



**332ND BOARD OF DIRECTORS MEETING
MINUTES OF THE MEETING
JULY 2, 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. Ernest Tuckett III, Chief Legal Officer & EVP
3. Gregory Hope, VP & Associate General Counsel
4. Lola Oyeyemi, Interim Chief Financial Officer & EVP
5. Matthew Brown, Chief Operating Officer & EVP
6. Kirsten Williams, Chief Administrative Officer & EVP
7. Debra Mathis, Acting Secretary to the Board

The 332nd meeting of the District of Columbia Water and Sewer Authority's Board of Directors was called to order by Chair Dr. Unique Morris-Hughes at 9:34 a.m. The meeting was held via Microsoft Teams and streamed live at www.dewater.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 June 4, 2026, and the Special Board of Directors meeting on June 5, 2026.

Upon a motion made, the Board of Directors approved the minutes of the Board of Directors meeting on June 4, 2026, and the Special Board of Directors meeting on June 5, 2026, as presented.

II. CHAIRPERSON'S OVERVIEW

Dr. Morris-Hughes thanked DC Water staff for coordinating the call with Councilmember Charles Allen to discuss concerns with storm water and the public inconvenience fee. She reiterated how DC Water remains committed to keeping rates affordable to all citizens while providing quality water service and strong infrastructure.

Dr. Morris-Hughes highlighted DC Water's June 23, 2026, virtual public hearing on the proposed FY 2027–2028 retail rates, fees, and charges, and confirmed that presentations from both Management and the independent consultant are available on DC Water's website. She also noted that the Board appreciated the public testimony and perspectives shared during the hearing and that the Board remains committed to balancing the Authority's infrastructure and operational needs with customer affordability.

Dr. Moussa Wone was congratulated on being named the 2026 Underground Construction Association Person of the Year. In addition to Dr. Matt Ries and Dr. Rabia Chaudhry were congratulated for their work in advancing the Pure Water Discovery Center.

Planning is underway for facility tours for the Board, and Dr. Morris-Hughes confirmed that additional details would be shared once available.

She also reminded the Board that an invitation to attend the groundbreaking for Piney Branch Tunnel was circulated to all Board members. The event is scheduled for July 9, 2026, from 9:00 a.m. to 12:00 p.m.

Lastly, Dr. Morris-Hughes recognized the recent appointment of Mr. Ernest Tuckett III as DC Water's Chief Legal Officer.

III. COMMITTEE REPORTS

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

The Environmental Quality and Operations Committee met on June 18, 2026, via Microsoft Teams.

The Committee received updates on Blue Plains performance, project delivery methods, biosolids legislation, the Potomac Interceptor, and several key contract actions. Blue Plains remained in compliance with NPDES permit requirements in May, with the Anacostia River Tunnel System capturing 85 million gallons and on-site power generation supplying approximately 24% of the plant's average energy needs. In addition, there were approximately 17,858 tons of biosolids produced, with approximately 2,945 tons sold through the Blue Drop program, resulting in a normal seasonal decline in bloom sales.

William Elledge, Director of Capital Water and Lead-Free DC, Kevin Bellamy, Director of Procurement, and Jamal Jones, Manager of Contract Compliance and Business Development, provided a review of the project delivery options under ROCIP, including traditional and progressive delivery models and the procurement considerations that guide method selection. Staff highlighted factors such as scope, risk, complexity, schedule, market conditions, and design readiness, as well as certified business participation and local hiring requirements.

Chris Peot, Director of Resource Recovery, provided an overview of Maryland and Virginia biosolids PFAS legislation, noting continued engagement with legislators to help protect Bloom sales and the need to monitor potential future restrictions.

The Committee also received an update on the Potomac Interceptor, including ongoing environmental rehabilitation work, community outreach, odor concerns during repairs, and recent comments from the Maryland Department of the Environment that remain under review.

Several contract actions were reviewed, including the emergency sewer main infrastructure repair and replacement contract modification with Anchor Construction, the on-call structural rehabilitation change order for the Rock Creek Main Interceptor, and the Headworks, Electrical, and Primary Treatment CMAR amendment at Blue Plains. These actions support high-priority rehabilitation, emergency response capacity, and reliability improvements across critical infrastructure.

