



District of Columbia Water and Sewer Authority Board of Directors

332nd Meeting of the Board of Directors

Thursday, July 2, 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** Debra Mathis, Acting Board Secretary
- III. **[Approval of the Minutes for the June 4, 2026 Board Meeting; and June 5, 2026 Special Meeting of the Board of Directors](#)**
- IV. **Chairperson’s Overview**
- V. **Committee Reports**
 - 1. [Environmental Quality & Operations Committee \(Christopher Herrington\)](#)
 - 2. [DC Retail Water and Sewer Rates Committee \(Rachna Bhatt\)](#)
 - 3. [Executive Committee \(Unique Morris-Hughes\)](#)
 - 4. [Finance and Budget Committee \(Anthony Giancola\)](#)
 - 5. [Special Meeting of the Governance Committee \(Howard Gibbs\)](#)
- VI. **[CEO and General Manager’s Report \(David L. Gadis\)](#)**
- VII. **Consent Items (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)

VIII. Consent Items (Non-Joint Use)

1. [Approval to Award Three Base Years and Two Option Years of Contract No. 260060, Water Infrastructure Rehabilitation and Replacement Contract FY 27-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)

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

1. To obtain legal advice and preserve attorney-client privilege or settlement terms under D.C. Official Code § 2-575(b)(4)(A); and
2. To discuss a personnel matter under D.C. Official Code § 2-575(b)(10).

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.

Upcoming Committee Meetings | via Microsoft Teams

- July 8th @ 9:30 am Governance Committee
- July 8th @ 11:00 am Human Resources & Labor Relations Committee
- July 16th @ 9:30 am Environmental Quality and Operations Committee
- July 17th @ 2:00 pm Executive Committee
- July 23rd @ 9:30 am Finance and Budget Committee
- July 23rd @ 11:00 am Audit and Risk Committee
- July 28th @ 9:30 am DC Retail Water and Sewer Rates Committee
- August 31 @ 1:00 pm Special Meeting of the Environmental Quality and Operations Committee

Next Board of Directors' Meeting | In-person

Thursday, September 3, 2026 @ 9:30 am

*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.



**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



**SPECIAL MEETING OF THE BOARD OF DIRECTORS
MINUTES OF THE MEETING
JUNE 5, 2026, 9:00 AM
(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

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, Interim 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 Special Meeting of the Board of Directors was called to order by Chair Dr. Unique Morris-Hughes at 9:24 a.m. The meeting was held via Microsoft Teams. Acting Board Secretary Debra Mathis confirmed a quorum was present.

I. EXECUTIVE SESSION

Following a motion and majority vote, the Board entered executive session at 9:29 a.m. in accordance with D.C. Official Code § 2-575(b)(4)(A), for the purpose of obtaining legal advice and preserving attorney-client privilege regarding settlement terms. The Board sought and received counsel related to a matter concerning the Chief Executive Officer and General Manager.

During the executive session, the Board received a comprehensive legal briefing. Members deliberated the merits of negotiating a settlement and separation agreement pertaining to the employment of the Chief Executive Officer and General Manager. The discussion included consideration of the most favorable terms for such an agreement.

Upon conclusion of these deliberations, the Board authorized the termination of the contract and the commencement of negotiations for a settlement and separation agreement based on the draft terms presented. In addition, the Board agreed to retain outside counsel to negotiate the terms of any future agreement. Consequently, following a motion, the Board of Directors voted to approve Joint-Use Resolution No. 26-38, with eight members in favor and three abstentions.

II. ADJOURN

The Board reconvened in open session and hearing no further business, the meeting adjourned at 11:06 a.m.

Acting Secretary to the Board of Directors



**MINUTES OF THE MEETING
ENVIRONMENTAL QUALITY AND OPERATIONS COMMITTEE
June 18, 2026
(via Microsoft Teams)**

COMMITTEE MEMBERS PRESENT

1. Christopher Herrington, Chairperson, Principal, Fairfax County
2. Unique Morris-Hughes, Board Chair, District of Columbia
3. Alexander McPhail, Alternate, District of Columbia
4. Samuel Moki, Principal, Prince George County
5. Amy Stevens, Alternate, Montgomery County

DC WATER STAFF PRESENT

1. Matthew Brown, Chief Operating Officer and EVP
2. Debra Mathis, Acting Secretary to the Board
3. Kirsten Williams, Chief Administrative Officer and EVP
4. Gregory Hope, Interim Chief Legal Officer & EVP
5. Lola Oyeyemi, Acting Chief Financial Officer and EVP of Finance and Procurement

I. Call to Order and Roll Call

The Environmental Quality and Operations Committee meeting was then called to order by Chairperson Christopher Herrington, at 9:30 AM. The meeting was held via Microsoft Teams, and Debra Mathis, Acting Secretary to the Board, called the roll.

II. May 2026 Blue Plains Wastewater Treatment Plant Performance

Nicholas Passarelli, Vice President, Wastewater Treatment Operations, reported that Blue Plains met all NPDES permit requirements for May 2026, with an average daily flow of 278 million gallons per day (MGD) and a peak flow of 389 MGD recorded on May 24, 2026. During the month, approximately 2.85 inches of rainfall were recorded, with 85 million gallons captured in the tunnel system and zero overflows.

On-site electrical generation accounted for approximately 24 percent of total facility power demand, with the Combined Heat and Power (CHP) system producing an average of 7.3 megawatts (MW). Solar generation provided an additional average of 0.8 MW. Total electricity consumption at Blue Plains averaged approximately 28.1 MW, with approximately 21.3 MW purchased from the Pepco grid. Mr. Passarelli also reported that on-site power generation resulted in approximately \$1.75 million in savings during the first six months of fiscal year 2026 compared to purchasing the equivalent power from the Pepco grid.

Regarding biosolids operations, Mr. Passarelli reported that Blue Drop sold just under 3,000 tons of Bloom biosolids in May, bringing the fiscal year-to-date total to more than 46,000 tons toward the annual goal of 62,000 tons. Blue Plains produced approximately 17,800 tons of biosolids during the month, with just under 15,000 tons managed through the land application program.

III. Project Delivery Methods at DC Water

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, presented an overview of DC Water's project delivery methods, Board oversight responsibilities, and procurement practices for collaborative delivery. Mr. Elledge also noted that a glossary of collaborative delivery terms was included in the Board packet.

Board Member Alexander McPhail requested clarification regarding the meaning of "open book" pricing. Mr. Elledge explained that, unlike traditional lump-sum pricing, open book pricing provides detailed cost information supporting the contractor's price and allows DC Water to review the underlying cost components.

Board Member Howard Gibbs asked why permitting or regulatory complexity may not align as well with design-build or progressive design-build delivery. Mr. Elledge explained that lengthy permitting processes can make it difficult for contractors to commit construction resources before work begins and that some regulatory agencies require full approval before construction. Mr. Gibbs noted that permitting requirements and design-build delivery should not necessarily be viewed as mutually exclusive. Mr. Elledge agreed and stated that DC Water has addressed similar concerns through coordination with regulatory agencies, including discussions with EPA regarding progressive design-build projects.

Mr. Bellamy reviewed Board approval requirements under traditional and collaborative delivery methods. Richard Jackson, Principal Deputy Director, District Department of Energy and Environment (DOEE), asked whether the initial Board action authorizes contractor selection or spending authority. Mr. Bellamy explained that the initial Board action selects the project team for pre-construction services, after which the project scope and pricing are developed and later returned to the Board for approval. Chairperson Herrington requested confirmation that the guaranteed maximum price is negotiated before being presented to the Board, and Mr. Bellamy confirmed that it is.

Mr. Jones summarized DC Water's procurement framework for certified business participation and local hiring. Mr. Gibbs requested clarification regarding the meaning of contractor self-performance, and Mr. Jones explained that the term refers to work performed by the contractor rather than DC Water. Dr. McPhail also requested clarification regarding the three-bid requirement. Mr. Jones explained that subcontracting packages exceeding \$50,000 require contractors to solicit bids from at least three firms before awarding the work.

Chairperson Herrington reminded Board members that the Board packet included a glossary of collaborative delivery terms and additional reference materials.

IV. Maryland and Virginia Biosolids PFAS Legislation

Chris Peot, Director of Resource Recovery, provided an update on DC Water's efforts related to PFAS legislation affecting biosolids management in Maryland and Virginia. Mr. Peot summarized DC Water's proactive engagement with state legislators and regulators over the past two years, noting that the utility has conducted PFAS sampling since 2019 and successfully advocated for science-based, tiered PFAS regulations in both states rather than outright bans on land application. He also reported that Bloom biosolids remain below the unrestricted land application threshold established by Maryland and Virginia and discussed EPA's ongoing revisions to its draft PFAS biosolids risk assessment. Mr. Peot concluded by recognizing DC Water staff, the Legal Department, Blue Drop, regional partners, and the Senior Executive Team for their contributions to these efforts.

Board Member Sarah Motsch asked why PFAS concentrations in Bloom biosolids have declined over the past several years. Mr. Peot responded that the exact cause is unknown but noted that upstream sampling indicates most PFAS entering the system originates from residential sources rather than industrial discharges. He added that increased public awareness and reduced use of PFAS-containing consumer products may be contributing to the downward trend.

Dr. McPhail asked whether other utilities had expressed interest in DC Water's land acquisition initiative and requested an update on the status of the acquisitions. Mr. Peot responded that there has been interest from other utilities but that the project remains in its early stages. He reported that DC Water has completed negotiations for the purchase of a 47-acre property and recently executed an offer agreement for an adjacent 78-acre parcel, which is currently undergoing a 90-day due diligence period. He noted that no development activities have begun. Dr. McPhail expressed support for the initiative.

Chairperson Herrington asked whether DC Water has been coordinating with Justin Carl at AlexRenew and other regional utilities on biosolids research. Mr. Peot confirmed that DC Water participates in the regional coordination meetings. Chairperson Herrington noted that a second phase of regional pilot testing is being planned and suggested continued coordination with AlexRenew regarding potential partnership opportunities. Mr. Peot agreed that increased regional cooperation would be beneficial.

Chairperson Herrington thanked Mr. Peot for the presentation and commended the Resource Recovery team for its proactive efforts to support the continued sustainability of the Bloom biosolids program.

V. Potomac Interceptor Update

Matthew Brown, Chief Operating Officer and Executive Vice President, and Dr. Moussa Wone, Chief Engineer and Vice President, provided a monthly update on the Potomac Interceptor rehabilitation program. Mr. Brown and Dr. Wone summarized ongoing environmental rehabilitation at the Manhole 17 collapse site, condition assessment activities, emergency repair priorities, odor mitigation, regional coordination, and planned updates to the Capital Improvement Program.

Dr. McPhail inquired about the rationale for scheduling construction of the Northeastern Rehabilitation project in the 2027–2029 timeframe and whether the work could be accelerated. Dr. Wone explained that the project schedule is informed by the 2026 condition assessment program, which utilizes multiple inspection technologies—including CCTV, laser/sonar scanning, and targeted field investigations—to evaluate asset condition. Based on this data, assets are categorized as emergencies, high priority, or suitable for inclusion in the Capital Improvement Program. He noted that staff's analysis of the available inspection data classified the Northeastern Rehabilitation segment as high priority rather than emergency, which supports the currently proposed schedule.

Dr. McPhail asked whether DC Water has the logistical and technical capacity to accelerate the Northeastern Rehabilitation project if desired. Dr. Wone responded that DC Water is actively procuring a new Master Services Agreement to expand contractor capacity and accelerate rehabilitation efforts. Mr. Brown added that nearly all inspection data has been reviewed, and the four emergency projects identified represent the locations requiring the most immediate attention. He further noted that bypass pumping systems are being installed at each emergency location to support both immediate response actions and subsequent repair work.

Dr. McPhail asked whether DC Water's enhanced condition assessment process has improved confidence in project prioritization. Dr. Wone and Mr. Brown confirmed that the integration of CCTV inspections, laser scanning, pipe wall thickness measurements, and targeted core sampling provides a more comprehensive and reliable understanding of pipe condition. They noted that this data-driven approach strengthens confidence in the prioritization framework currently being used.

Dr. McPhail further asked whether the Northeastern Rehabilitation project could safely remain classified as high priority rather than emergency. Dr. Wone explained that based on the available inspection data, the Northeastern Rehabilitation segment does not currently meet the criteria for emergency classification. He noted that emergency projects typically require action within approximately 30 days, whereas high-priority projects are addressed over a longer, but still prioritized, timeframe.

Board Director, Ms. Macedonia commended staff for incorporating lessons learned from the January 19 interceptor collapse into the updated prioritization process and for expanding the use of laser inspection data. Dr. Wone thanked Ms. Macedonia for her recognition and noted that staff are developing comprehensive condition assessment maps, that will be shared with senior management and the Board upon completion.

Ms. Macedonia observed that some community members have interpreted ongoing odors near the Manhole 17 collapse site as an indication that environmental cleanup remains incomplete. She suggested that DC Water continue to proactively communicate that odors may persist while repair work is underway. Mr. Brown concurred, noting that DC Water has been working to inform the public that odors are expected until the interceptor is fully sealed. Ms. Williams agreed to reinforce this message through additional community outreach efforts, with focus on neighborhoods near current and upcoming work areas.

Dr. Wone provided a follow-up requested by Chairperson Herrington regarding the interceptor crossing near Great Falls. He reported that the reinforced concrete pipe is encased in a minimum of 12 inches of reinforced concrete and that preliminary condition

assessment results do not indicate an urgent need for repairs. He noted that the crossing is being incorporated into the Capital Improvement Program and that staff is also evaluating a redundant river crossing as a long-term resiliency measure. Dr. Wone stated that a written summary would be provided to the Board.

Ms. Macedonia requested additional information regarding the comments received from the Maryland Department of the Environment on the Environmental Rehabilitation Plan. Mr. Brown explained that staff have only recently received the comments and is currently in the process of reviewing them. He noted that the comments would be shared with the Board and that staff will provide an update at a future meeting following completion of its review.

VI. Fact Sheet: Contract No. 230050 Emergency Sewer Main IR&R

Chris Collier, Vice President, Water Operations, presented a fact sheet requesting Board approval to exercise the remaining two option years and increase the value of the Emergency Sewer Main Infrastructure Repair and Replacement (IR&R) contract with Anchor Construction Corporation by \$62.5 million. Mr. Collier explained that the additional funding includes \$20 million to support routine emergency sewer repairs over the remaining contract term and \$42.5 million to complete emergency Potomac Interceptor rehabilitation projects previously discussed by staff.

Board Member Amy Stevens requested clarification regarding the meaning of the IR&R acronym. Mr. Collier explained that IR&R stands for Infrastructure Repair and Replacement and noted that the contract supports DC Water's in-house repair crews by providing emergency response and high-priority repair services that cannot be completed with internal resources alone.

Mr. Gibbs asked whether funding the additional emergency work would require other planned projects to be deferred. Mr. Collier referred the question to Dr. Wone, who explained that the funding for the Potomac Interceptor emergency repairs is already included in the approved Capital Improvement Program. He stated that the requested contract modification provides a procurement mechanism to expedite the emergency work rather than adding new unbudgeted projects. Mr. Gibbs thanked Dr. Wone for the clarification.

Ms. Macedonia requested clarification regarding the \$2 million cost identified for the Manhole 17 emergency repair, noting that previous cost estimates had been significantly higher. Mr. Collier explained that an earlier contract modification had already provided \$10.5 million for the initial emergency repair work and that the current request represents the remaining funding needed under the Anchor Construction contract.

Ms. Macedonia asked what work remained under the additional \$2 million request. Bisrat Abebe, Director of Sewer Operations, explained that the majority of the pipe rehabilitation at the Manhole 17 site has been completed and that the remaining funding is needed to complete the final work under the Anchor Construction contract. He also noted that the environmental rehabilitation activities are being performed under a separate contract.

VII. Fact Sheet: Contract No. 250030 On Call Structural Rehabilitation

Ryu Suzuki, Director, Wastewater Engineering, presented a fact sheet requesting Board approval of a \$30.5 million change order for the On-Call Structural Rehabilitation Contract to complete the high-priority Rock Creek Main Interceptor rehabilitation project. Mr. Suzuki explained that the contract is used to perform complex structural rehabilitation projects requiring engineering design and specialized repair methods beyond the scope of emergency Infrastructure Repair and Replacement contracts. He reported that recent inspections confirmed the Rock Creek Main Interceptor requires timely rehabilitation and that the proposed project will utilize carbon fiber reinforced polymer lining to rehabilitate the deteriorated pipe.

VIII. Fact Sheet: 250040 Headworks and Primary CMAR Portfolio – Amendment No. 1

Mr. Suzuki also presented a fact sheet requesting Board approval of a \$145 million contract amendment for the Headworks Electrical and Primary Treatment Rehabilitation Project at Blue Plains. Mr. Suzuki reported that the project will improve the reliability of electrical systems, HVAC equipment, and primary treatment facilities. He also highlighted that the Construction Manager at Risk (CMAR) delivery process and value engineering efforts reduced the estimated project cost from approximately \$173 million to \$138 million while maintaining project quality and operational requirements.

IX. ACTION ITEMS

The Committee reviewed and recommended approval of the four Joint Use Fact Sheets and two Non-Joint Use Fact Sheets.

Joint Use

- a. Contract No. 230050 – Emergency Sewer Main IR&R Contract for FY24-FY27 – Anchor Construction Corporation
- b. Contract No. 250030 – On Call Structural Rehabilitation – Structural Preservation Systems, Inc.

- c. Contract No. 250040 – Headworks and Primary Upgrades CMAR Portfolio – Ulliman Schutte Construction
- d. Contract No. 19-PR-DET-22 – Capital Project Contract Management Software – Oracle America, Inc.

Non-Joint Use

- e. Contract No. 260060 – Water Infrastructure Rehabilitation & Replacement Contract FY27- FY29 – Capitol Paving of DC Inc.
- f. Participation in DDOT Project – DDOT I-695 Ramp D4 and 11th Street SE Improvements – District Department of Transportation (DDOT)

X. Discussion of a Draft Resolution on Procurement Procedure

Chairperson Herrington presented a draft resolution proposing revisions to the Board's procurement procedures. He explained that the proposed revisions would establish contract execution tracking, provide regular contract status updates, require legal sufficiency review before Board consideration of contract actions, and promote consistent terminology in contract fact sheets. He noted that the draft resolution would also be reviewed by the Budget and Finance and Governance Committees before consideration by the full Board.

