommended by the Environmental Quality and Operations Committee 05-21-26)
4. Approval to Execute Supplemental Agreement No. 1 of Contract No. DCFA #528 WSA, Construction Management Basic Ordering Agreement (BOA-10) Wastewater Treatment Facilities, AECOM – **Resolution No. 26-32** (Recommended by the Environmental Quality and Operations Committee 05-21-26)
5. Approval of Funding for Annual Property and Casualty Insurance Premium Renewals – **Resolution No. 26-33** (Recommended by the Finance and Budget Committee 05-28-26)

Upon a motion made, the Board of Directors voted to approve Joint-Use Resolutions Nos. 26-29 through 26-33 as presented.

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

1. Approval to Participate in District of Columbia Department of Transportation Aspen Street NW Rehabilitation Project Under the Terms of the 2002 Memorandum of Agreement with DC Water – **Resolution No. 26-34** (Recommended by the Environmental Quality and Operations Committee 05-21-26)
2. Approval to Execute a Change Order for Contract No. 10375 to Expand the Scope and Funding of the Rolling Owner Controlled Insurance Program Brokerage Contract, Aon Risk Solutions, Inc., of Washington, DC – **Resolution No. 26-35** (Recommended by the Finance and Budget Committee 05-28-26)

Upon a motion made, the Board of Directors voted to approve Non-Joint-Use Resolutions Nos. 26-34 and 26-35 as presented.

VII. EXECUTIVE SESSION

After a motion and majority vote, the Board moved into executive session at 10:23 a.m.

- to obtain legal advice and preserve attorney-client privilege or settlement terms 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).

VIII. CONSENT ITEMS FOR APPROVAL (JOINT USE)

The Board reconvened in open session at 12:00 p.m.

6. Approval of the Reorganization of Office of the Board Secretary to Strengthen Governance Support – **Resolution No. 26-36** (Recommended by the Human Resources and Labor Relations Committee 06-01-26)

   Upon a motion made, the Board of Directors voted to approve Joint-Use Resolution No. 26-36 as presented.

7. Conditional Ratification of Appointment of the Chief Legal Officer and Executive Vice President, Government and Legal Affairs – **Resolution No. 26-37** (Recommended by the Human Resources and Labor Relations Committee 06-01-26)

   Upon a motion made, the Board of Directors voted to approve Joint-Use Resolution No. 26-37 as presented. Unique Morris-Hughes abstained.

IX. ADJOURN

Hearing no further business, the meeting adjourned at 12:07 p.m.

Debra L. Mathis
Acting Secretary to the Board of Directors