The Committee agreed to advance four joint-use and two non-joint-use action items to the full Board for consideration. The Committee concluded by reviewing next month's agenda.

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

The DC Retail Water and Sewer Rates Committee met on June 23, 2026.

Syed Khalil, Vice President of Rates and Revenue, presented a report for the period ending May 31, 2026, providing an overview on cash receipts while highlighting that DC Water is approximately \$2.7 million below budget. Receipts in Residential, Commercial, Multi-Family and District Government were noted as below budget due to lower water consumption, with the expectation of improvement during the summer. DC Housing Authority receipts were additionally below budget, and wholesale customer receipts remained on track.

Delinquencies decreased by approximately \$700,000 from May, notwithstanding an increase of 47 accounts. Permit refunds issued in June totaled approximately \$80,000 across 17 accounts, compared with approximately \$1 million across 35 accounts in the prior month. Lola Oyeyemi, Interim Chief Financial Officer and EVP, reported preliminary year-end projections showing revenues 0.9% to 1.0% above budget, capital spending at approximately 93% of plan, operating expenses approximately \$8 million under budget, and an estimated net cash surplus of \$22 million.

Ms. Oyeyemi recommended allocating the projected FY 2026 cash surplus of approximately \$22 million to strengthen DC Water's financial position and support key priorities. The proposed allocation included funding the Rate Stabilization Fund, increasing days of cash on hand, supporting FY 2027 permit refunds, extending the Payment Plan Incentive Program, increasing the DC Insurance Reserve, and applying the remaining balance to PAYGO to reduce future borrowing.

Ms. Oyeyemi emphasized the importance of meeting cash-on-hand and RSF policy targets to preserve DC Water's strong credit profile. Staff will provide the Finance and Budget Committee with recommendations for the use of the projected cash surplus.

Additionally, there was a discussion on the previously approved policy to increase the required days of cash on hand to 350 days by 2032 along with keeping the retail rate increase for FY 2027 below 6%.

Marcus A. McKenzie, Acting Director of Customer Care, submitted a request to the committee recommending that the Board extend the Payment Plan Incentive Program through September 30, 2027, with \$1 million in FY 2027 funding from the projected FY 2026 net cash surplus. A detailed overview of the program was relayed to the committee, while committee members discussed whether the program was effective in reducing the overall number of delinquencies as well as necessary guardrails to prevent re-enrollment of the same customers. The Committee supported the extension and discussed adding guardrails, including a two-default maximum for incentive eligibility beginning in FY 2027.

An update was provided on the system availability fee (SAF), with Ms. Oyeyemi requesting for the committee to recommend Board approval to publish a NOFR for amendments to the SAF regulations. Ms. Ogechi Okpechi, Director of Permit Operations, confirmed that SAF charges are assessed only following a thorough plan review and sufficient project information is available to accommodate fees relating to projects already in the permitting process. Following that discussion, the committee recommended that the Board approve publication of the NOFR.

The rate-making work plan was reviewed, and the public comment period on the proposed rates closed on June 29, 2026. The final rate recommendations will be presented to the Committee in July 2026, and the Board is expected to consider approval at its September 2026 meeting. The revised rates would become effective on October 1, 2026, if approved.

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

The Executive Committee met in emergency session on June 23, 2026, to discuss a personnel matter under D.C. Official Code § 2-575(b)(10).

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

The Finance and Budget Committee met on June 25, 2026.

The May 2026 Financial Report was presented by exception by Lola Oyeyemi, Interim Chief Financial Officer and EVP. Operating revenues totaled approximately \$690.3 million as of the end of May 2026, with a year-to-date (YTD) unfavorable variance of -0.4%. This

was because of a lower-than-expected consumption in the Residential, Commercial, and Multi-Family categories.

Total operating expenses were approximately \$487.6 million, with a YTD variance of 1% in O&M. YTD spending was approximately \$20 million higher than the same period last year due to cost pressures in water, electricity, critical parts, supplies and chemicals. These costs will continue to be monitored. Capital disbursements totaled approximately \$465.1 million, and cash investments were approximately \$656.2 million. Delinquent accounts declined by approximately \$700,000, and approximately \$81,000 in permit refunds were processed in May, bringing the FY 2026 total to \$2.7 million.