Mr. Brown requested an opportunity for management to review the draft resolution and provide comments, particularly regarding the proposed legal sufficiency review requirements. Chairperson Herrington welcomed staff feedback and encouraged management to provide comments before the resolution is presented to the full Board.

Meena Gowda, Vice President and Deputy General Counsel, asked about the purpose of the proposed resolution. Chairperson Herrington explained that the revisions were prompted in part by a previous instance in which a Board-authorized contract was not executed without the Board's knowledge and are intended to improve contract tracking, legal review, and consistency in contract documentation. He noted that the resolution remains in draft form and invited additional feedback from Board members and staff.

XI. Agenda for July 2026 Committee Meeting

Chairperson Herrington highlighted the draft agenda for the next meeting and encouraged members to provide feedback or request additional discussion topics.

XII. Adjournment

The meeting was adjourned at 11:24 AM.



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

COMMITTEE MEMBERS PRESENT

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

DC WATER STAFF

1. David L. Gadis, CEO and General Manager
2. Lola Oyeyemi, Interim Chief Financial Officer and EVP
3. Matthew Brown, Chief Operating Officer and EVP
4. Kirsten Williams, Chief Administrative Officer and EVP
5. Meena Gowda, Vice-President & Deputy General Counsel
6. Debra Mathis, Acting Board Secretary

The DC Retail Water and Sewer Rates Committee meeting was called to order by Rachna Bhatt, Chairperson, at 9:31 AM. Acting 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 report for the period ending May 31, 2026. Cash receipts totaled approximately \$690.3 million, representing 68.5 percent of the revised budget or approximately \$2.7 million below budget.

Residential, Commercial, Multi-Family, and District Government receipts were slightly below budget due to lower-than-expected water consumption but are expected to improve during the summer months. DCHA receipts were also below budget; however, a delayed \$1.1 million payment related to March 2026 billing was received in May. Wholesale customer receipts remained generally on track, with approximately \$1.7 million expected to be received in June, including outstanding payments from the Town of Vienna and the Metropolitan Washington Airports Authority (MWAA).

Mr. Khalil reported that total delinquencies decreased by approximately \$0.7 million from the prior month, despite an increase of 47 delinquent accounts. Commercial delinquencies declined by approximately \$1.0 million, while Multi-Family and Residential delinquencies increased by approximately \$0.12 million and \$0.2 million, respectively. He noted that Customer Care continues its collection efforts and that the resumption of Multi-Family customer disconnections is expected to help reduce delinquencies.

Mr. Khalil reported that permit refunds issued during the month totaled approximately \$80,000 across 17 accounts, compared to approximately \$1.0 million across 35 accounts in the previous month.

Committee Member Howard Gibbs inquired about the percentage of DC Water customers who were delinquent in their accounts. Lola Oyeyemi, Interim Chief Financial Officer, responded that approximately 9.6 percent of customers were delinquent and indicated that a more detailed delinquency update would be provided at the next committee meeting.

Ms. Oyeyemi provided an update on preliminary projections for the current fiscal year. Revenue is expected to be 0.9 percent to 1.0 percent above the revised budget. Capital spending is projected to end the year at 93 percent of budget. Operating expenses are projected to be approximately \$8 million below budget. The year-end net cash position is estimated at approximately \$22 million.

Ms. Oyeyemi explained that meeting the Board's days of cash-on-hand and RSF policy targets is important to preserve DC Water's strong credit profile: rating agencies view liquidity, debt service coverage, rate-setting discipline, and financial policies as indicators of financial strength. The upcoming report to the Finance and Budget Committee will include recommendations for allocating the projected cash surplus of \$22 million. These recommendations will include the transfer of \$5 million to the Rate Stabilization Fund consistent with the board policy target of 5 percent of projected retail revenues.

Ms. Oyeyemi reminded the Committee that the Board-approved policy includes a goal to increase the required days of cash on hand to 350 days by 2032. Staff recommend using \$12 million of the FY 2026 cash surplus to add 10 days of cash on hand. Staff also recommend using \$1 million to extend the Payment Plan Incentive Program through September 30, 2027 and \$1 million for the permit refunds in FY 2027. Ms. Oyeyemi mentioned that there is an option by the Finance and Budget Committee to consider whether a portion of the funds should be used to offset the Public Inconvenience Fee (PIF).

Chair Bhatt noted that the PIF is a District-generated passthrough cost, not a DC Water expense, and stated that the rate stabilization fund should be reserved for unexpected emergencies related to DC Water operations.

Committee member Anthony Giancola noted the Board's goal of keeping the proposed FY 2027 retail rate increase below 6 percent and highlighted that, without the PIF, the increase could be 5 percent. He suggested using a portion of the surplus to fund the FY 2027 PIF and help limit the rate increase. He stated that using additional funds to defer the PIF impact for one year is unlikely to affect the Authority's bond ratings.

Committee member Alexander McPhail noted that the incoming District administration has pledged to address high electricity costs. He suggested keeping next year's rate increase at 6 percent, while cautioning that this may be an important year to avoid prompting customer complaints.

II. EXTEND THE PAYMENT PLAN INCENTIVE PROGRAM UNTIL 9/30/2027

Marcus A McKenzie, Acting Director, Customer Care, presented a request for the Committee to recommend that the Board should extend the Payment Plan Incentive Program through September 30, 2027 and fund the program with \$1,000,000 from the projected FY 2026 net cash position.

Mr. McKenzie began by reviewing the Payment Plan Incentive Program, which was launched on June 1, 2024, to assist residential customers with outstanding balances of \$500 or more and delinquencies aged 60 days or longer. The program provides 50 percent credit on eligible payments to help customers reduce delinquent balances faster. Credits are applied every fourth month after three consecutive months of on-time payments. The FY 2026 program budget was \$1 million.

Mr. McKenzie went on to review the program's benefits. The program extends eligibility to current and new participants, including customers with payment plans established through September 2026. It also helps reduce service disconnections by encouraging residential customers to remain current on their payment plans, allows disconnected customers to establish a payment plan, restore service, and participate in the program, and promotes consistent bill payment by providing equitable assistance to help eligible residential customers manage outstanding balances.

Mr. Gibbs inquired about the number of duplicate customers recorded as receiving credits through the program. Mr. McKenzie explained that each customer can qualify every four months, so the number of monthly enrollees varies; however, each customer can qualify for an additional discount every four months if they continue making payments. Mr. Gibbs noted the difficulty in determining if the program is effective in reducing the number of delinquencies.

Mr. Giancola asked whether the program, now in its third year, has reduced delinquencies. Mr. McKenzie responded that while the number of delinquent accounts has not declined, the total delinquent amount has decreased. Regarding additional actions that could be taken, Mr. McKenzie noted that customers responded strongly when offered opportunities to reduce late fees. He also confirmed that DC Councilmembers are briefed on the program. Mr. Giancola also asked how much DC Water has been absorbed

in fee adjustments. Mr. McKenzie stated that those adjustments cost DC Water \$464,396 in 2026.

Chair Bhatt asked for further details on enrollees to determine how many are repeat customers. She noted the very high default rate on the plan and suggested additional tweaks to reduce it and ensure customers do not use the program as an ongoing discount.

Committee member Richard Jackson observed that these challenges are common across utilities, as some customers may use incentive programs to their fullest extent, resulting in repeated participation by the same customer groups. He noted that this is a recognized issue within the utility sector.

Mr. Gibbs requested that future reports include a summary of the amount recouped inclusive of the adjustments absorbed by the Authority.

The projected expenditure for the program in FY 2026 is approximately \$725,000. For FY 2027, staff requested \$1 million in funding from the projected FY 2026 cash surplus. Customer Care anticipates that increased outreach, payment reminders, and the 50 percent adjustment will encourage customers to remain current on their plans and continue receiving the benefit.

Chair Bhatt expressed support for extending the program but requested stronger measures to ensure that it does not primarily re-enroll the same customers repeatedly. She suggested additional guardrails, such as limiting incentives for customers who repeatedly default. The Committee concurred. However, Mr. Jackson noted the political implications of imposing such limits, including the potential for increased disconnections and complaints to elected officials. Dr. McPhail observed that analyzing the program's administrative costs could help inform appropriate guardrails. Mr. McKenzie suggested that any guardrails restrict access to late-fee reductions while continuing to allow customers to enroll in the program to receive credits on their bills. Additionally, Mr. McKenzie advised that in FY27 a 2-time default maximum will be applied to the program to receive incentive credits.

III. SYSTEM AVAILABILITY FEE UPDATE

Lola Oyeyemi presented a request for the Committee to recommend Board approval to publish the Notice of Final Rulemaking (NOFR) for amendments to the System Availability Fee (SAF) regulations. She explained that the proposed fee updates are based on an independent cost-of-service study completed in 2026, reflecting current system values, planned capital investments, and the principle that growth should pay for growth. The proposed revisions are expected to increase annual SAF revenues over the long term while continuing to support capacity-related capital infrastructure.

Ms. Oyeyemi reported that public outreach included meetings with the development community and updates to the Authority's website and educational materials. While no formal public comments were received, a question was raised regarding how the revised

fees would apply to projects already in the permitting process.

Ms. Ogechi Okpechi, Director, Permit Operations explained that SAF charges are assessed only after plan review is completed and sufficient project information is available to calculate the fee. She clarified that projects with complete plans submitted before the effective date that receive invoices before October 1, 2026, will have until April 1, 2027, to pay under the current fee structure. She emphasized that incomplete applications would not qualify for grandfathering and noted that permit staff are committed to completing reviews within established service timelines to avoid delays attributable to the Authority. She also explained that invoices will include expiration dates to prevent extended payment delays.

Following the discussion and clarification regarding the implementation and grandfathering of the revised SAF fees, the Committee expressed its support for the proposed amendments and recommended that the Board approve publication of the Notice of Final Rulemaking.

IV. ACTION ITEMS

1. Approval of Revised System Availability Fee (SAF) Regulations in Notice of Final Rulemaking (NOFR) (Action Item 1)
2. Recommendation to Extend the Payment Plan Incentive Program through 9/30/2027 (Action Item 2)

The Committee agreed to recommend both action items to the Board.

V. DC RETAIL WATER AND SEWER RATES COMMITTEE WORKPLAN

Ms. Oyeyemi reviewed the Committee's rate-making work plan. She noted that the extended public comment period on the proposed rates will close on June 29, 2026, and that a public hearing is scheduled for the evening of June 23, 2026. Final rate recommendations will be presented to the Committee in July 2026, followed by presentation to the Board for approval in September 2026. If approved, the revised rates will become effective on October 1, 2026.

VI. AGENDA FOR JULY 28, 2026, COMMITTEE MEETING

The meeting on July 28, 2026, will include the monthly update, the Committee workplan, and any other items the Committee wishes to discuss.

VII. ADJOURNMENT

The meeting adjourned at 10:28 AM.



**MINUTES OF THE MEETING
EXECUTIVE COMMITTEE**

June 23, 2026
(via Microsoft Teams)

COMMITTEE MEMBERS PRESENT

1. Unique Morris-Hughes, Chairperson
2. Rachna Bhatt, District of Columbia
3. Robert Hawkins, District of Columbia
4. Fariba Kassiri, Montgomery County

DC WATER STAFF

1. David Gadis, CEO and General Manager
2. Meena Gowda, Acting Chief Legal Officer, and EVP Legal & Government Affairs
3. Kirsten Williams, Chief Administrative Office and EVP
4. Lola Oyeyemi, Interim Chief Financial Officer and EVP
5. Debra Mathis, Acting Secretary to the Board

I. CALL TO ORDER

Chairperson Unique Morris-Hughes called the Executive Committee to order at 2:02 p.m. The meeting was held via Microsoft Teams. Acting Board Secretary Debra Mathis called the roll 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 meeting resumed in public session, and there being no other matters to come before the Committee, the meeting adjourned at 3:33 p.m.



**MINUTES OF THE MEETING
FINANCE AND BUDGET COMMITTEE
June 25, 2026
(Via Microsoft Teams)**

COMMITTEE MEMBERS PRESENT

1. Alexander McPhail, Alternate, Vice Chair, District of Columbia
2. Sarah Motsch, Alternate, Fairfax County
3. Kevin Stephen, Principal, Prince George's County

Other Board Members

1. Christopher Herrington, Principal, Fairfax County
2. Jed Ross, Principal, District of Columbia

DC WATER STAFF

1. David Gadis, CEO/General Manager
2. Lola Oyeyemi, Interim Chief Financial Officer & EVP
3. Kirsten Williams, Chief Administration Officer & EVP
4. Meena Gowda, Vice-President & Deputy General Counsel
5. Marcus McKenzie, Acting Director, Customer Care
6. John T. Pappajohn, Director, Procurement, Goods & Services
7. Tanya DeLeon, Risk Manager
8. Debra L. Mathis, Interim Secretary to the Board

Alexander McPhail, Vice Chair, called the meeting to order at 9:31 AM. The meeting was conducted via MS Teams. Interim Board Secretary Debra Mathis called the roll.

I. MONTHLY REPORT TO THE FINANCE AND BUDGET COMMITTEE

Lola Oyeyemi, Interim Chief Financial Officer and EVP, presented the May 2026 Financial Report by exception, noting that it reflected the revised budget approved by the Board in March 2026.

As of the end of May 2026, with approximately 67 percent of the fiscal year completed, operating revenues were approximately \$690.3 million, or 68.5 percent of the revised budget; operating expenditures totaled approximately \$487.6 million, or 58.2 percent of the revised budget; and capital disbursements were \$465.1 million, or approximately 59.9 percent of the revised budget.

Ms. Oyeyemi informed the Committee that several members of the Finance team will attend the Government Finance Officers Association conference in Chicago from June 26 through July 1, 2026. The Public Hearing on DC Water's proposed rates was held on June 23, with final proposals scheduled for review by the Retail Rates Committee in July and Board approval in September.

Total operating revenue receipts totaled approximately \$690.3 million, with a year-to-date unfavorable variance of -0.4 percent. The unfavorable variance in the Residential/Commercial/Multi-Family category is due to lower-than-expected consumption and is expected to increase during the summer months. The unfavorable variance in the Wholesale Customer category is due to the timing of payments, which are expected to be received in June.

Total operating expenses were approximately \$487.6 million, with a year-to-date variance of 1.0 percent in the Operations & Maintenance (O&M) line item. Ms. Oyeyemi explained that year-to-date spending is approximately \$20 million higher than the same period last year due to cost pressures in water purchases, electricity, critical parts and supplies and chemicals. Ms. Oyeyemi noted that these costs were being monitored and are being offset by lower personnel spending due to vacancies, with the year-to-date vacancy rate currently at 13.6 percent, and lower than budgeted spending on various professional and contractual services across the Authority.

Capital disbursements were \$465.1 million, approximately \$110 million higher than the same period last year and represented approximately 60 percent of the revised budget. Detailed project performance was provided during last month's committee meeting.

Cash investments totaled \$656.2 million, including \$40.7 million in the Rate Stabilization Fund. Ms. Oyeyemi highlighted the reserve fund of \$1 million which is used to cover insurance deductibles. Interest income at the end of May was approximately \$9.2 million and is expected to exceed the budget at year-end based on favorable interest rates.

Delinquent accounts decreased by approximately \$700,000, mainly in the Commercial category. Overtime expenditure was approximately 77 percent of the budget at the end of May. Next, Ms. Oyeyemi reported that at the end of May, the developer deposit credit balance was approximately \$32 million with \$12 million in balances receivable. Approximately \$81,000 permit refunds were processed in the last month, for a total of \$2.7 million for the current fiscal year.

II. PROPERTY AND CASUALTY INSURANCE RENEWALS

Tanya DeLeon, Risk Manager, provided an update on DC Water's operations insurance program, noting the Board's May approval of the July 1 insurance renewal at a total amount not to exceed \$7.6 million.

The program was successfully renewed for approximately \$7.59 million. The policy includes coverages for Property and Equipment, Pollution, Flood, Cyber, Excess Workers' Compensation, Excess Liability, Employment Practices Liability, Public Officials' Liability, Crime, Fiduciary Liability, and Professional Liability. Ms. DeLeon noted the renewal also increases flood coverage for high-hazard locations from \$25 million to \$50 million and increases the excess and employment practices liability retention from \$1 million to \$2 million to reduce the premium.

Ms. DeLeon explained that flood risk remains one of DC Water's largest exposures. In an effort to provide stronger financial protection for critical assets, management has increased the flood sublimit for designated high-hazard locations from \$25 to \$50 million. Management also reviewed retention levels for peers and found that public water/wastewater utilities with comparable revenues carry materially higher liability retentions than DC Water. Based on this finding, management proposes increasing the retention limit for excess liability from \$1 million to \$2 million.

Next, Ms. DeLeon reviewed the key coverages in the new policy, including \$1 billion in property protection, \$100 million of excess liability coverage, environmental liability insurance, cyber liability insurance, and a suite of management liability policies protecting the Authority, its employees, and Board members.

Committee Vice Chair, Dr. Alexander McPhail, asked for clarification of the retention amount. Ms. DeLeon explained that it is the deductible withheld from claim values. Dr. McPhail remarked that DC Water's deductibles are substantially lower than those of its peers. Committee member Sarah Motsch inquired if the flood risk assessment identified specific risk areas, and Ms. DeLeon confirmed that it had by facility.

Board member Jed Ross noted that the retention level for Excess Liability and Employment Practices Liability (EPLI) increased from \$1 million to \$2 million; however, premiums also increased. Ms. DeLeon confirmed that other premium options were explored.

Board Member Christopher Herrington asked whether the Pollution/Environmental Liability coverage could be used to offset the cost of environmental remediation for the Potomac Interceptor (PI) collapse. He also asked why coverage for Pollution/Environmental Liability is \$10 million while the coverage for Public Officials' Liability is \$20 million. Ms. DeLeon noted that DC Water had not carried Pollution/Environmental Liability coverage for a long time, as it was not available. When coverage became available, it was purchased at the \$10 million coverage level. Public Officials' coverage is easier to obtain. She noted she would follow up with legal counsel to determine if insurance coverage was pursued for the PI collapse.

Mr. Ross inquired if there are any additional coverage that DC Water should pursue. Ms. DeLeon explained the recent additional Cyber Liability coverage and noted that PFAS (per- and polyfluoroalkyl substances) coverage is desirable but difficult to obtain.