Tanya DeLeon, Risk Manager, provided an update on DC Water's operations insurance program, which was successfully renewed for approximately \$7.59 million. The largest exposure to DC Water is flood risk, and the flood sublimit for designated high-hazard locations had been increased from \$25 to \$50 million. Ms. DeLeon briefed the Committee on key coverages in the new policy and noted that additional premium options for the Employment Practices Liability Insurance (EPLI) were explored due to the cost increase. Key milestones were summarized on DC Water's ROCIP 7 plan along with an overview on current active programs and coverages.

Marcus A. McKenzie, Acting Director of Customer Care, presented a request for the Committee to recommend to the full Board to extend the Payment Plan Incentive Program through September 30, 2027, and to fund the program with the projected FY 2026 net cash position.

The FY 2026 mid-year projections for operating revenue are expected to be approximately \$1.02 billion due to DC Water's strong financial outlook. Capital disbursements are projected to stand at approximately \$725.9 million and operating expenses at \$829.3 million, with projected O&M cost pressures being primarily chemicals, utilities, and water purchases.

Committee member Christopher Herrington reviewed the draft resolution on procurement procedures and direction to the general manager, and Board members were invited to provide feedback before the Special Governance Committee meeting on June 29, 2026, and final Board consideration on July 2, 2026.

The Committee reviewed and recommended four action items.

*Special Meeting of the Governance Committee
Reported by Howard Gibbs*

The Governance Committee met on June 29, 2026.

The Committee discussed the draft resolution on procurement procedures recommended by both the Environmental Quality and Operations Committee and the Finance and Budget Committee. An overview of the four main provisions of the resolution was presented by member Christopher Herrington. It was noted that the purpose of the resolution was to strengthen procurement oversight, including timely contract notifications, quarterly reporting, legal sufficiency reviews and standardized terminology.

Following the discussion, the Committee agreed to advance the resolution to the full Board for consideration after reviewing staff feedback.

IV. CEO AND GENERAL MANAGER'S REPORT

Chief Executive Officer and General Manager David Gadis opened by informing the Board of two staff members, Andrew Asiimwe and Jonathan Shanks, who had passed away in recent weeks. Services for Mr. Asiimwe took place on June 19, 2026, and the date for services for Mr. Shanks would be shared with the Board when the information was available. The Board observed a moment of silence for both staff members.

Public Outreach Canvassers Marte Garner and Derrick Ross were recognized for their heroic efforts in responding to a medical crisis and for saving a life on June 25, 2026, and Mr. Gadis thanked them for their service.

Mr. Gadis then provided his State of the Utility Report. The Authority issued a press release on June 9, 2026, on DC Water making emergency repairs to a section of the Potomac Interceptor, noting deterioration on a stretch of pipe following recent examinations. Bypass pumping is being constructed, with anticipated operations by late July, and full repair of the Interceptor by the end of September 2026.

On June 10, 2026, Mr. Gadis provided welcoming remarks at the Pure Water DC Discovery Center groundbreaking. Additional Pure Water DC updates were shared with ACE26 attendees at a special event on June 21, 2026, showcasing renderings of the Discover Center to water executives and industry officials. In addition, DC Water staff lead discussions around infrastructure, resilience, digital transformation, water reuse and customer engagement.

Also at ACE26, DC Water introduced Clearly Circular Beverages, an educational initiative promoting public confidence in the safety, quality, and long-term potential of purified recycled water. In partnership with Bluejacket Brewery and the Orange County Water District, DC Water developed a blonde ale and ginger ale that were enthusiastically received by conference attendees and utility leaders worldwide.

DC Water also participated in Pride Weekend celebrations on June 21 and 22, 2026. The boil water advisory in Ward 3 was lifted as of June 6, 2026.

Employees Robert J. Simpkins and Bisrat Abebe were promoted to Director and will be working under Chris Collier, Vice President of Water Operations.

Mr. Gadis provided an overview of the financial performance for FY 2026, noting DC Water remains on track with the revised budget. The eligible procurement actions for May, 2026, totaled \$203.3 million. Certified Firm Participation stood at \$84.1 million, with Non-Certified Firm Participation at \$193.19 million. The overview included the process improvement and overall outreach and engagement along with various program highlights.

He noted that a comprehensive Vacancy-Management Strategy Plan was in development and would be presented to the Board following additional Committee feedback.

V. CONSENT ITEMS FOR APPROVAL (JOINT USE)

1. Approval to Execute Change Order No. 2 of Contract No.230050, Emergency Sewer Main IR&R Contract for FY24-FY27, Anchor Construction Corporation– **Resolution No.26-39** (Recommended by the Environmental Quality and Operations Committee 06-18-26)
2. Approval to Execute Change Order No.02 of Contract No.250030, On Call Structural Rehabilitation, Structural Preservation Systems, LLC – **Resolution No. 26-40** (Recommended by the Environmental Quality and Operations Committee 06-18-26)
3. Approval to Execute Construction Manager at Risk (CMAR) Amendment No. 1 of Contract No.250040, Headworks and Primary Upgrades CMAR Portfolio, Ulliman Schutte Construction – **Resolution No. 26-41** (Recommended by the Environmental Quality and Operations Committee 06-18-26)
4. Approval to Execute and Fund Option Year Eight (8) and Option Year Nine (9) of Contract No. 19-PR-DET-22, Capital Project Contract Management Software, Oracle American, Inc. – **Resolution No. 26-42** (Recommended by the Environmental Quality and Operations Committee 06-18-26)
5. Approval of Revised Procurement Procedures and Direction to the General Manager – **Resolution No. 26-43** (Recommended by the Environmental Quality and Operations Committee 06-18-26; Finance and Budget Committee 06-25-26; and the Governance Committee 06-29-26)

6. Approval to Award Contract No.10632 and Execute Rolling Owner Controlled Insurance Program 7 (ROCIP7), Alliant Insurance Services, Inc. – **Resolution No. 26-44** (Recommended by Finance and Budget Committee 06-25-26)
7. Approval to Transfer the Projected FY 2026 Net Cash Surplus of \$22,084,546 to PAYGO, Rate Stabilization Fund and Ending Cash Balance for Permits Refunds, DC Insurance Reserve, Payment Plan Incentive Program, and to Increase Days of Cash on Hand in FY 2027 – **Resolution No. 26-45** (Recommended by the DC Retail Water and Sewer Rates Committee 06-23-26; and Finance and Budget Committee 06-25-26)

Upon a motion made, the Board of Directors voted to approve Joint-Use Resolutions No. 26-39 through 26-45 as presented.

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

1. Approval to Award Three Base Years and Two Option Years of Contract No.260060, Water Infrastructure Rehabilitation and Replacement Contract FY27-FY29, Capitol Paving of DC Inc. – **Resolution No. 26-46** (Recommended by the Environmental Quality and Operations Committee 06-18-26)
2. Approval to Participate in District of Columbia Department of Transportation I-695 Ramp D4 and 11th Street, SE Improvements Under the Terms of the 2002 Memorandum of Agreement with DC Water – **Resolution No. 26-47** (Recommended by the Environmental Quality and Operations Committee 06-18-26)
3. Adopt and Approve Publication of Notice of Final Rulemaking to Amend System Availability Fee Regulations – **Resolution No. 26-48** (Recommended by the DC Retail Water and Sewer Rates Committee 06-23-26)
4. Approval to Transfer One Million from the Cash Surplus to the Authority General Fund in FY 2027 to Extend the Payment Plan Incentive Program – **Resolution No. 26-49** (Recommended by the DC Retail Water and Sewer Rates Committee 06-23-26 and the Finance and Budget Committee 06-25-26)

Upon a motion made, the Board of Directors voted to approve Non-Joint-Use Resolutions No. 26-46 through 26-49 as presented.

VII. EXECUTIVE SESSION

After a motion and majority vote, the Board moved into executive session at 10:42 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 12:08 p.m.

- Approval to amend the agenda to include “Approval of the Appointment of Interim CEO and General Manager Matthew Brown – Resolution 26-50”

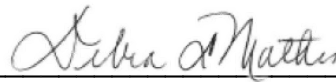
Upon a motion made, the Board of Directors voted to amend the agenda to include Resolution No. 26-50, as amended.

- Approval of the Appointment of Interim CEO and General Manager Matthew Brown – **Resolution No. 26-50**

Upon a motion made, the Board of Directors voted to approve Joint-Use Resolution No. 26-50 as presented.

ADJOURN

Hearing no further business, the meeting adjourned at 12:15 p.m.



Debra L. Mathis
Acting Secretary to the Board of Directors