Mr. Ross noted that, given DC Water's revenues and financial capacity, the Authority generally should be able to manage insurance retentions or deductibles through the budgeting process. He explained that, in the event of a significant loss, DC Water would typically fund the repair or recovery costs upfront and receive reimbursement from the insurer net of the applicable deductible. Mr. Ross suggested that, from a budgeting and financial management perspective, the Authority should consider whether funds need to be set aside annually for this purpose or whether the budget can provide sufficient flexibility to manage such losses as they arise. Ms. Oyeyemi confirmed that there is funding in the budget to cover insurance retentions and that the recommendation is to align the amount in the Insurance Reserve Fund with the increased deductible of \$2 million.

III. ROLLING OWNER CONTROLLED INSURANCE PROGRAM (ROCIP) VII UPDATE

Ms. DeLeon provided an update on DC Water's ROCIP 7 plan and requested the Committee's recommendation to the Board for approval. She summarized key milestones since December 2025, including the April 2026 committee update and solicitation release, receipt of four viable responses in May 2026, and completion of procurement scoring, interviews, and final selection in June 2026. She also provided an overview of the current active programs and coverages.

Next Ms. DeLeon highlighted key elements of ROCIP 7 under evaluation and management's recommendation for Board approval to procure ROCIP 7 Broker and Administration Services. This will support DC Water's next ROCIP, which will provide insurance and risk management oversight for a significant portfolio of capital construction projects anticipated between 2026 and 2031.

IV. EXTENSION OF PAYMENT PLAN INCENTIVE PROGRAM INTO FY 2027

Marcus A. McKenzie, Acting Director, Customer Care, presented a request for the Committee to recommend that the Board extend the Payment Plan Incentive Program through FY 2027 using \$1,000,000 from the projected FY 2026 net cash position.

Mr. McKenzie began by reviewing the Payment Plan Incentive Program, which was launched on June 1, 2024, to assist residential customers with outstanding balances of \$500 or more and delinquencies aged 60 days or longer. The program provides a 50 percent credit on eligible payments to help customers reduce delinquent balances faster. Credits are applied every fourth month after three consecutive months of on-time

payments. The FY 2026 program budget was \$1 million.

Next, Mr. McKenzie reviewed the program benefits, including extending eligibility for current and new participants through September 2026, reducing service disconnections by encouraging on-time payments, enabling disconnected customers to restore service through payment plans, and promoting consistent bill payment while providing equitable assistance to manage outstanding balances.

In the current fiscal year, the Authority expects to pay approximately \$725,000 in adjustments and is requesting \$1 million from the projected FY 2026 cash surplus to expand the program until September 30, 2027. Mr. McKenzie noted that the key population for the program is 90-day-and-greater for residential customers who are not consistent monthly payers, resulting in customers transitioning out of the program. The goal is to reduce delinquencies while providing support to customers. He added that DC Water's payment assistance/installment program helps customers facing disconnection by allowing a down payment and spreading delinquent balances over a longer period. However, some customers repeatedly default and re-enter the program. To address this, DC Water requires a new down payment each time, typically at least 30 percent for disconnected residential customers, and plans to add guardrails by limiting customers to two defaults before losing eligibility for the incentive credit, while still maintaining access to installment agreements.

Mr. Herrington inquired about how approximately \$275,000 remaining balance from the allocation request would be used. Ms. Oyeyemi responded that the unused funds from the previous fiscal year would not be transferred to the next fiscal year.

V. FY 2026 MID-YEAR PROJECTIONS

Ms. Oyeyemi provided an overview of the FY 2026 Mid-year Projections and management's recommendation for the allocation for the projected year-end surplus. She noted DC Water's financial outlook is healthy, with revenue, operating expenses, and capital spending tracking favorably against budget.

Operating revenue is projected to be approximately \$1.02 billion, \$8.7 million or 0.9 percent above the revised budget, with favorable variances in the Residential, Commercial, and Multi-Family categories due to projected higher summer consumption, favorable interest earnings, and slightly higher water service replacement fees.

Mr. Herrington asked about the negative variance for Wholesale customer category. Ms. Oyeyemi explained that wholesale customers should reach 100 percent of the budget due to quarterly billing. However, lower revenue is expected from the Small PI customers who are billed based on established rate and consumption trend. Revenues from the Developer Contactor Service Fees will be below budget due to reduced development activity for the year. Income for DC Public Housing is projected to be below budget, as the final payment will likely come in after the end of the fiscal year.

Capital disbursements are projected at \$725.9 million, approximately \$50.9 million or 7 percent below budget. The variance in capital disbursements reflects the current project schedule and is adjusted for permitting delays, some of which are in the Non-Process Facilities. It also reflects timing shifts for large invoice payments. Ms. Oyeyemi highlighted that major programs like Clean Rivers and Lead Free DC remain on track.

Operating expenses are projected at \$829.3 million, approximately \$8.8 million, or 1.1 percent below budget, despite ongoing cost pressures. Year-end spending for the core operations and maintenance (O&M) category is expected at approximately 100 percent, with projected underspending in debt service costs due to lower interest rates and refinancing activities. Ms. Oyeyemi noted that the underspending in personnel services is mainly due to higher vacancy, currently at 13.6 percent, compared to the budgeted vacancy rate of 5 percent, offset by higher overtime costs mainly for the support of the Potomac Interceptor (PI) event and Cambi freeze during the winter period.

Ms. Oyeyemi reported that the projected O&M cost pressures were primarily for chemicals, utilities, and water purchases. Chemical and supply costs are expected to exceed budget by approximately \$4 million due to crude oil volatility and increased freight charges, with year-end spending projected at \$61 million versus \$56 million last year, and continued pressure anticipated into 2027. Utilities are also trending higher, with electricity and fuel costs driving projected 2026 spending to \$45 million against a \$42 million budget. Water purchase costs are projected to exceed typical assumptions due to increased Washington Aqueduct's operating costs and our water usage, though this is being closely monitored and is not expected to continue into next year. Contractual services remain relatively flat but are higher than the prior year, with pressures in maintenance, litigation, and insurance renewals.

Mr. Herrington inquired if non-revenue water losses were part of the water purchase increase. Ms. Oyeyemi noted that the increase in water purchased is currently under investigation.

The combined effect of the revenue variance and the expenditure adjustments result in a projected year-end cash surplus, which the Committee was asked to allocate and recommend to the Board for approval.

Management Recommendation for Allocations

Management recommended that the Committee recommend the following cash allocations for Board approval:

- \$12.2 million to Ending Cash Balance to increase the Days of Cash from 282 to 292 days (per Board policy) or the Rate Stabilization Fund (RSF) to offset the public inconvenience fee in FY 2027

- \$5.0 million to Rate Stabilization Fund (RSF) to meet the targeted RSF balance of 5 percent of Retail Revenues (per Board policy)
- \$2.0 million to the Ending Cash Balance for permit refunds in FY 2027
- \$1.0 million to the Ending Cash Balance to fund the Payment Plan Incentive Program in FY 2027
- \$1.0 million to the Ending Cash Balance to increase the DC Insurance Reserve to \$2 million (to align with the requirement for Excess Liability Insurance)
- \$0.9 million to PayGo to reduce future borrowing.

Mr. Herrington asked if the cash on hand policy includes the RSF. Ms. Oyeyemi noted that it does not. She confirmed that the current cash on hand of 282 days is within the tolerance rating for the Authority's bond rating agencies; however, it was also noted that the rating agencies look at compliance with Board policies, and the policy indicates a goal of 350 days of cash on hand by 2032.

Mr. Herrington further asked whether debt-to-revenue ratios are a more important factor than days cash on hand for credit rating agencies, or if they both carry equal weight. Ms. Oyeyemi confirmed they are both important. Mr. Herrington was concerned that the projected surplus may not fully materialize by year-end, and he urged making decisions with flexibility.

VI. DISCUSSION OF DRAFT RESOLUTION ON PROCUREMENT PROCEDURES AND DIRECTION TO THE GENERAL MANAGER

Christopher Herrington reviewed the draft resolution, noting that Board members and staff are being invited to provide feedback before or during the June 29 Special Governance Committee meeting, ahead of final Board consideration on July 2. The proposed resolution has four main components.

The first would require the general manager to report back to the Board within 45 days after the Board approves a contract item or agreement, so the Board is updated on its status. The second directs the General Manager to maintain an ongoing list of Board-approved contracts and agreements, including the approval date, current status, and execution date. The list should include items approved from January 1, 2026, and be presented to the Finance and Budget Committee at least quarterly. The third directs the General Manager to require a legal sufficiency review of all contract fact sheets and associated contract or agreement documents. The review should identify the approving attorney and note any legal issues or material risks, either on the fact sheet or in closed session, beginning July 2, 2026. The fourth item directs the General Manager to develop and utilize a standardized language for all contract and agreement fact sheets to clearly state the authority being requested, such as approval to award, fund, negotiate, or execute a contract or agreement, beginning July 2, 2026.

Board members will present their comments on the resolution at the next Governance Committee meeting.

VII. ACTION ITEMS

Ms. Oyeyemi presented the following action items for recommendation by the Committee:

- A. Recommendation for Approval of FY 2026 Use of Projection Net Cash Surplus
- B. Recommendation for Approval to make transfer from the Cash Surplus fund to the Authority General Fund in FY 2027 Budget to fund the extension of Payment Plan Incentive Program.

Mr. John Pappajohn presented the following action item for recommendation by the Committee:

- C. Recommendation for Approval of ROCIP VII Administration and Broker Services

The Committee agreed to recommend the action items to the Board for approval.

VIII. AGENDA FOR THE JULY 2026 COMMITTEE MEETING

The agenda for the meeting on July 23, 2026, includes the June 2026 Financial Report and any other items the Committee wishes to discuss.

IX. ADJOURNMENT

The meeting adjourned at 10:56 AM.

FOLLOW-UP ITEMS

1. Provide the insurance quote with pricing for the lower deductible post meeting. (Ross)
2. Investigate whether insurance coverage was sought for PI collapse environmental rehabilitation work. (Herrington)



**SPECIAL MEETING OF THE GOVERNANCE COMMITTEE
MINUTES OF THE MEETING**

June 29, 2026
(via Microsoft Teams)

COMMITTEE MEMBERS PRESENT

1. Howard Gibbs, Principal, Chair, District of Columbia
2. Dr. Unique Morris-Hughes, Principal, District of Columbia
3. Christopher Herrington, Principal, Fairfax County
4. Rachna Bhatt, Principal, District of Columbia
5. John Markovs, Principal, Montgomery County
6. Dr. Samuel Moki, Principal, Prince George County
7. Fariba Kassiri, Principal, Montgomery County
8. Dr. Jimmy Ortiz, Alternate, District of Columbia

OTHER BOARD MEMBERS

1. Dr. Alexander McPhail, Alternate, District of Columbia

DC WATER STAFF

1. David Gadis, CEO/General Manager
2. Lola Oyeyemi, Interim Chief Financial Officer & EVP
3. Kirsten Williams, Chief Administration Officer and EVP
4. Ernest Tuckett, Chief Legal Officer & EVP
5. Gregory Hope, Vice President & Deputy General Counsel
6. Matthew Brown, Chief Operating Officer & EVP
7. Debra Mathis, Acting Secretary to the Board

The Special Meeting of the Governance Committee was called to order by Howard Gibbs, Chairperson, at 9:31 AM. The meeting was held via Microsoft Teams. Acting Board Secretary Debra Mathis called the roll for attendance.

I. DISCUSSION OF THE DRAFT RESOLUTION ON PROCUREMENT PROCEDURES

Committee Chair Howard Gibbs introduced Board Member Christopher Herrington, who reviewed the four directives in the draft resolution on procurement procedures. He noted that the resolution has been considered and recommended by the Environmental Quality and Operations Committee and the Budget and Finance Committee. If agreed by the Governance Committee, the resolution will be presented for final Board consideration on July 2, 2026.

The proposed resolution has four main provisions, the first of which was included in earlier delegation of authority resolutions.

The first would require the general manager to report back to the Board within 45 days after the Board approves a contract item or agreement, to ensure that the Board is updated on the status of items subject to ongoing negotiation.

The second directs the General Manager to maintain an ongoing list of Board-approved contracts and agreements, including the approval date, current status, and execution date. The list must include items approved since January 1, 2026, and be presented to the Budget and Finance Committee at least quarterly.

The third directs the General Manager to provide a legal sufficiency review of all contract fact sheets and associated contract or agreement documents. The review must identify the approving attorney and note any legal issues or material risks, either on the fact sheet or in closed session, beginning July 2, 2026.

The fourth item directs the General Manager to develop and utilize standardized language on contract and agreement fact sheets to clearly state the authority being requested, such as approval to award, fund, negotiate, or execute a contract or agreement, starting on July 2, 2026.

Committee member Dr. Unique Morris-Hughes thanked the Board and Committees for their timely review of the resolution. She noted that a request was made by Management to allow time for staff to review the resolution. Wayne Griffith, Chief of Staff and EVP, Strategy and Performance, will compile this feedback and present it at the Board meeting on July 2.

Dr. Morris-Hughes note that provision three has been implemented for several months and will be codified by the resolution.

Committee member Dr. Alexander McPhail requested an example of where the legal sufficiency review would apply. Dr. Morris-Hughes explained that the review would consider items such as whether the terms and conditions of a contract were reviewed to determine if they are legally appropriate for the Authority. Gregory Hope, Vice President,

and Deputy General Counsel, Legal Affairs, added that the review would consider the procurement process leading to the contract to ensure that it was consistent with DC Water's procedures and regulations.

The Committee agreed to recommend the resolution to the Board.

II. ADJOURN

Hearing no further business, the meeting adjourned at 9:43 p.m.

Follow-Up Actions:

1. Wayne Griffith will compile staff feedback on the draft resolution on procurement procedures for consideration at the July 2, 2026, Board of Directors meeting.



CEO's Report

JULY
2026



ACCOUNTABILITY TRUST TEAMWORK CUSTOMER FOCUS SAFETY WELL-BEING

Inside

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ACCOUNTABILITY TRUST TEAMWORK CUSTOMER FOCUS SAFETY WELL-BEING

dc Highlights

Chair Morris-Hughes, and members of the Board, it is my pleasure to present you with the CEO's Monthly Report for June 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.

Resilient

Potomac Interceptor Vulnerability Identified Upstream of Intakes

On the evening of Tuesday, June 9, the Authority issued a press release to notify the media, and stakeholders, that DC Water will be making emergency repairs to a section of the Potomac Interceptor near Pennyfield Lock (Lock 22) in Potomac, Maryland.

During recent examinations of the Potomac Interceptor, severe deterioration was noted along a 1,700 stretch of the pipe near Pennyfield Lock. Inspectors found corroded materials and exposed rebar. Critically, the site of Lock 22, is upstream of the drinking water intakes for WSSC and the Washington Aqueduct. However, the pipe remains encased in concrete, offering a degree of stability while we address the urgently needed repairs.

Teams are constructing bypass pumping, which is expected to be operational by late July, with the repairs completed and the Interceptor back to full service by the end of September.

To meet these timeframes, the Authority will use every tool at its disposal to advance work, including Closed-Circuit TV to assess the interior condition of the pipe, multi-sensor data to gauge thickness of the pipe, and visual inspections.

Phase 2 of the plan involves deploying geopolymer spray concrete to bolster the pipe. This is particularly important for the 175' feet of pipe that crosses Muddy Branch, as a spill of wastewater there would cause significant issues for the drinking water intakes downstream.

Once the geopolymer is applied, the final phase of repairs will insert a slip liner inside the pipe to ensure effective functioning for decades to come.

It is important to note there is no current emergency, overflow, or impact to drinking water.



 **Sustainable**

Pure Water DC Discovery Center Groundbreaking

On Wednesday, June 10, it was my honor to deliver welcoming remarks at our groundbreaking for the Pure Water DC Discovery Center. Several other Authority representatives addressed an audience of roughly 100 attendees, including Board Chair **Dr. Unique Morris-Hughes**, District Council member **Charles Allen**, Chair, Committee on Transportation and the Environment, **Wayne Griffith** (Chief of Staff), and **Dr. Rabia Chaudhry** (Director, Water Resilience).

Although it was rainy at the start and hot and humid by the time we put the ceremonial shovels in the dirt, it still felt like a celebration and moment of triumph for the Authority in reaching this milestone. Attendees were shown renderings and graphics previewing the Discovery Center.

We also shared Pure Water DC updates with ACE26 attendees during a special June 21 event at our headquarters, showcasing renderings and graphics of the Discover Center to an audience of water executives and industry officials.



dc Highlights



Reliable

Water Services Promotes Two to Director Positions

I am very pleased to share that two key Water Services leaders have been promoted to the position of Director, working under Chris Collier.



Robert J. Simpkins has been promoted to the position of Director, Pumping Services. Mr. Simpkins is a seasoned leader with more than 15 years' experience in water and wastewater operations, and is known for fostering a culture of safety, accountability, and environmental stewardship.



Bisrat Abebe was recently promoted to the position of Director, Sewer Operations. Mr. Abebe has ably served the Authority as Supervisor, Construction Projects. He was hired in November 2014, and is widely recognized across departments as a detail-oriented professional who sees projects through to completion and customer satisfaction.



Equitable

Authority Celebrates Pride Weekend

On June 21 and 22, DC Water once again participated in celebrating Capital Pride Weekend with our customers, while also sharing information on Authority programs and initiatives such as Lead Free DC, and our Customer Assistance Programs.

Led by Mr. Briggs, the team represented DC Water at the Pride Parade and Block Party on Saturday, and the Capital Pride Festival on Sunday. The Authority also expressed our support of the LGBTQ+ community through special graphics communications celebrating the observance to our employees and our community.





Healthy, Safe and Well

Authority Declares, Lifts Boil Water Advisory in Ward 3


Shortly after noon on Friday, June 5th, DC Water began receiving reports of low water pressure from residents living in the 4th High Ft. Reno zone. As the pressure dropped, the Fort Reno Pumping Station experienced power fluctuations, with a full loss of power occurring around 12:30 pm.

Out of an abundance of caution, we issued a Boil Water Advisory after our teams confirmed that there was low or no pressure at multiple sites within the impacted area. Power was restored at roughly 1:26 pm, and crews are investigating the cause. Board members may recall a similar situation at Fort Reno, in June 2025, in which an electrical issue caused a fire.

As I have said many times, no utility wants to have a boil water advisory, but every water utility in the country has them on occasion. What matters most isn't the incident, it is how swiftly they are addressed with service restored.

Our Operations and Water Services teams were on site very quickly, monitoring the power intake to Fort Reno, and quickly collecting test samples from numerous sites within the impacted community. This quick action both lessened the length and severity of the outage, and we were able to lift the advisory on the evening of June 6.

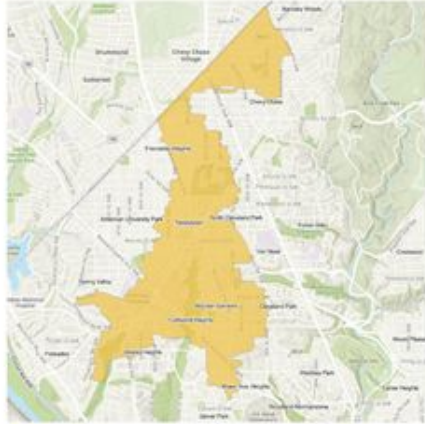
I would like to thank all our Operations personnel, starting with **Matthew Brown** (Chief Operating Officer and EVP), **Chris Collier** (Vice President, Water Operations), **Maureen Schmelling** (Director, Water Quality), and all the front-line teams and technicians who contributed to this fantastic response. Our External Communications team expertly handled the press release and management of media inquiries, while our Community Affairs team, led by **Emanuel Briggs** (Director, Community Affairs) spread the word to those on our outreach list, as well as pertinent ANCs, and **Barbara Mitchell** (Associate General Counsel and Director, Government Relations and Public Policy) kept our elected and government officials informed throughout the advisory.



DRINKING WATER ADVISORY

DC Water Issues Boil Water Advisory for Upper Northwest Neighborhoods, including areas of Chevy Chase DC, Friendship Heights, Tenleytown, AU Park, Spring Valley, Cleveland Park, Woodley Park, Van Ness, Glover Park, Wesley Heights, and Cathedral Heights.

Affected Area



24 Hour Command Center (202) 612-3400



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 CEO's Monthly Report reflects the most recent information available at the time of production and printing.



Finance, Procurement, and Compliance

Financial Metrics

Metric	Target	Feb 26	Mar 26	Apr 26	May 26
Operating Cash Balance (Millions \$)	\$341.6	\$378.4	\$385.5	\$386.2	\$367.3
Delinquent Account Receivables (%) †	3.30%	4.02%	3.78%	3.89%	3.80%
On-time Vendor Payments (%) ****	97%	96%	96%	97%	97%
Investment Earnings Data (Millions \$)	\$13.0	\$5.8	\$6.8	\$8.1	\$9.2
Core Investment Yield Data (%) - Merrill Lynch 1-3 Year Treasury Index *		3.4%	3.8%	3.9%	4.0%
Core Investment Yield Data (%) - Actual Monthly Yield ††	3.82%	4.2%	4.1%	4.1%	4.1%
Short Term Investment Yield Data (%) - Merrill Lynch 3-Month Treasury Index *		3.6%	3.7%	3.7%	3.6%
Short Term Investment Yield Data (%) - Actual Monthly Yield ††	4.06%	3.8%	3.8%	3.8%	3.7%
Days of Cash on Hand** and ***	282**	338***	356***	361***	345***

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.

***345 days of cash is made up of 34 days in the Rate Stabilization Fund and 311 days in the operating cash balance.

**** 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, Procurement, and Compliance

Finance Highlights

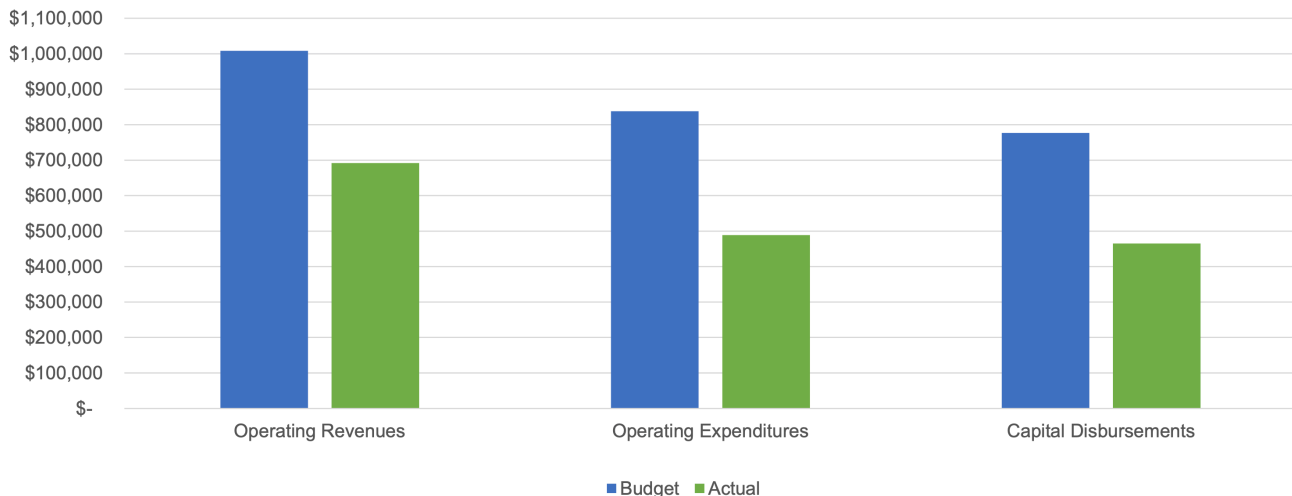
FY 2026 Financial Performance

As of May 31, 2026, with approximately 67 percent of the fiscal year completed, DC Water is on track with the revised budget. Total operating revenues were \$690.3 million or 68.5 percent of the revised budget. Receipts for Residential, Commercial, and Multi-Family categories were slightly lower at \$388.0 million or 66.6 percent of the revised budget due to slightly lower consumption. Wholesale receipts were lower than budget due to nonpayment of the second quarter billed amount of \$1.15 million by the Town of Vienna and Metropolitan Airport Authority (MWAA) which is expected to be received in June 2026.

Total operating expenditures were \$487.6 million or 58.2 percent, and capital disbursements were \$465.1 million or 59.9 percent of the respective budgets.

Management presented the year-end forecasts for the operating, revenue, and capital budgets. Total operating revenues are projected to be above the revised budget by 0.9 percent, total operating expenditures are below the revised budget by 1.1 percent and total capital disbursements below the revised budget by 6.6 percent.

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



FY 2027 Budget & Ratemaking Process

As previously reported, the detailed budget document for the Board-approved FY 2027 budget book has been completed and is available online at www.dewater.com. This document includes the Executive Budget Summary and detailed information on the operating expenditure and revenue budgets, and the ten-year Capital Improvement Program and Financial Plan.

Management and staff continue to embark on extensive public outreach efforts to inform the customers about the proposed FY 2027 and FY 2028 rates, charges and fees and available customer assistance programs. Several budget briefings were held with various stakeholders in the Community, including a Hybrid Townhall meeting on May 28, 2026, and Public Hearing on June 23, 2026.

Planning activities are underway for the development of the FY 2028 budget and two-year rates proposal which will be delivered to the Board in January 2027.

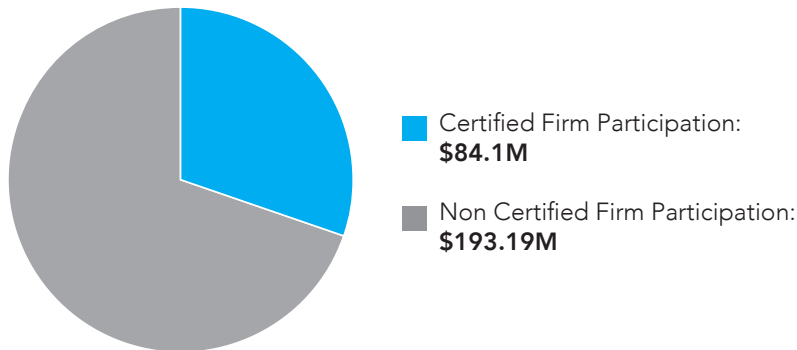


Finance, Procurement, and Compliance

Procurement and Compliance

In May, two (2) procurement actions were approved by the Board. The value of the eligible procurement actions for this period totaled \$203.3 million. Of this total, the planned certified firm participation is \$79.38 million (in prime and subcontracting opportunities).

Certified Firm Participation March 2026 Awards



Highlights

Process Improvement

- **Certified Prime Contractor:** One firm, National Service Contractors won an award as a prime contractor during this reporting period.
- **Mentor Protege established:** Structural Preservation established a mentor protege relationship with one of its subs, Dry Works, LLC for the Rock Creek Main Interceptor Rehabilitation project.
- **Purchase Order Processing (GS):** Materials Management Produced 340 PO's; Number of items purchased: 773; Number of items issued to work orders: 1431; Cost Savings/Avoidance achieved: \$136,020

Outreach and Engagement

- **DCAP Supplier Mentorship Program:** DC Water participated in the May 20, 2026 DCAP Procurement Working Group meeting. This meeting focused on developing strategies for enhancing supplier mentorship and diversity. DC Water staff and Committee members discussed best practices for pairing experienced institutional contractors with small, disadvantaged businesses to expand access to local procurement opportunities.
- **DC Workforce Investment Council (DCWIC):** On May 21, 2026, DC Water participated in the Transportation, Infrastructure, and Utilities Sector Roundtable hosted by the District's Workforce Investment Council (DCWIC). The event allowed DC Water to collaborate on regional workforce needs, access career development resources, and explore partnerships to better align industry training with talent acquisition.
- **Clark Construction's Contractor College:** On May 21, 2026, DC Water staff participated in celebrating the graduating class of Clark Construction Group's 20th Cohort for the Strategic Partnership Program. During the event, staff networked with the graduates and engaged with Clark Construction leaders to help DC Water enhance its own business development initiatives.
- Continued our "Vendor Day" contractor engagement efforts. During this reporting period, meetings were held with nine (9) 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. Those upcoming in the next few months are shown below.

Goods and Services

Project Title	Description	Solicitation Type	Contract Type	Estimated Total Contract Value	Planned Solicitation Month and Year
Grant Management Services	Grant Preparation	RFP	Master Service Agreement	< \$1M	26-May
Maximo Scheduling Application	Application for scheduling Maximo Work Orders	RFI	Master Service Agreement	< \$1M	26-May
Financial Consulting Services	Financial Consulting (IDIQ) for Rates & Budget	RFP	Master Service Agreement	< \$1M	26-May
Network Monitoring Services	24/7 Network Monitoring Services	RFI	Master Service Agreement	< \$1M	26-Jun
AI and Data Strategy	AI Process integration	RFP	TBD	TBD	
Genesys Voice Solution	Conversation Analytics Platform	RFP	Master Service Agreement	TBD	
Translation Technology	Enterprise-wide machine translation platform	RFP	Master Service Agreement	TBD	

Capital Projects

Project Title	Description	Solicitation Type	Contract Type	Estimated Contract / Program Value	Planned Solicitation
Public Space Restoration	Public Space Restoration Contract This project is an indefinite delivery and indefinite quantity (IDIQ). The work includes emergency sewer main infrastructure repair and replacement at various location citywide.	Multi-Step IFB	Construction	\$30M - \$35M	May-26
Linear Water Transmission Mains Replacement	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	Progressive Design Build	\$80M - \$88M	May-26
Sewer Main Infrastructure Repair and Replacement	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	Jun-26
LFDC Voluntary Full Replacement	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	Jun-26
Water Interconnections and Booster Pump Station Upgrades	Water Interconnections and Booster Pump Station Upgrades This contract scope will include 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	Jul-26

– procurement continued



Capital Projects

Project Title	Description	Solicitation Type	Contract Type	Estimated Contract / Program Value	Planned Solicitation
Rock Creek Area Sewer Rehabilitation	Rock Creek Area Sewer Rehabilitation DC Water intends to address all infrastructure within the park in a coordinated manner. Also included in this project will be sewers adjacent to Rock Creek Park which are not anticipated to require NPS coordination or NEPA permitting. 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
Sanitary Sewer Lateral IR&R	Sanitary Sewer Lateral Infrastructure Repair and Replacement Contract The work includes responding to requests for emergency repairs on the sanitary sewer laterals at various location throughout Washington, DC.	Multi-Step IFB	Construction	\$30M - \$35M	Oct-26
LSLR Package 24	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
LSLR Package 25	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

- procurement continued



Location	# of New Hires
District of Columbia	18
Prince George's County	38
Montgomery County	4
Fairfax County	7
Loudoun County	2
Outside the User Jurisdiction	15

In May, DC Water Contractors filled eight (8) new positions. Seven (7) or 87.5% were filled by local residents.

The total number of new hires for FY 2026 is eighty-four (84). The table below highlights the total (combined) new hires for FY 2026 as of March 2026:



DC Water Works Highlights

- **DC Water High School Engagement and Workforce Development Program:** The DC Water High School Engagement and Workforce Development Program is designed to be a gateway for the District's youth by providing high school students with immersive, hands-on exposure to the utility sector. Its primary mission is to build sustainable, long-term pathways to full-time employment directly within DC Water or alongside its primary contractors. Currently, two high school seniors are beginning their second year interning with DC Water through this program.

Following a recent program expansion, the initiative will welcome three (3) additional high school juniors (Idea Public Charter School) who will officially begin their internships in June 2026 – two interns will be in People and Talent, and one will be in Sewer Services. This expansion underscores our ongoing commitment to cultivating a future-ready local workforce, empowering District youth, and securing a diverse talent pipeline dedicated to protecting our region's critical water infrastructure.

- **DOES College Fellowship Program:** DC Water is participating in the DC Department of Employment Services (DOES) College Fellowship Program. This milestone initiative is designed to expand our workforce development footprint by creating a bridge between top-tier academic talent and critical utility operations.

For this cohort, DC Water is hosting one fellow from the University of Delaware. The student will be embedded within the Department of Finance, where he will gain practical, hands-on experience in corporate accounting, financial analysis, and utility billing while contributing to the day-to-day objectives of the department. This partnership underscores our ongoing commitment to cultivating the next generation of local and regional professionals.

- **The 13th Man Leadership Academy:** DC Water has launched a new partnership with the 13th Man Leadership Academy to expand youth outreach and workforce training.

Overview of The 13th Man Leadership Academy

The 13th Man Leadership Academy is a 9-month personal and professional development program for young men in grades 10 through 12. Operating from October to June, the program holds bi-monthly sessions focused on three core pillars:

- *Academic Support:* Providing tutoring resources and organized college tours.
- *Professional Development:* Teaching career readiness, public speaking, and business behavior.
- *Mentorship:* Connecting participants with mentors from the sports and business sectors.

Partnership with DC Water

This partnership establishes a direct pipeline for local youth to enter the utility workforce. As part of this initiative, DC Water invited two program participants to intern with the Sewer Department, providing them with direct, hands-on experience in utility operations and skilled trades.

By placing interns within the Sewer Department, DC Water is actively developing future talent and strengthening its local community ties.

Fleet, Facilities, Safety, Security and Emergency Management

Administration Metrics

Metric	Target	Apr 26	May 26
FACILITIES: Preventive Maintenance Completion Rate	90%	98%	100%
FACILITIES: Service Request Completion Rate	90%	92%	91%
FLEET: Technician Resource Allocation	50-90%	56%	47%
FLEET: Priority One Vehicles In-Service	90%	78%	82%
FLEET: Technician Productivity	81%	81%	76%
SAFETY: Contractor/ROCIP Lost Time Incident (LTI) (FY)	< 1.0	0.3	0.2
SAFETY: Contractor/ROCIP Recordable Incident Rate (RIR) (FY)	< 2.4	1.3	0.9
SAFETY: DC Water Employee Lost Time Incident (LTI) (FY)	< 1.1	0.42	0.61
SAFETY: DC Water Employee Recordable Incident Rate (RIR) (FY)	< 2.5	1.26	1.34
SECURITY: Percent of security investigations completed within 21 days	95%	100%	100%
SECURITY: Security Camera operational uptime	90%	96%	97%
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 for this metric is 90%. In May, 82.4% of P1 vehicles were available for operation. The expectation is that technicians will continue to spend at least 50% 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, 47% of the technician hours were allocated to P1 vehicles, (prior month 56%). The target is at least 50% to support the goal of minimizing unit downtime. Technician's remaining hours are split between servicing P2 & P3 units, representing 70% 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% of the technician hours were classed as productive (prior month 81%). This variation can be explained that anything above 81% 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.

Fleet provided scheduled routine maintenance on 66 units including oil and filter changes, battery and safety checks, fluid top offs, and repair. Fleet responded to 39 roadside assistance calls and 20 fuel requests. Additionally, 3 vehicles and 4 forklifts were sent to auction generating \$58,466 in revenue in May. To date, FY26 total proceeds are \$372,025.



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

- Delivered 17,202 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.

Customer Assistance Programs (CAP)

Program	FY2025 Enrolled	FY2025 Dollars	May Enrolled	May Dollars	# FY26 Enrolled	FY2026 Dollars	FY2026 Budget
CAP +	2,174	\$1,537,636	202	\$144,577.16	1,478	\$566,442.84	\$2,700,000
CAP I	1,863	\$1,225,594	134	\$88,570.49	1,148	\$360,900.37	\$2,100,000
CAP II	238	\$102,654	18	\$8,082.37	218	\$38,690.78	\$200,000
CAP III	54	\$5,749	25	\$828.53	76	\$3,052.68	\$10,000
Non Profit CRIAC Relief	174	\$900,902	92	\$61,292.29	357	\$485,248.41	\$843,133

Residential Leak Assessment and Repair Programs (RLAAP and RLRAP)

As of month-end May YTD, (39) assessments and (11) repairs have been completed. Leak funding was received in April; repairs were started in early May.

**Metrics:**

All targets were met for May.

Key Performance Indicators

Metric	Target/ Service Level	Mar 26	Apr 26	May 26
% of bills issued on time (w/in 5 days)	97.0%	97.8%	97.9%	98.6%
% unbilled	≤ 2%	0.7%	0.4%	1.1%
# of bill investigations (Disputes)	trend only	344	209	207
% Bill Investigations/Dispute Resolution ≤ 30 Days	80%	88%	91%	95%
% of calls answered in 60 Seconds (Call Center)	75%	79%	81%	88%
Monthly call volume served (Call Center)	trend only	11,810	11,015	9,754
Average Wait Time (minutes) (revised)	<0:50	:41	:43	:27
Abandon rate	3%	2%	2%	1%
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	2,250	\$601,461
FY 2026	1,523	\$513,705

*FY2026 calculation YTD did not include May count on the May CEO report

FY 2026 Payment Plan Incentive Program

Adjustment Month	No. Accounts that Received Credits*	Adjustments
Feb-26	118	\$40,497
Mar-26	162	\$64,787
Apr-26	107	\$40,392
May-26	137	\$48,483
June-26	128	\$49,309
FY26 Distribution	1,523	\$513,705

IT Monthly Report

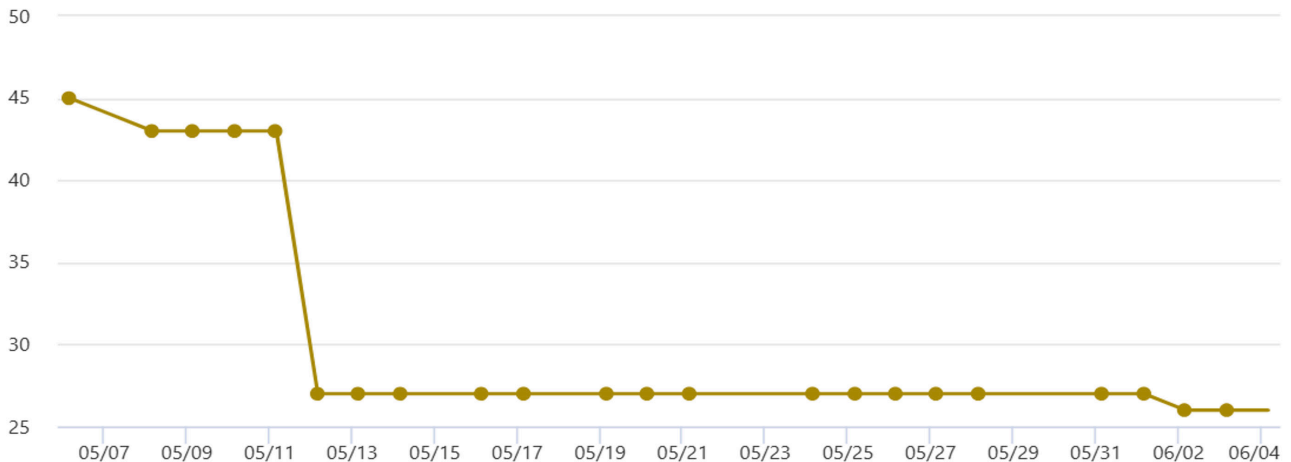
Metric	Target	Mar 26	Apr-26	May-26
Number of tickets submitted	Trend only	1100	897	972
Number of open tickets	Trend only	55	26	28
SLA Compliance Rate	98%	99.8%	98.3%	99.2%
Number of active projects	Trend only	10	8	8
Number of completed projects	Trend only	1	2	0
On schedule performance	90%	90%	75%	100%
On budget performance	90%	100%	100%	100%
Cyber Awareness Training Compliance	97%	90.41%	90.41%	92.9%

Cyber Security Risk Profile

Cyber Awareness Training Compliance: Our organization has achieved 92.9% completion of the annual Cyber Awareness Training, reflecting strong engagement and continued commitment to strengthening our security posture.

Cyber Exposure Level: Our Exposure Score provides a high level view of our organization’s overall cybersecurity risk by measuring factors such as system configuration health, software vulnerabilities, and overall security posture. Our current score of 27 reflects a meaningful improvement and indicates that our recent vulnerability management efforts are having a positive impact. While there is still room to further reduce risk, the downward trend demonstrates that our remediation activities are strengthening our environment and increasing our resilience against cyber threats.

Endpoints Exposure Score Over Time




Operations and Engineering

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

Key Performance Indicators

Metric	Target/Service Level	Feb 26	Mar 26	Apr 26	May 26
Wastewater Operations					
NPDES Permit Compliance, percent number of days	100%	100%	100%	100%	100%
Air Permit Compliance, percent number of days	100%	100%	99%	100%	100%
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%	23%	22%	24%	24%
Reactive Maintenance, percent of total maintenance hours	<20%	40%	37%	31%	36%
Critical Asset Availability, percent of total critical assets at the Blue Plains AWTP	>95%	97%	96%	95%	95%
Sewer Operations					
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	3,433	7,180	10,386	12,892
*NPDES Permit Requirement to inspect the catch basins in the Combined Sewer Anacostia Tributary area twice annually.	11,400	9,305	9,764	11,201	11,288
*NPDES Permit Requirements to clean 85% of Catch Basins in the Combined Sewer area annually	9,095	5,578	5,661	5,704	5,905
Miles per month Sewer Cleaning and Inspection to meet 1,400 Miles of Small Diameter (<12 inches) in 10Yr Cycle	>12	17.6	12.9	27	7.83
Sewer Backup (Investigation to Resolution) Within 24 Hours Excluding Line Breaks	>95%	100%	100%	100%	100%
Number of SSO's	Report	9	4	2	5
SSO's to Body of Water	Report	2	1	1	2
SSO's per 100 miles of pipe (YTD) (AWWA 2021 Utility Benchmarking Report)	2	2.2	2.5	2.8	3
SSO's per 100 miles of pipe (Water Body) (YTD)	Information Only	0.5	0.6	0.68	0.8
Combined Sewer Overflows (CSOs)/Dry Weather Overflows	0	0	0	0	0
Pumping Operations					
Firm Pumping Capacity Maintained	100%	100%	100%	100%	100%
Reactive Maintenance	<20%	21%	16%	10%	10%
Critical Asset Availability	>95%	98%	98%	98%	98%

* 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	Feb 26	Mar 26	Apr 26	May 26
Water Operations					
Safe Drinking Water Compliance	100%	100%	100%	100%	100%
Total Fire Hydrants Replaced	>21/Month	7	15	14	9
Approved Hydrant Flow Tests (Non-Winter Months)	>180	42	209	115	132
Fire Hydrant Operational Rate	99%	99.88%	99.88%	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%	92%	90%	97%
Water Main Breaks	<28/Month	140	28	22	10
Water Main Break Rate /100 Miles (National Average is 25)	25	37.95	38.18	40.1	38.33
% of Hydrant Leaks in inventory that are not leaking	>90%	99%	99%	99%	99%
Permit Operations					
Overall On-time completion of Permit Reviews	90%	99%	99%	99%	100%
Lead Free DC					
Lead Service Line Replacements	100%*	49%	91%	115%	105%
Brass Service Line Replacements	N/A	**	**	**	5%
Material Verifications	100%*	75%	94%	88%	N/A
Test Pits	100%*	N/A	N/A	N/A	129%
Right-of-Entry Authorizations	100%*	200%	215%	236%	236%
Payment Time	30 Days	26.8	26.1	28.5	25
Public Events & Presentations	N/A	9	13	10	20
Overall Customer Satisfaction	7+	8.1	8	8.1	8

* Target is to complete 100% of the planned activity in each month ** Included in row above

Explanation of Missed Targets**Wastewater Operations Reactive Maintenance (<20 percent):**

DC Water adopted a manufacturing industry benchmark of less than 20% reactive maintenance hours, though no known comparable standard exists in the public water utility sector. Blue Plains manages approximately 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 five 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 extreme weather conditions experienced during the recent winter months have resulted in an increased number of reactive maintenance hours, due to emergency interventions necessary to resolve issues arising from these events.

Hydrant Flow Tests (Non-Winter Months):

In May, 241 hydrant flow tests were completed, with 132 meeting the established performance criteria. Most tests were conducted in support of development activities and do not reflect a hydrant's ability to perform during fire suppression operations. The metric also includes follow-up test attempts performed after corrective actions. Performance variances are being evaluated and addressed through the Board-approved hydrant and valve improvement program, which is currently in the early stages of implementation and is expected to drive improvements over the next five years.

Total Fire Hydrants Replaced (>20 per Month):

The May target for hydrant replacements was not achieved due to operational capacity constraints that impacted the execution of planned replacement activities. The team is actively reviewing work planning and resource deployment strategies to improve productivity and increase replacement activity. These efforts are expected to support progress toward meeting the established KPI target in upcoming months.

dc DC Water Capital Improvement Program

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

Lead Free DC

- LFDC completed 334 Lead Service Line Replacements and 2 Brass Service Line Replacements in May.
- Replacement production impacted by late utility mark outs and the discovery of a higher percentage of copper than anticipated.
- Despite the increase of existing copper service lines, DC Water's inventory accuracy remains in line or higher than industry peers. (See Table)
- In May, over 1,150 homes were test-pitted to verify service line material. The third highest production month of the program.
- The LFDC Team worked in partnership with DOEE to have contractors replace filters after lead service line replacement at child development facilities.
- In May, outreach operations resulted in over 29,000 touchpoints, which includes over 19,000 in-person touchpoints.
- LFDC had a very active month, participating in 20 stakeholder engagement events, including:
 - (8) Community Meetings/Events
 - (1) Civic/Citizen Association Engagement
 - (2) CBO Engagements
 - (9) ANC Presentations (Including 1B, 2D, 2E, 2G, 4A, 4C, 5F, 6C, 8A)



Lead/Galvanized Hit Rates %		
Location	Expected Material	
	Lead/Galv	Unknown
New York City, NY	58%	26%
Washington, DC	70%	34%
Kenosha, WI	71%	
Des Moines, IA	65%	17%
Jacksonville, FL		9%

DC Clean Rivers Projects – Current Status

Northeast Boundary Tunnel (NEBT): Substantial Completion was achieved October 31, 2024. Final Completion administrative items and DOEE well permit close-out are still in process.

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

Rock Creek Green Infrastructure Project C (RC-C): Construction field work ongoing. Twenty-six facilities have been completed; four facilities are in active construction (out of 43).

Piney Branch Tunnel (RC-T): Construction Manager at Risk (CMAR) contractor, Clark Construction, has commenced early work at the site. Site setup continues and roadway relocation activities are underway.

Potomac Interceptor (PI) Condition Assessment & Capital Planning: Condition assessment activities ongoing, including CCTV review, advanced inspection technologies, and evaluation of system condition data. Inspection findings are being used to identify and prioritize future rehabilitation needs across the PI system through a risk-based prioritization framework.

PI - MH17 Emergency Repair & Permanent Rehabilitation: Emergency stabilization activities have been successfully completed, and the interceptor has remained in normal operation since March 14, 2026, when flow was returned to the pipe. Environmental rehabilitation efforts continued during the reporting period, including removal of approximately 7,000 tons of impacted soil, ongoing restoration of affected canal and surrounding areas, soil testing, environmental monitoring, and other restoration activities to support full site recovery. Planning and design of the permanent rehabilitation are advancing, with sliplining identified as the preferred long-term repair solution. Construction preparation activities, including bypass planning, site readiness, and material procurement remain on schedule. Required tree clearing and pipe staging activities were completed, all 66-inch slipline pipe has been received, and fabrication of the remaining 72-inch pipe is underway.

PI - Other Emergency Rehabilitation Projects: The additional identified emergency rehabilitation projects continue to advance through permitting, access coordination, site preparation, and implementation activities. These projects address high-priority infrastructure deficiencies found through the condition assessment efforts. Coordination with contractors, regulatory agencies, and stakeholders continues to support timely project delivery.



dc DC Water Capital Improvement Program

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

Updates on Consent Decree Projects

Potomac River Tunnel Contract B – Tunnel System Construction

- The north TBM reached the Temporary Mining Shaft. Gantries support the umbilical TBM operation. Installation of other mining support systems such as muck handling and surface conveyors is ongoing. Tunnel precast segments continue to be delivered to West Potomac Park (WPP). All of the south TBM Emily has been delivered to WPP or CHJV's Maryland yard.
- CSO-020: The construction staging area setup is complete. Subcontractor Brayman uses site for equipment storage, parking and an office. Entrance to the site from the Potomac Freeway is being expanded.
- CSO-022: Shaft excavation by drill and blast is ongoing. The Near Surface Structure capping beams were completed and NSS excavation just started.
- CSO-024: Contractor has relocated to the south side of K Street NW and continues to prepare for jet grouting by installing sleeves for the jet grout drill holes. Characterizing subsurface utilities is ongoing.
- CSO-027: Construction site is ready and construction continues for the maintenance of flow manhole installation.
- CSO-028: Trail relocation to north side of site was completed, guide wall construction for the south side of the shaft was completed and Brayman began installing additional secant piles for the drop shaft.
- CSO-029: The drop shaft Support of Excavation was completed and shaft excavation in soil and soft ground is underway.



Piney Branch Tunnel

Piney Branch Tunnel is a minimum 4.2-million-gallon tunnel to control CSO 049, the largest CSO to Rock Creek.

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



dc 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

P&T Participation

The People & Talent team actively participated in Safety Day on May 27, creating an engaging and informative space for employees to connect with Human Resources. The P&T booth served as a central resource where employees could ask questions, learn more about available programs, and receive branded giveaways, reinforcing P&T's commitment to employee well-being and support.

A key highlight was a live demonstration of the Stretch and Flex Program, led by Robin Hayes, Senior Program Manager, Compliance, and Madison MacDougall, Senior Specialist, Benefits. The session emphasized the importance of injury prevention, workplace readiness, and overall physical wellness. Additionally, Ms. Hayes showcased key partnerships that support employee health, safety, and return-to-work efforts, including:

- Lodestar – Third-party administrator for claims management
- Rehab At Work – Local physical therapy provider supporting recovery and return-to-work transitions
- Opus Medical – Case management services to assist employees through the recovery process

Wellness

In May, in recognition of Mental Health Awareness Month, we saw strong engagement across our wellness programming, with 23% of employees participating in initiatives designed to support mental well-being, connection, and stress management. Throughout the month, we offered a variety of meaningful opportunities for employees to pause and prioritize their health, including yoga sessions, guided meditation, and moments of reflection that encouraged mindfulness during the workday. Overall, May's programming not only drove participation but reinforced our commitment to creating a workplace where employees feel supported, valued, and empowered to take care of their mental health.

People and Talent Metrics

Metric	Target	Mar 26	Apr 26	May 26
Vacancies	N/A	169	170	175
FTEs	N/A	1114	1113	1108
*Vacancy Rate	10%	13.17%	13.25%	13.64%
Temporary Alternative Duty Program (TAD) +	50% of WC claims eligible for TAD program	92%	92%	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%
Total Turnover Rate	5.71%	6.65%	7.61%	8.11%	7.11%

NOTE: AWWA Turnover Benchmark: 7%

Key Performance Indicators by Cluster

Cluster	Metric	Apr 26	May 26
Learning & Development	Total cost of tuition assistance/reimbursement	\$425	\$23,579.08
	Total # of employees participating in tuition assistance/reimbursement	1	16
	Total # of employees seeking associate's degree	0	0
	Total # of employees seeking a bachelor's degree	0	1
	Total # of employees seeking a master's degree	0	1
	Total # of employees seeking a doctorate degree	0	0



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	Total # of employees seeking a bachelor's degree	0	1
	Total # of employees seeking a master's degree	0	1
	Total # of employees seeking a doctorate degree	0	0

Key Performance Indicators by Cluster – continued

Cluster	Metric	Apr 26	May 26
Learning & Development	Total # of employees seeking a certification	1	5
	Total # of employees participating in external training	1	14
Talent Acquisition	Hires	9 (5 external, 4 internal)	17 (4 external, 13 internal)
	Positions Under Recruitment*	96	90
Separations	Separations	7	9
	Term Reasons	<ul style="list-style-type: none"> • 4 voluntary (4 resignations) • 3 involuntary (2 retirements & 1 dismissal) 	<ul style="list-style-type: none"> • 8 voluntary (8 resignations) • 1 involuntary (1 death)
Benefits – Retirement Plan Participation	457(b) Pre-Tax	866 Employees Participated	860 Employees Participated
	457(b) Roth	143 Employees Participated	146 Employees Participated

Government Affairs Highlights

Councilmember Christina Henderson – Alkaline Hydrolysis (Water Cremation) Policy Discussion

The Councilmember's staff reached out to the Government Affairs team regarding proposed legislation to authorize alkaline hydrolysis (water cremation) in the District. In response, the team coordinated with relevant subject matter expert at DC Water and held a meeting to discuss the bill, with focus on potential implications for water infrastructure and treatment systems as well as broader policy considerations as the legislation moves through the Committee on Health.

Oversight & Investigations Subcommittee – Potomac Interceptor Hearing Follow-Up

The Government Affairs team accompanied the CEO to the May 20, 2026 Oversight and Investigations Subcommittee hearing on the Potomac Interceptor Collapse, where Members raised several questions for which DC Water committed to provide formal follow-up responses. The Government Affairs team is currently preparing the official written response letter addressing those questions.

Councilmember Allen Office – Stormwater Fees and Public Inconvenience Fee (PIF) Discussion

A virtual discussion was held with Councilmember Allen's office regarding the impact of proposed stormwater fee and Public Inconvenience Fee (PIF) increases on customer utility bills. The conversation focused on bill impacts and affordability considerations, as well as timing and coordination of these changes within the bi-annual rate-making process.

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

	2nd Quarter	FY 2026 YTD
Cases Managed	29	33
New Cases	3	3
Cases Closed	7	4
Amount Demanded of DC Water in Closed Cases	\$10,775,000	\$11,282,999.92
Amount Paid by DC Water in Closed Cases	\$100,500	\$143,500

*This data is current as of 3/31/26.

Revenue Recovery Cases

Currently, DGLA is managing 232 open foreclosure cases and 54 active bankruptcy cases. Additionally, DGLA has collected \$2,234,126.80 in FY26 (as of 3/31/26) through receivership. This includes payment plans entered into as a result of the receivership process.

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 May 2026 related primarily to the claim information, customer records, and procurement.

FOIA Data

Open Requests	132
Requests Opened this Month	7
Requests Closed this Month	10

Other Legal Matters

Type of Legal Matter	# Reviewed/Processed
Contracts	16
Agreements	2
Easements	0
Subpoenas	3

Internal Audit CEO Report July 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														In Progress
Emergency Management Policy Gap Analysis														In Progress
Legal Operational Audit														In Progress
Recruitment, Performance Evaluation, Compensation Analysis & Training/LMS Assessment														In Progress
Asset Management Lifecycle														Moved FY2027
Cloud Security														In Progress
Work Order Management - Pumping Operations														In Progress
Procurement, Contracting, & Contract Compliance Audit														In Progress
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

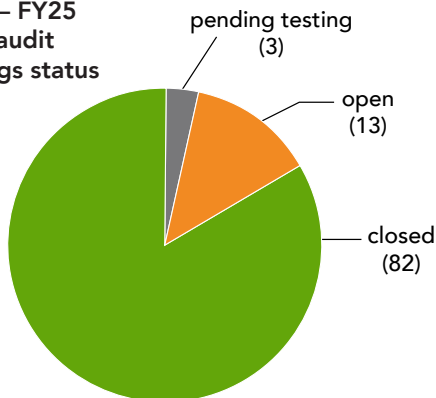
Open Prior Audit Findings

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-Facilities Audit	4/11/2025	5
Strategic Plan Monitoring Audit	9/29/2025	3
Third-Party Vendor Management Audit	11/6/2025	1
Contract Compliance Audit	12/16/2025	2
		total 13

Original remediation target date has been extended.

No Findings Closed this month:

FY23 - FY25 prior audit findings status



In total, 84% 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.

As a result of focusing on a shorter reporting period and adding the remaining FY25 findings, the percentage closed has decreased to 84% 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.

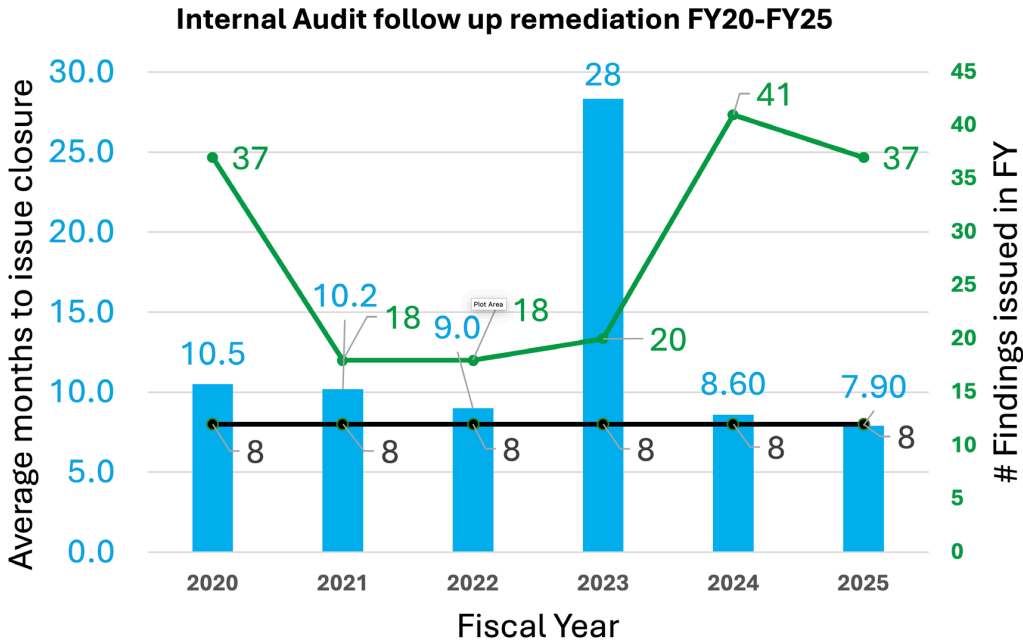
FY23-FY24 Open High Risk Prior Audit Findings*

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 or Current Asset Retirement and Disposal Standard Operating Procedures (SOPs)	8/31/2026	
<i>EPMO team is currently working towards completing the set action plans.</i>						
2	2025	12/16/2025	Contact Compliance Audit	Deficient Risk Management Process Finding	TBD	
				Lack of COTR Designation and Training Completion Finding	7/31/2026	
				<i>Team is currently working towards completing the management action plans.</i>		

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

Closure Time 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 June 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.



*Data before FY2023 was provided by RSM



Presented and Adopted: July 2, 2026

SUBJECT: Approval to Execute Change Order No. 2 of Contract No. 230050, Emergency Sewer IR&R Contract for FY24-FY27, Anchor Construction Corporation

**#26-39
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 July 2, 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. 2 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. 2 of Contract No. 230050, Anchor Construction Corporation. The purpose of this contract is to provide an on-call mechanism to address emergency and urgent sewer infrastructure rehabilitation and replacement services in various public spaces locations in Washington, D.C., and other areas served by the Authority. It enables DC Water to respond quickly to routine citywide sewer emergencies using pre-negotiated unit and time-and-materials pricing. The total value of this change order is \$62,500,000.00.

This Resolution is effective immediately.

Acting 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. 02 for \$62,500,000. The modification exceeds the Chief Executive Officer's approval authority.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Anchor Construction Corporation 2254 25 th Place NE Washington, DC 20018	S&J Service Inc Hyattsville, MD	DBE 10.24%
	Saavedra Trucking Washington, DC	DBE 1.02%
	United Construction Washington, DC	WBE 2.00%
	Resources Industries Washington, DC	WBE 0.87%
	Acorn Supply, White Marsh, MD	WBE 0.51%

DESCRIPTION AND PURPOSE

Original Contract Value:	\$21,429,860.00
Total of Previous Change Orders:	\$18,500,000.00
Current Contract Value:	\$39,929,860.00
Value of this Change Order:	\$62,500,000.00
Total Contract Value, including this CO:	\$102,429,860.00
Original Contract Time:	1,095 Days (3 Years, 0 Months)
No of Option Years in Contract:	2
Option Years Exercised:	0
Time extension, this CO:	0 Days
Total CO contract time extension:	0 Days
Contract Start Date (NTP):	02-15-2024
Anticipated Contract Completion Date:	02-15-2029 (Including Option Years)
Cumulative CO % of Original Contract:	378%
Contract completion %:	69%

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

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- Emergency rehabilitation, repair, and installation of catch basins
- Emergency rehabilitation, repair, and installation of outfalls, structures and gates

Previous Change Order:

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

Current Change Order Scope:

This contract has been utilized to address several emergencies of greater scale than initially anticipated, resulting in an accelerated expenditure and projected expenditure of contract funds beyond original forecasts that now require replenishment. These emergency rehabilitations include:

- PI-Manhole 17 SSO Emergency Rehabilitation & Environmental Restoration (ongoing)
- PI-Manhole 411/410 Emergency Rehabilitation
- PI-Manhole 83/82 Emergency Rehabilitation
- PI-Manhole 73.8/72 Emergency Repair

PROCUREMENT INFORMATION

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

BUDGET INFORMATION

Funding:	Capital	Department:	Water & Sewer Operations
Service Area:	Sewer	Department Head:	Chris Collier
Project:	PI, T8		

***ESTIMATED USER SHARE INFORMATION**

MJ82 – Potomac Interceptor – MH17 SSO Repair

User	Share %	Dollar Amount
Washington Suburban Sanitary Commission	30.90%	\$ 618,000.00
Fairfax County	45.10%	\$ 902,000.00
Loudoun County & Potomac Interceptor	24.00%	\$ 480,000.00
Total Estimated Dollar Amount	100.00%	\$ 2,000,000.00

MJ91 – Potomac Interceptor – Muddy Branch MH411 to MH410

User	Share %	Dollar Amount
Washington Suburban Sanitary Commission	100.00%	\$20,500,000.00
Total Estimated Dollar Amount	100.00%	\$20,500,000.00

MJ99 – Potomac Interceptor – Dulles Airport MH83 to MH82 Emergency Rehabilitation

User	Share %	Dollar Amount
Fairfax County	84.86%	\$ 8,486,000.00
Loudoun County & Potomac Interceptor	15.14%	\$ 1,514,000.00
Total Estimated Dollar Amount	100.00%	\$10,000,000.00

MX33 – Potomac Interceptor MH73.8/72 Emergency Repair

User	Share %	Dollar Amount
Washington Suburban Sanitary Commission	28.90%	\$ 2,890,000.00
Fairfax County	44.50%	\$ 4,450,000.00
Loudoun County & Potomac Interceptor	26.60%	\$ 2,660,000.00
Total Estimated Dollar Amount	100.00%	\$10,000,000.00

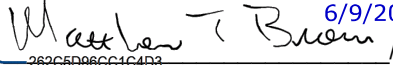
CAPM – Sanitary Sewer Projects

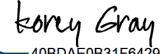
User	Share %	Dollar Amount
District of Columbia	100.00%	\$20,000,000.00
Total Estimated Dollar Amount	100.00%	\$20,000,000.00

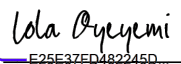
Cumulative

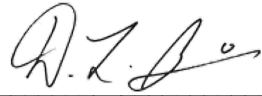
User	Share %	Dollar Amount
District of Columbia	32.00%	\$20,000,000.00
Washington Suburban Sanitary Commission	38.41%	\$24,008,000.00
Fairfax County	22.14%	\$13,838,000.00
Loudoun County & Potomac Interceptor	7.45%	\$ 4,654,000.00
Total Estimated Dollar Amount	100.00%	\$62,500,000.00

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

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

 6/30/2026
 David L. Gadis Date
 Chief Executive Officer and General Manager

Presented and Adopted: July 2, 2026

SUBJECT: Approval to Execute Change Order No. 2 of Contract No. 250030, On Call Structural Rehabilitation, Structural Preservation Systems, LLC

**#26-40
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 July 2, 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. 2 of Contract No. 250030, Structural Preservation Systems, LLC.

Be it resolved that:

The Board of Directors hereby authorizes the CEO and General Manager to execute Change Order No. 2 of Contract No. 250030, Structural Preservation Systems, LLC. This contract provides emergency and high-priority structural design and rehabilitation services on linear and vertical assets that are at high risk of failure, using a collaborative design-build approach, targeted investigations by subject matter experts, and customized design and construction to mitigate potential asset failures and strengthen DC Water’s resiliency. The value of this change order is \$32,508,276.00.

This Resolution is effective immediately.

Acting Secretary to the Board of Directors

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

ACTION REQUESTED

**INDEFINITE DELIVERY AND INDEFINITE QUANTITY (IDIQ) CONTRACT
CHANGE ORDER:**

**On Call Structural Rehabilitation
(Joint Use)**

Approval to execute Change Order No. 02 for \$32,508,276.00. The modification exceeds the Chief Executive Officer's approval authority.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	*PARTICIPATION:	
Structural Preservation Systems, LLC 6955 San Tomas Rd Elkridge, MD 21075	Dry Works LLC. Bristol, CT	DBE 18.76%	
	C&M Fuel Lanham, MD	DBE 3.70%	
	M4 Security Baltimore MD	DBE 0.52%	
	Best Fence Glen Burnie, MD	DBE 0.17%	
	Road Safety Glen Burnie, MD	WBE 3.12%	
	Resource Industries, LLC. Washington, D.C	WBE 0.28%	
	Anutec Networks, LLC. Cleveland, OH	WBE 0.11%	

DBE Total =23.15% WBE Total= 3.51%

*Participation is based on eligible portions of work. See Attachment A for the item currently excluded at this time. The prime has established a Mentor Protégé agreement with Dry Works, LLC.

DESCRIPTION AND PURPOSE

Original Contract Value:	\$ 20,000,000.00
Total of Previous Change Order:	\$ 0.00
Current Contract Value:	\$ 20,000,000.00
Value of this Change Order:	\$ 32,508,276.00
Total Contract Value, including this CO:	\$ 52,508,276.00
Original Contract Time:	365 Days (1 Years, 0 Months)
No. of Option Years in Contract:	1
Option Years Exercised:	1
Time extension, this CO:	365 Days
Total CO contract time extension:	365 Days
Contract Start Date (NTP):	01-08-2025
Anticipated Contract Completion Date:	01-08-2028 (Including 1 Option Year)
Cumulative CO % of Original Contract:	163%
Contract completion %:	91%

Purpose of the Contract:

Conduct emergency and high priority specialty structural design and rehabilitation on linear and vertical assets that are at high risk of failure. This will be achieved through a collaborative design-build approach, incorporating targeted investigations by subject matter experts, followed by custom design and construction.

This work aims to align swift mitigation of asset failures as identified by the ongoing comprehensive condition assessments to enhance DC Water's resiliency management in a time-critical way.

Original Contract Scope:

- Collaborate closely with the DC Water team to assess asset failures, develop rehabilitation solutions, develop designs, and implement asset rehabilitation, pipelines, and sewer structures in a timely manner.
- Typical on-call design and build tasks include but not limited to criticality reviews, inspections, corrosion investigations and condition assessments of:
 - Pipelines
 - Sewer structures
 - Tanks

Previous Change Order Scope:

- Previous change order was executed to exercise one option year.

Current Change Order Scope:

- Additional funding is required under the contract to support the Rock Creek Main Interceptor (RCMI) high priority Construction Project and the Blue Plains Chemical Scrubbers and Tanks Project, as well to extend the contract duration by one year through January 8, 2028.
- Work associated with the RCMI project will include the following:
 - Rehabilitation of approximately 3,000 LF of a critical 72-inch diameter interceptor, including inspection validation, structural repairs, and restoration of deteriorated brick sewer segments.
 - Implementation of complex flow diversion, dewatering, cleaning, and confined space construction activities to enable safe in-pipe repairs while maintaining system operations.
 - Ongoing coordination with National Park Service, DDOT, and other stakeholders to support permitting, access, and construction in sensitive and high-traffic areas.
- Blue Plains Chemical Tanks & Scrubbers: Rehabilitation of four chemical storage tanks utilizing protective lining systems to address corrosion and extend operational service life.

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Lowest responsive, responsible bidder
Commodity:	Construction	Contract Number:	250030
Contractor Market:	Open Market		

BUDGET INFORMATION

Funding:	Capital	Department:	Department of Wastewater Engineering
Service Area:		Department Head:	Ryu Suzuki
Project:	RW, X6		

ESTIMATED USER SHARE INFORMATION

GIBP- Chemical Tank Rehabilitation and Odor Scrubber Inspection at Blue Plains

User	Share %	Dollar Amount
District of Columbia	41.22%	\$ 816,156.00
Washington Suburban Sanitary Commission	45.84%	\$ 907,632.00
Fairfax	8.38%	\$ 165,924.00
Loudoun County & Potomac Interceptor	4.56%	\$ 90,288.00
Total Estimated Dollar Amount	100.00%	\$ 1,980,000.00

CAPM – Structure 38a used for Flow Diversion for the RCMI project

User	Share %	Dollar Amount
District of Columbia	100.00%	\$ 100,000.00
Total Estimated Dollar Amount	100.00%	\$ 100,000.00

MJ79 - Structure 81 on the RCMI used for Flow Diversion

User	Share %	Dollar Amount
District of Columbia	41.80%	\$ 62,700.00
Washington Suburban Sanitary Commission	58.20%	\$ 87,300.00
Total Estimated Dollar Amount	100.00%	\$ 100,000.00

MJ80 - Structure 82 on the RCMI for Flow Diversion

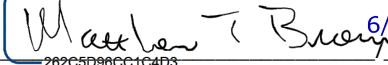
User	Share %	Dollar Amount
District of Columbia	62.40%	\$ 62,400.00
Washington Suburban Sanitary Commission	37.60%	\$ 37,600.00
Total Estimated Dollar Amount	100.00%	\$ 100,000.00

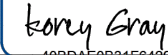
MJ81 – RCMI Sewer Main Rehabilitation

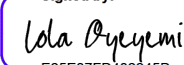
User	Share %	Dollar Amount
District of Columbia	45.50%	\$ 13,731,115.58
Washington Suburban Sanitary Commission	54.50%	\$ 16,447,160.42
Total Estimated Dollar Amount	100.00%	\$ 30,178,276.00


Cumulative

User	Share %	Dollar Amount
District of Columbia	45.44%	\$ 14,772,371.58
Washington Suburban Sanitary Commission	53.77%	\$ 17,479,692.42
Fairfax County	0.51%	\$ 165,924.00
Loudoun County & Potomac Interceptor	0.28%	\$ 90,288.00
Total Estimated Dollar Amount	100.00%	\$ 32,508,276.00

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 Chief Operating Officer and
 Executive Vice President

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

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


 David L. Gadis Date
 Chief Executive Officer and General Manager

**INDEFINITE DELIVERY AND INDEFINITE QUANTITY (IDIQ) CONTRACT
CHANGE ORDER:**

**On Call Structural Rehabilitation
Attachment A**

The following table provides a list of an excluded item from DBE/WBE utilization at this time.

Description	Amount	Explanation
Project Contingency Allowance	\$4,240,803.00	Need for and scope of work unknown at this time. DC Water will coordinate with Structural to utilize DBE/WBE subcontractors if authorized and where applicable.
Total	4,240,803.00	

Presented and Adopted: July 2, 2026

SUBJECT: Approval to Execute Construction Manager at Risk (CMAR) Amendment No. 1 of Contract No. 250040, Headworks and Primary Upgrades CMAR Portfolio, Ulliman Schutte Construction

**#26-41
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 July 2, 2026, upon consideration of a joint-use matter, decided by a vote of ____ () in favor and ____ () opposed to approve the execution of Construction Manager at Risk (CMAR) Amendment No. 1 of Contract No. 250040, Ulliman Schutte Construction.

Be it resolved that:

The Board of Directors hereby authorizes the CEO and General Manager to execute Construction Manager at Risk (CMAR) Amendment No. 1 of Contract No. 250040, Ulliman Schutte Construction. This amendment funds additional Construction Manager at Risk (CMAR) preconstruction and construction services for Blue Plains improvements, including the Headworks Electrical Upgrade and PST 20-year Rebuild projects. Work includes scope refinement, commissioning of electrical and HVAC equipment purchase and installation, constructability reviews of designs developed by the Project Design Engineer, supporting further condition assessments of the PSTs, and installing pumps for a scum pump demonstration that will evaluate the effectiveness of various pumps in breaking hardened scum. The total value of this amendment is \$145,500,447.00.

This Resolution is effective immediately.

Acting Secretary to the Board of Directors

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

ACTION REQUESTED

**CONSTRUCTION MANAGER AT RISK (CMAR)
HEADWORKS AND PRIMARY UPGRADES CMAR PORTFOLIO
AMENDMENT NO. 1
(JOINT USE)**

Approval to execute Construction Manager at Risk (CMAR) Amendment No. 1 for \$145,500,447.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	PARTICIPATION:
Ulliman Schutte Construction 14420 Albermarle Point Place, Suite 110 Chantilly, VA 20151	<u>Construction Services</u> DBE – 32.96% WBE – 2.39%
	For list of subcontractors See Attachment A

* See Attachment B for the list of excluded items.

DESCRIPTION AND PURPOSE

Original Preconstruction Services Value:	\$ 947,925.00
Amendment No. 1 Value:	\$ 145,500,447.00
Total Contract Value, including this	\$ 146,448,372.00
Preconstruction Services Duration	735 Days (25 Months)
Amendment No. 1 Duration:	2,164 Days (5 years 10 Months)
Anticipated Amendment No. 1 Start (NTP):	08-01-2026
Anticipated Amendment No. 1 Completion:	06-02-2032

Purpose of the Contract:

This contract provides Construction Manager at Risk (CMAR) Services for a portfolio of improvements at Blue Plains, including the Headworks Electrical Upgrade and the Primary Sedimentation Tank (PST) – 20-year Rebuild projects. For the Headworks Electrical Upgrade, this amendment funds additional preconstruction services to support completion of a scope refinement process and construction services for the purchase, installation, testing, and commissioning of electrical and HVAC equipment. In addition, this amendment authorizes funds for additional preconstruction services for the PST – 20-year Rebuild project; these funds will allow the CMAR to perform constructability reviews of designs developed by the Project Design Engineer (PDE), support further condition assessments of the PSTs, and install pumps for a scum pump demonstration that will evaluate the effectiveness of various pumps in breaking hardened scum.

Contract Scope:

Proposed Amendment would include:

- **Headworks Electrical Upgrade** – Additional preconstruction services, including MCC survey costs and added CMAR coordination with PDE during the permitting and conformed drawing process.
- **Headworks Electrical Upgrade** – Construction services.
- **Primary Tank 20-Year Rebuild** – Early work and preconstruction services, including scum pump demonstration and PST sump and pipe cleaning.
- **Owner contingency.**

Federal Grant Status:

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

PROCUREMENT INFORMATION

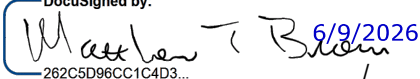
Contract Type:	Fixed Price	Award Based On:	Request for Qualifications
Commodity:	Construction	Contract Number:	250040
Contractor Market:	Open Market		


BUDGET INFORMATION

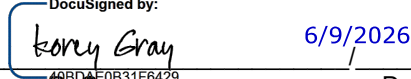
Funding:	Capital	Department:	Wastewater Engineering
Service Area:	Wastewater	Department Head:	Ryu Suzuki
Project:	BQ & I7		

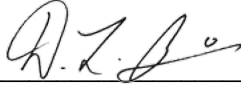
ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	41.22%	\$ 59,975,284.25
Washington Suburban Sanitary Commission	45.84%	\$ 66,697,404.91
Fairfax County	8.38%	\$ 12,192,937.46
Loudoun County & Potomac Interceptor	4.56%	\$ 6,634,820.38
Total Estimated Dollar Amount	100.00%	\$145,500,447.00

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


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 David L. Gadis
 Chief Executive Officer and General Manager

**CMAR Contract 250040
Headworks and Primary Upgrades
Amendment 1
LIST OF CERTIFIED FIRM SUBCONTRACTORS**

Attachment A

Firm	Certification	Participation
Mac Electrical	DBE	17.41%
Horton Mechanical	DBE	7.40%
Hi- Mark	DBE	6.80%
Matadi Masonry	DBE	0.40%
Stocks General Contracting, LLC	DBE	0.30%
Promac Scheduling	DBE	0.31%
Aultec, Inc	DBE	0.24%
Dulles Goetech	DBE	0.07%
Aultec	DBE	0.02%
District Safety Supply	DBE	0.01%
	Subtotal DBE	32.96%
Broadway Electrical	WBE	1.07%
Debra's Glass	WBE	0.70%
Regional Contracting Services	WBE	0.60%
BG Industrial	WBE	0.02%
	Subtotal WBE	2.39%
Other identified Scope of Work are being negotiated	DBE/WBE	3.12%

**CMAR Contract 250040
Headworks and Primary Upgrades
Amendment 1**

ATTACHMENT B

LIST OF EXCLUDED ITEMS

The following table provides a summary of the excluded items.

Description	Amount	Explanation
CMAR Fee	\$8,641,658	Fees exempt from project- specific subcontracting goals because it represents the prime contractor's internal costs for management, oversight, and general conditions, which are not services procured from external subcontractors.
CMAR Contingency	\$6,675,000	Pool of funds for unplanned work, and not allocated to specific subcontracting goals in advance. As portions of the contingency are used for defined work, certified business goals will be established.
Owner Contingency	\$5,000,000	Pool of funds for unplanned work, and not allocated to specific subcontracting goals in advance. As portions of the contingency are used for defined work, certified business goals will be established.
Bonds and Insurance	\$2,794,015	Bonds and insurance costs are excluded because they are considered a direct cost to the prime contractor for risk management, rather than a subcontract for performance of work.
CMAR General Conditions and Expenses	\$15,515,619	The prime contractor's indirect costs and project management functions, rather than specific scopes of construction work.
Total Ineligible Costs	\$38,626,292	

Presented and Adopted: July 2, 2026

SUBJECT: 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.

**#26-42
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 July 2, 2026, upon consideration of a joint-use matter, decided by a vote of ____ () in favor and ____ () opposed to approve the execution and funding of Option Year Eight (8) and Option Year Nine (9) of Contract No. 19-PR-DET-22, Oracle American, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the CEO and General Manager to execute and fund Option Year Eight (8) and Option Year Nine (9) of Contract No. 19-PR-DET-22, Oracle American, Inc. The purpose of executing option years eight and nine is to extend the subscription for Oracle Primavera P6 and Unifier software through September 30, 2028. The total value of this extension is \$1,183,792.37.

This Resolution is effective immediately.

Acting Secretary to the Board of Directors

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

ACTION REQUESTED

GOODS AND SERVICES CONTRACT EXTENSION

**CAPITAL PROJECT CONTRACT MANAGEMENT
SOFTWARE (Joint Use Indirect)**

Approval to execute and fund Option Years eight (8) and nine (9) for \$1,183,792.37.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Oracle America, Inc. 500 Oracle Parkway Redwood Shores, CA 94065	N/A	N/A

DESCRIPTION AND PURPOSE

Base Year Contract Value:	\$1,656,517.50
Base Year Contract Dates:	05-15-2019—05-14-2024
No. of Option Years in Contract:	5
Modification 1 & 2 Value:	\$70,184.68
Modification 1 & 2 Dates:	05-15-2024—08-15-2024
Option Year 6 Value:	\$511,159.28
Option Year 6 Dates:	08-16-2024—09-30-2025
Option Year 7 Value:	\$499,860.77
Option Year 7 Dates:	10-01-2025—09-30-2026
Option Year 8 & 9 Value:	\$1,183,792.37
Option Year 8 & 9 Dates:	10-01-2026—09-30-2028

Purpose of the Contract:

This contract is to subscribe to the Oracle Primavera P6 and Unifier software.

Contract Scope:

SaaS license subscriptions for Primavera P6 and Unifier software for CIP planning, scheduling, resource management, reporting, analytics, risk management, project controls, contract and cost management. The software subscription includes all updates, patches, fixes, maintenance, support and database during the term of the contract.

Spending Previous Years:

Cumulative Contract Value:	05-15-2019 – 09-30-2026: \$2,737,722.23
Cumulative Contract Spending:	05-15-2019 – 05-31-2026: \$2,177,869.78

Contractor's Past Performance:

According to the COTR, the Contractor's quality of service, timeliness of deliverables, conformance to DC Water's policies, procedures and contract terms and invoicing all meet expectations.

PROCUREMENT INFORMATION

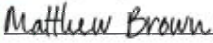
Contract Type:	Goods and Services	Award Based On:	Best Value
Commodity:	Software Subscription	Contract Number:	19-PR-DET-22
Contractor Market:	Open Market with Preference Points for LBE and LSBE participation		


BUDGET INFORMATION

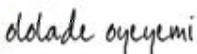
Funding:	Capital	Department:	Shared Services & Asset Management
Project Area:	EQP601SB1	Department Head:	Paul Guttridge

ESTIMATED USER SHARE INFORMATION

User - Operating	Share %	Dollar Amount
District of Columbia	66.11%	\$782,605.13
Washington Suburban Sanitary Commission	24.83%	\$293,935.65
Fairfax County	5.81%	\$68,778.34
Loudoun Water	2.83%	\$33,501.32
Potomac Interceptor	0.42%	\$4,971.93
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$1,183,792.37

DocuSigned by:
 6/11/2026
 Matthew T. Brown Date
 Chief Operating Officer, EVP

DocuSigned by:
 6/12/2026
 Korey Gray Date
 VP Procurement & Compliance and Chief Procurement Officer

Signed by:
 6/12/2026
 Lola Oyeyemi Date
 Acting CFO and EVP, of Finance, Procurement and Compliance
 and Vice President, Budget

 6/30/2026
 David L. Gadis Date
 CEO and General Manager

Presented and Adopted: July 2, 2026

Subject: Approval of Revised Procurement Procedures and Direction to the General Manager

**#26-43
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 July 2, 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 revised procurement procedures and direction to the General Manager.

WHEREAS, pursuant to Sections 203 and 205 of the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996, effective April 18, 1996 (“Act”), the Council of the District of Columbia (“Council”) granted powers to the Authority and duties to the Board of Directors to carry out its functions; and

WHEREAS, pursuant to Section 206(a) of the Act, the General Manager is the “chief administrative officer of the Authority” who serves at the pleasure of the Board and required to “perform duties as determined by the Board;” and

WHEREAS, through multiple resolutions including Resolution #97-89 and #97-91 #25-15, the Board delegated contracting authority to the General Manager that had been granted to the Board pursuant to D.C. Official Code § 34-2202.03(10); and

WHEREAS, on June 18, 2026, the Environmental Quality and Operations Committee met to discuss procurement procedure revisions and related direction to the General Manager, and provided recommendations to the Governance Committee; and

WHEREAS, on June 25, 2026, the Budget and Finance Committee met to discuss procurement procedure revisions and related direction to the General Manager, and provided recommendations to the Governance Committee; and

WHEREAS, on June 29, 2026, the Governance Committee met to discuss procurement procedure revisions and related direction to the General Manager, consider the recommendations from the Environmental Quality and Operations Committee, consider the recommendations from the Budget and Finance Committee, and now recommends Board approval of revised procurement procedures and direction to the General Manager.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board of Directors (Board) directs the General Manager to notify the full Board in writing when a contract or agreement or renewal authorized by the Board is not executed within 45 days of the date when the Board approved the General Manager to execute, or negotiate and execute, that contract or agreement. The notification must include the associated contract or agreement fact sheet presented to the Board, explain why the contract or agreement has not been executed or negotiations have not been completed, identify the corrective action to be taken, and provide a timeline for the corrective action to be taken.
2. The Board directs the General Manager to prepare and maintain a list of contracts and agreements approved by the Board for execution, or negotiation and execution, that describes the date of Board approval, the status of the contract or agreement action, and the date on which the contract or agreement was executed. The list of approved contracts and agreements must include all contracts or agreements approved by the Board since January 1, 2026, and be maintained on an on-going basis. The list of contracts and agreements shall be presented at least once every three months to the Budget and Finance Committee.
3. The Board directs the General Manager to require a legal sufficiency review of all contract fact sheets and associated contract or agreement documents. This legal sufficiency review must be conducted prior to presentation by staff of any fact sheet for recommendation by any Board Committee. The legal sufficiency review must be documented on the contract or agreement fact sheet presented to the Board to identify the qualified attorney who approved legal sufficiency for the contracting action. The legal sufficiency review must also document on the fact sheet, or be communicated to the Board in Closed Session, any legal issues or material risks associated with the proposed contracting action. The legal sufficiency review must be performed for all contract or agreement fact sheets beginning July 2, 2026.
4. The Board directs the General Manager to develop and utilize a standardized set of descriptive text to consistently appear on all contract or agreement fact sheets being presented to the Board for recommendation or approval. The standardized descriptions must identify the authorization being provided to the General Manager including clearly identifying if the requested Board approval is to award, fund, negotiate, or execute the contract or agreement. The standardized set of descriptive text must be used consistently on all fact sheets beginning July 2, 2026.
5. This resolution shall be effective immediately.

Acting Secretary to the Board of Directors

Presented and Adopted: July 2, 2026

SUBJECT: Approval to Award Contract No. 10632 and Execute Rolling Owner Controlled Insurance Program 7 (ROCIP7), Alliant Insurance Services, Inc.

**#26-44
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 July 2, 2026, upon consideration of a joint-use matter, decided by a vote of ____ () in favor and ____ () opposed to approve the Award of Contract No. 10632 and Execute Rolling Owner Controlled Insurance Program (ROCIP7), Alliant Insurance Services, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the CEO and General Manager to Award Contract No. 10632 and Execute Rolling Owner Controlled Insurance Program (ROCIP7), Alliant Insurance Services, Inc. This contract provides insurance brokerage and administrative services for DC Water’s Rolling Owner Controlled Insurance Program, which supports Capital Improvement Program construction projects. The total contract amount for the base year and four option years shall not exceed \$1,253,000.00.

This Resolution is effective immediately.

Acting Secretary to the Board of Directors

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

ACTION REQUESTED

GOODS AND SERVICES CONTRACT AWARD

ROLLING OWNER CONTROLLED INSURANCE PROGRAM (ROCIP) 7

(Joint Use Indirect)

Approval of award and authorization to execute Rolling Owner Controlled Insurance Program 7 (ROCIP7) brokerage/administration contract, in an amount not to exceed \$1,253,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS (CARRIERS):	PARTICIPATION:
Alliant Insurance Services, Inc 18100 Von Karman Ave, 10 th Floor Irvine CA 92612	TBD	N/A

DESCRIPTION AND PURPOSE

Base Year Values:	\$663,000.00
Base Year Dates:	07-20-2026 – 06-30-2027
Total Number of Option Years:	4
Option Years Value:	\$590,000.00
Option Years Dates:	07-01-2027 – 06-30-2031
Total Number of Proposals:	4
Price Proposal Range:	\$1,200,000 - \$3,654,000

Purpose of the Contract:

The purpose of this contract is to provide insurance brokerage and administrative services for DC Water’s Rolling Owner Controlled Insurance Program (ROCIP) supporting Capital Improvement Program construction projects.

Contract Scope:

The selected broker/administrator will provide comprehensive management of DC Water’s ROCIP programs including:

- Administration and runoff management of legacy ROCIP programs (ROCIP 1–6), including claims oversight and reporting.
- Ongoing administration of ROCIP 5, ROCIP 6, PRT OCIP, and PBT OCIP, including contractor enrollment, insurance compliance, financial analysis, and program reporting.
- Design, marketing, placement, and administration of ROCIP 7, including coverage strategy, insurer negotiations, claims oversight, loss prevention, and safety monitoring.
- Provision and maintenance of a Risk Management Information System (RMIS) to support claims, contractor, project, and financial reporting.

Supplier Selection:

The Request for Proposal (RFP) number DCW-SOL-26-10552 was issued to the open market on April 16, 2026, and closed on May 11, 2026. Four suppliers responded: Alliant, Aon, Howden, and Marsh. The final selection was based on technical qualification and pricing. The firm selected achieved the highest overall score and was determined to provide the best value to DC Water.

Docusign Envelope ID: F68AC096-88EB-8FA5-82FE-EF9BCBB4F7B3

PROCUREMENT INFORMATION

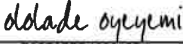
Contract Type:	Goods and Services	Award Based On:	Highest Rating
Commodity:	Insurance Services	Contract Number:	10632
Contractor Market:	Open Market		

BUDGET INFORMATION

Funding:	Capital	Department:	Finance
Project Area:	DC Water Wide	Department Head:	Lola Oyeyemi

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	85.46%	\$1,070,813.80
Washington Suburban Sanitary Commission	7.67%	\$96,105.10
Fairfax County	2.69%	\$33,705.70
Loudoun Water	1.77%	\$22,178.10
Other (PI)	2.41%	\$30,197.30
Total Estimated Dollar Amount	100.00%	\$1,253,000.00

Signed by:

 _____ / 6/17/2026
F25E37FD482245D
 Lola Oyeyemi Date
 Acting CFO & EVP of Finance, Procurement & Compliance, and Vice President, Budget

DocuSigned by:

 _____ / 6/17/2026
409DA5093150429
 Korey R. Gray Date
 VP Compliance and Chief Procurement Officer


 _____ / 6/30/2026
 David L. Gadis Date
 CEO and General Manager

Presented and Adopted: July 2, 2026

SUBJECT: Approval to Transfer the Projected FY 2026 Net Cash Surplus of \$22,084,546 to PAYGO, Rate Stabilization Fund and Ending Cash Balance for Permit Refunds, DC Insurance Reserve, Payment Plan Incentive Program, and to Increase Days of Cash on Hand in FY 2027

**#26-45
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 ("the Authority") at the Board meeting held on July 2, 2026, upon consideration of a joint-use matter decided by a vote of ____ () in favor and ____ () opposed, to approve the following action with respect to the transfer of the FY 2026 Net Projected Cash Surplus of \$22,084,546 to PAYGO, Rate Stabilization Fund and Ending Cash Balance for Permit Refunds, DC Insurance Reserve, Payment Plan Incentive Program, and to Increase Days of Cash on Hand.

WHEREAS, on December 4, 1997, the Board, in Resolution #97-121, approved establishing the Financial Policies for the Authority, which were subsequently amended in Resolutions #98-08, dated March, 1998, Resolution #04-30, dated April 2, 2004, Resolution #09-86, dated July 2, 2009; Resolution #13-57, dated May 2, 2013 to establish strong levels of cash reserves, strong debt service coverage, set the level of debt service coverage, and set operating and renewal & replacement reserve levels; and

WHEREAS, on October 7, 2021, the Board, through Resolution #21-84, further revised the Statement of Financial Policies, rescinding the PAYGO (pay-as-you-go) Policy and incorporating it into the Statement of Financial Policies, making other revision including establishing a minimum cash balance of 250 days of operating expenses and coverage of 160%, and conforming the debt service coverage requirements in the Debt Policy and Guidelines with those in the proposed Statement of Financial Policies; and

WHEREAS, the Statement of Financial Policies includes a requirement for the CEO and General Manager to report a forecast of expenditures and revenues and a recommendation for use of any projected surplus; and

WHEREAS, on October 5, 2023, the Board, through Resolution #23-58, revised the Statement of Financial Policies to amend the current operating cash reserve requirement of 250 days to be the minimum required reserve requirement and set a goal to achieve an operating cash reserve requirement of 350 days by 2032 by prioritizing the allocation of year-end surplus to achieve this goal; and

WHEREAS, on June 25, 2026, the Finance and Budget Committee met and the General Manager presented the FY 2026 projected net cash surplus of \$22,084,546; and

WHEREAS, on June 25, 2026, the General Manager recommended the Finance and Budget Committee recommend to the Board transferring: \$12,200,000 to Ending Cash Balance to increase Days of Cash on Hand from 282 to 292 days; \$5,000,000 to Rate Stabilization Fund (RSF) to reach target of 5% of Retail Revenue as per the Board Policy; \$2,000,000 to Ending Cash Balance to carryover to FY 2027 for permit refunds; \$1,000,000 to Ending Cash Balance for Extending Payment Incentive Plan for FY 2027; \$1,000,000 to Ending Cash Balance for DC Insurance Reserve; and \$884,546 of the net projected cash surplus to PAYGO to reduce future borrowing; and

WHEREAS, on June 25, 2026, upon further discussion and consideration of the General Manager's recommendation, some members of the Finance and Budget Committee suggested to include as an option to the \$12,200,000 to increase the days of Cash, to transfer the \$12,200,000 to the Rate Stabilization Fund to offset the Public Inconvenience Fee (PIF) in FY 2027 and keep average monthly household bill increase below 6%; and

WHEREAS, after consideration of the recommendations of the Finance and Budget Committee and the General Manager, the Board of Directors, upon further consideration and discussion, agreed to transfer the \$12,200,000 to Ending Cash Balance to increase Days of Cash on Hand or to the Rate Stabilization Fund to offset the Public Inconvenience Fee in FY 2027 and keep average monthly household bill increase below 6%.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board approves the transfer of \$22,084,546 from the Authority's projected FY 2026 net cash surplus to (i) \$12,200,000 to Ending Cash Balance to increase Days of Cash on Hand or to the Rate Stabilization Fund to offset the Public Inconvenience Fee in FY 2027; (ii) \$5,000,000 to Rate Stabilization Fund (RSF) to reach target of 5% of Retail Revenue as per the Board Policy; (iii) \$2,000,000 to Ending Cash Balance to carryover to FY 2027 for permit refunds; (iv) \$1,000,000 to Ending Cash Balance for Extending Payment Incentive Plan for FY 2027; (v) \$1,000,000 to Ending Cash Balance for DC Insurance Reserve; and (vi) \$884,546 of the net projected cash surplus to PAYGO to reduce future borrowing.
2. This resolution is effective immediately.

Acting Secretary to the Board of Directors

Presented and Adopted: July 2, 2026

SUBJECT: 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

**#26-46
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 July 2, 2026, upon consideration of a non-joint use matter, decided by a vote of ___ () in favor and ___ () opposed to approve the Award of Three Base Years and Two Option Years of Contract No. 260060, Capitol Paving of DC Inc.

The Board of Directors hereby authorizes the CEO and General Manager to execute the Award of Three Base Years and Two Option Years of Contract No. 260060, Capitol Paving of DC Inc. The purpose of this contract is to provide Indefinite Delivery and Indefinite Quantity (IDIQ) emergency rehabilitation and replacement of water mains and related service assets across Washington, DC. It also supports large, complex engineering projects requiring specialized expertise and equipment, with work assigned through task orders as needed by DC Water. The total contract value is not to exceed \$71,985,746.00.

This Resolution is effective immediately.

Acting Secretary to the Board of Directors

Presented and Adopted: July 2, 2026

SUBJECT: 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

**#26-47
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 June 4, 2026, upon consideration of a non-joint use matter, decided by a vote of ____ () in favor and ____ () opposed to approve Participation 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.

The Board of Directors hereby authorizes the CEO and General Manager to execute the 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. The purpose of this contract is to replace small-diameter water mains in the District of Columbia with documented history of failures, low water pressure, or water quality issues, and also includes replacement of a 30-inch valve. The total funding for this project is not to exceed \$1,473,000.00.

This Resolution is effective immediately.

Acting Secretary to the Board of Directors

Presented and Adopted: July 2, 2026

Subject: Adopt and Approve Publication of Notice of Final Rulemaking to Amend System Availability Fee Regulations

**#26-48
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 (“the DC Water”) at the Board meeting held on July 2, 2026 decided, in a non-joint use matter, by a vote of ____ () in favor and ____ () opposed, to take the following action with respect to adopt and approve publication of Notice of Final to Amend System Availability Fee Regulations.

WHEREAS, DC Water establishes rates, fees and charges in accordance with its Rate Setting Policy (Board Resolution #11-10), including the recovery of current costs to provide service; and

WHEREAS, on May 18, 2018, DC Water published a Notice of Final Rulemaking in the *District of Columbia Register* (DCR) at 65 DCR 5674, effective June 1, 2018, to amend the System Availability Fee (SAF) regulations, revising the guidance document to determine the SAF meter size and add procedures to receive affordable housing unit credits; and

WHEREAS, on March 18, 2026, the DC Retail Water and Sewer Rates Committee met to consider the Cost of Service Update Study to amend the System Availability Fee (SAF) prepared by Rafetelis and recommended the Board approve the publication of the amended SAF for public comment and consideration, effective October 1, 2026, to:

- Adjust the SAF based on the 2026 Cost of Services Study;
- Increase affordable housing unit (AHU) credit amount from \$3,944 to \$5,790 for each AHU unit in a metered residential in a metered residential structure of 3 or less units;
- Add an additional type of document from the Department of Housing and Community Development to qualify for AHU credits and other documents issued by the District government as approved by DC Water that prescribes or sets forth the number of AHU units on a property;
- Delete grandfathered provisions in Section 112.11(p) for permits submitted prior to May 18, 2018; and
- Delete payment plan rules in Section 112.11(r).

;

WHEREAS, on April 7, 2026, the Board approved the publication of the Notice of Proposed Rulemaking seek public comment on the amendments to the SAF rules, effective October 1, 2026; and

WHEREAS, on April 24, 2026, DC Water published a Notice of Proposed Rulemaking in the *District of Columbia Register* at 73 DCR 006283, to amend the System Availability Fee (SAF) as noted above; and

WHEREAS, on June 23, 2026, the DC Retail Water and Sewer Rates Committee met to consider the comments received during the public comment period; and

WHEREAS, the General Manager reported that one comment was received stating, "Projects submitted before October 1, 2026, should not be subject to the new SAF fees"; and

WHEREAS, the General Manager reported that SAF fees are assessed when the System Availability Fees and Construction Inspection Fees Invoice is generated, which is after the plan review has been completed, and not based on when the plans are submitted. Further, that Invoice will expire if a valid payment is not received by April 1, 2027 or the DOB permit application is revoked, the earlier of either event will require the resubmittal of the plans for review; and

WHEREAS, after consideration of the recommendations of the DC Retail Water and Sewer Rates Committee and the General Manager, the District members of the Board of Directors, upon further consideration and discussion, agreed to amend the System Availability Fee regulations as proposed.

NOW THEREFORE BE IT RESOLVED THAT:

1. The District members of the Board of Directors hereby adopts and approves the amendments to the SAF regulations as proposed in the NOPR, published on April 24, 2026.
2. The Board directs the General Manager to amend the Authority's Water Supply regulations at 21 DCMR § 112.11 as provided in Attachment A, and to take all steps necessary in his judgment and as otherwise required, to publish the Notice Final Rulemaking in the *District of Columbia Register*, effective October 1, 2026.

This resolution shall be effective immediately.

Acting Secretary to the Board of Directors

Attachment A

Chapter 1, WATER SUPPLY, of Title 21 DCMR, WATER AND SANITATION, is amended as follows:

Subsection 112.11, and Paragraphs 112.11(a), (b), (h), (k), (o), (p), (r), (s) of Section 112, FEES, are amended to read as follows:

112.11 Effective October 1, 2026, District of Columbia Department of Buildings (DOB) Construction Permit Applicants and federal facilities shall be assessed a System Availability Fee (SAF) for new water and sewer connections and renovation or redevelopment projects for existing connections to the District's potable water and sanitary sewer systems based on the SAF meter size in accordance with the following fee schedule and requirements:

- (a) Residential customers shall be charged a System Availability Fee based on the SAF meter size as listed below:

SAF Meter Size (inches)	Water System Availability Fee	Sewer System Availability Fee	Total System Availability Fee
5/8"	\$1,966	\$3,824	\$5,790
3/4"	\$1,966	\$3,824	\$5,790
1"	\$1,966	\$3,824	\$5,790
1" x 1.25"	\$4,215	\$6,297	\$10,512
1.5"	\$11,309	\$16,892	\$28,201
2"	\$22,913	\$34,225	\$57,138
3"	\$66,938	\$99,983	\$166,921

- (b) Multi-Family and Non-Residential customers shall be charged a System Availability Fee based on the SAF meter size as listed below:

SAF Meter Size (inches)	Water System Availability Fee	Sewer System Availability Fee	Total System Availability Fee
5/8"	\$2,640	\$3,944	\$6,584
3/4"	\$2,640	\$3,944	\$6,584
1"	\$2,640	\$3,944	\$6,584
1" x 1.25"	\$4,215	\$6,297	\$10,512
1.5"	\$11,309	\$16,892	\$28,201
2"	\$22,913	\$34,225	\$57,138
3"	\$66,938	\$99,983	\$166,921
4"	\$171,747	\$256,534	\$428,281
6"	\$472,157	\$705,247	\$1,177,404

SAF Meter Size (inches)	Water System Availability Fee	Sewer System Availability Fee	Total System Availability Fee
8"	\$472,157	\$705,247	\$1,177,404
8" x 2"	\$472,157	\$705,247	\$1,177,404
8" x 4" x 1"	\$472,157	\$705,247	\$1,177,404
10"	\$472,157	\$705,247	\$1,177,404
12"	\$472,157	\$705,247	\$1,177,404
16"	\$472,157	\$705,247	\$1,177,404

- (c) The SAF meter size shall be computed for the peak water demand, excluding fire demand in accordance with D.C. Construction Codes Supplement, as amended, Chapter 3 (Water Meters) of this title, and DC Water's Meter Sizing Instructions and Worksheets.
- (d) The SAF shall be assessed for any premise, building or structure that requires a new metered water service connection to the District's potable water and/or sanitary sewer systems.
- (e) The Net SAF shall be assessed for renovation or redevelopment projects for any premise, building or structure that uses an existing metered water service connection to the District's potable water and/or sanitary sewer systems.
- (f) For a renovation or redevelopment project on a property that already had/has a DC Water meter(s) and account(s), DC Water shall determine the Net SAF based on the difference between the property's new System Availability Fee determined by the SAF meter size(s) (SAF) and the SAF Credit determined by the old meter size(s) for the meters(s) being removed from the system:

$$\text{Net SAF} = \text{SAF} - \text{SAF Credit}$$

- (g) Properties under renovation or redevelopment shall not receive a SAF Credit for the DC Water account(s) that have been inactive for more than twenty-four (24) months prior to DC Water's issuance of the Certificate of Approval.
- (h) For any new premise, building or structure that includes one or more affordable housing unit (AHU), DC Water shall also provide an AHU Credit equal to:
- (1) AHU Credit - Five Thousand Seven Hundred Ninety dollars (\$5,790) for each AHU in a metered residential structure of three (3) or less units (e.g., single-family structure, townhouse, condominium, cooperative housing association unit, or apartment).

- (2) % AHU Credit or % Net AHU Credit - The percentage of affordable housing units credit (% AHU credit) or percentage of additional AHU credit (% Net AHU Credit) in a metered multi-family residential structure of four or more housing units (condominium, cooperative housing association, or apartment) determined as follows: % AHU (or % Net AHU) equals the number of AHUs (or Net AHU) divided by total number of residential units (RU) times one hundred (100) times the SAF:

$$\% \text{ AHU} = (\text{AHU} \div \text{RU}) \times 100$$

$$\text{AHU Credit} = \% \text{ AHU} \times \text{SAF}$$

- (i) For a renovation or redevelopment project that includes replacing existing affordable housing units and/or the construction of additional affordable housing units, DC Water shall provide a Net AHU Credit as provided in Section 112.11(h) based on the percentage of additional affordable housing units (% Net AHU) determined as follows: % Net AHU equals the number of additional AHUs (Net AHU) divided by the total number of residential units times one hundred (100):

$$\% \text{ Net AHU} = ((\text{Net AHU}) \div \text{RU}) \times 100$$

$$\text{Net AHU Credit} = (\% \text{ Net AHU}) \times \text{SAF}$$

- (j) The Net AHU shall be determined based on the difference between the total number of affordable housing units constructed after completing the renovation/redevelopment project (aAHU) and the total number of affordable housing units existing prior to the renovation/redevelopment project (bAHU). If aAHU is less than bAHU (less than zero), no Net AHU Credit will be provided:

$$\text{Net AHU} = (\text{aAHU} - \text{bAHU})$$

- (k) Projects that request AHU or Net AHU Credits shall submit one or more of the following documents:
- (1) Land Disposition Development Agreement;
 - (2) Zoning Commission Order;
 - (3) Planned Unit Development Covenant;
 - (4) Certificate of Inclusionary Zoning;
 - (5) Letter from the District financing agency that establishes the number of AHU in the property;
 - (6) A Letter from Department of Housing and Community Development (DHCD) indicating the aggregate principal amount of the loan and number of AHU in the property; or

- (7) Other documents issued by the District government or body and approved by DC Water that prescribes or sets forth the number of AHU on a property.
- (l) If the Net System Availability Fee (less AHU Credit or Net AHU Credit) is zero or less, no System Availability Fee shall be charged.
- (m) If the Net System Availability Fee (less AHU Credit or Net AHU Credit) is greater than zero, DC Water shall assess the System Availability Fee.
- (n) DC Water may request documentation to confirm the number of proposed affordable housing units that were actually constructed. If the number of constructed AHUs is less than the proposed AHUs, DC Water shall bill the property owner the amount of the AHU Credit or Net AHU Credit for the unconstructed AHUs.
- (o) For DOB Construction Permit applicants, payment of the System Availability Fee shall be a condition for DC Water's issuance of the Certificate of Approval.
- (p) [RESERVED]
- (q) For federal facilities, payment of the System Availability Fee shall be a condition of DC Water's issuance of the Certificate of Approval.
- (r) [RESERVED]
- (s) In the case that the DOB Construction Permit is not issued or is revoked or the project is not constructed, upon written request from the property owner, DC Water shall issue the property owner a refund of the System Availability Fee.

Rulemaking Schedule:

- April 7, 2026 – Board Approved Publication of Proposed SAF for public comments
- April 24, 2026 – Published NOPR in *D.C. Register* to Amended SAF Regulations
- April 24 - May 25, 2026 – Outreach and Public Comment Period
- June 23, 2026 – DC Retail Water and Sewer Rates Committee Recommends Board to adopt and approve Amended SAF Regulations
- July 2, 2026 - Board Adopts and Approves Amended SAF Regulations
- July 24, 2026 – Publish NOFR in *D.C. Register* to Amended SAF Regulations
- October 1, 2026 – Amended SAF Go-Live

Presented and Adopted: July 2, 2026

SUBJECT: Approval to Transfer One Million from the Cash Surplus to the Authority General Fund in FY2027 to Extend the Payment Plan Incentive Program

**#26-49
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 July 2, 2026, upon consideration of a non-joint use matter decided by a vote of ___ () in favor and ___ () opposed, to take the following action with respect to transfer One Million from the Cash Surplus to the Authority General Fund in FY2027 to Fund and Extend Payment Plan Incentive Program for FY 2027.

WHEREAS, the Board, through Resolutions #11-10, dated January 6, 2011, and #23-58, dated October 5, 2023, 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, the Board, through Resolution #23-61, dated October 5, 2023, adopted and approved the Revised Rate Stabilization Fund Policy; and

WHEREAS, on May 22, 2025 and May 27, 2025, the Finance and Budget Committee and the DC Retail Water and Sewer Rate Committee, respectively, met to review and discuss the General Manager's proposal to extend the Payment Plan Incentive Program through September 30, 2026; and

WHEREAS, the General Manager presented the proposal to transfer \$1 Million from the Cash Surplus in FY 2026 to fund the extension of the Payment Plan Incentive Program to FY 2027, which will assist residential customers with a balance of \$500 for 60 days or more would receive credits to pay their outstanding arrears by providing credit calculated based on 50% of the monthly payment of monthly charges and payment plan installment payment; and

The details of transfer from Cash Surplus for FY 2027 are listed below:

Cash Surplus Transfer in FY 2026:

FY 2026 Cash Surplus	\$22,084,546
Cash Surplus Transfer to FY 2027 Authority General Fund	<u>\$1,000,000</u>
FY 2026 Cash Surplus Balance	\$ 21,084,546

WHEREAS, on June 23, 2026, the DC Retail Water and Sewer Rates Committee considered the General Manager’s proposed extension of the Payment Plan Incentive Program through September 30, 2027 and recommended Board approval to transfer \$1 million from Cash Surplus to the Authority General Fund in FY 2026 to extend the Program in FY 2027; and

WHEREAS, on June 25, 2026, the Finance and Budget Committee considered the General Manager’s proposed extension of the Payment Plan Incentive Program through September 30, 2027, and recommended Board approval to transfer \$1 million from Cash Surplus to the Authority General Fund in FY 2026 to extend the Program in FY 2027; and

NOW THEREFORE BE IT RESOLVED THAT:

1. The District members of the Board hereby approve and adopt the proposed transfer of \$1 Million from the Cash Surplus to the Authority General Fund in FY 2026 for the extension of the Payment Plan Incentive Program for the period of October 1, 2026 to September 30, 2027.
2. This resolution is effective immediately.

Acting Secretary to the Board of Directors