333RD BOARD OF DIRECTORS MEETING
MINUTES OF THE MEETING
SEPTEMBER 3, 2026
(Via Hybrid Format)

DIRECTORS PRESENT

District of Columbia Members

1. Unique Morris-Hughes, Principal, Board Chair
2. Rachna Bhatt, Principal, Vice Chair
3. Anthony Giancola, Principal
4. Howard Gibbs, Principal
5. Alexander McPhail, Alternate
6. Jimmy Ortiz, Alternate
7. 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. Matthew Brown, Interim General Manager
2. Ernest Tuckett III, Chief Legal Officer & EVP
3. Lola Oyeyemi, Interim Chief Financial Officer & EVP

4. Kirsten Williams, Chief Administrative Officer & EVP
5. Debra Mathis, Interim Secretary to the Board

The 333rd 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 9:41 a.m. The meeting was hybrid and streamed live at dcwater.com. Interim Secretary to the Board Debra Mathis called the roll, and established a quorum.

I. APPROVAL OF THE MINUTES

Dr. Morris-Hughes asked for a motion to approve the minutes of the Board of Directors meeting on July 2, 2026.

Upon a motion made, the Board of Directors approved the minutes of the Board of Directors meeting on July 2, 2026, as presented.

II. CHAIRPERSON'S OVERVIEW

Chair Morris-Hughes thanked the Board members who participated in the Piney Branch Tunnel Project groundbreaking ceremony on July 9, 2026.

On July 24, 2026, the Washington Aqueduct hosted Customer Appreciation Day, where Board members, senior staff, and agency dignitaries learned more about Aqueduct operations and toured the facility.

Chair Morris-Hughes and Chief Legal Officer and EVP Ernest Tuckett attended an inaugural board governance workshop for water utilities in San Diego hosted by the Association of Regional Water Organizations, the Association of Metropolitan Water Agencies, and Rogue Water Lab.

DC Water has engaged executive search firm Heidrick and Struggles to lead the search for the organization's next CEO and general manager on an accelerated timeline to identify and present highly qualified candidates for Board consideration. A search committee will work with Heidrick and Struggles on candidate sourcing and evaluation, while the full Board will participate in finalist interviews at the end of October.

Interim Chief Finance Officer Lola Oyeyemi and the finance team received the Government Finance Officers Association's Distinguished Budget Presentation Award, marking DC Water's twenty-sixth consecutive recognition.

III. COMMITTEE REPORTS

Meeting of the Governance Committee
Reported by Howard Gibbs

The Governance Committee met on July 8, 2026.

Chris Peot, Director, DCW Resource Recovery, reported continued growth in renewable energy credits, Bloom sales, royalties, HQO rentals, and cell tower revenue. Renewable energy credits reached approximately $4.5–$4.6 million year-to-date and are expected to exceed last year's total. Bloom sales are ahead of schedule at 46,000 tons, or 75 percent of the annual goal. A third-party audit is underway.

Recent Maryland and Virginia PFAS laws distinguish municipal biosolids from industrially affected materials, and DC Water's Bloom product is expected to remain compliant.

Blue Drop acquired a 46-acre farm parcel on Turkey Hill Road and is negotiating to acquire another 78 acres to support operations.

Korey Gray, Vice President and Chief Procurement Officer, reported 34.8 percent certified business participation, exceeding the 34 percent goal, with $297 million awarded to disadvantaged business enterprises and $54 million to women business enterprises. Despite federal certification and reporting changes, DC Water will continue supplier diversity efforts through mentor–protégé relationships, consortium building, and race-conscious and race-neutral strategies supporting certified and local firms.

Barbara Mitchell, Associate General Counsel and Director of Government Affairs & Public Policy, summarized legislative engagement on public inconvenience fees, stormwater fees, billing and disconnection modernization, and proposed air pollution permitting requirements.

Key developments included a 2030 sunset for the amended public inconvenience fee (PIF), retention of its sixty-day grace period, efforts to codify current billing practices, and DC Water's testimony and comments on the Strengthening Air Pollution Permitting Amendment Act of 2026.

Meeting of the Human Resources and Labor Relations Committee
Reported by Jimmy Ortiz for Jed Ross

The Human Resources and Labor Relations Committee met July 8, 2026.
The meeting opened with a moment of silence for Jonathan Shanks, president of AFGE Local 872.

Shawn Brown, Vice President, Employment, Labor, and HR Compliance, provided these union updates:

- Union representation and meeting concerns with Local 872 are resolved.
- Preliminary analysis of Local 631's promotion request for wastewater treatment operators is complete; a compensation study is next.
- Sick leave coding is in litigation, with a hearing scheduled for September 2026.
- Outside counsel is reviewing the unions' request for retirement committee representation and will brief the chair and committee.

Chief People Officer and EVP Amber Jackson served on an ACE 2026 panel and highlighted the July 1 launch of Authority-wide LinkedIn Learning and the onboarding of Chief Legal Officer Ernest A. Tuckett III and Chief Information Officer Jesse Hillman.

Benefits and wellness programs continue to draw strong participation, with an employee health screening day upcoming.

The vacancy mitigation and workforce evolution strategy aims to reduce aged vacancies by 25–35 percent within 12 months, starting with the oldest. The 30-, 60-, and 90-day implementation roadmap was reviewed.

Chair Morris-Hughes requested an update on the strategy; Ms. Jackson noted that District residents comprise 16 percent of total FTEs.

Board member Anthony Giancola also requested recent employee separation totals and key reasons for departure.

As of August 31, 2026, Ms. Jackson reported about 170 vacancies: 97 under recruitment and 10 filled but awaiting onboarding. FY 2026 separations totaled 77.

Interim CEO and General Manager Matthew Brown said the updated CEO report will include more detailed separation data and reasons for leaving, when available.

Meeting of the Finance and Budget Committee
Reported by Anthony Giancola

The Finance and Budget Committee met on July 23, 2026.

Interim Chief Financial Officer and EVP Lola Oyeyemi presented the June 2026 Financial Report. Operating revenues were approximately $764.7 million, or 75.9 percent of budget; operating expenses were $545.4 million, or 65 percent; and capital disbursements were $539.1 million, or 69 percent. Liquidity remained strong.

Cash investments totaled $606.9 million, including 40.6 percent in the rate stabilization fund (RSF). Interest income through June was approximately $10.5 million and was expected to exceed the year-end budget. Delinquent accounts rose to $32.6 million across 12,516 accounts due to paused disconnections for multifamily and commercial customers.

David Calvert and Jack Schnorbus of PFM Asset Management reported that, as of June 2026, operating revenues were approximately $309 million, total assets were $539 million, and construction fund drawdowns exceeded $60 million.

The portfolios are generating strong fixed-income returns, with U.S. Treasuries comprising nearly 41 percent of allocations and yielding above 4 percent.

Mr. Gray presented the inaugural quarterly procurement report. Since October 2025, all 38 Board-approved procurement actions have been executed—31 within 45 days and seven later.

Ms. Oyeyemi presented the 2027 budget proposal, final recommendations, and public comments. Management reduced the proposed customer bill increase from 7.5 percent to 5.9 percent for 2027, while maintaining 5.3 percent for 2028. The proposal includes the District's proposed pass-through PIF and stormwater fee increases.

Ms. Oyeyemi recommended splitting the projected $12.2 million 2026 cash position: $6.1 million to increase cash on hand from 282 to 287 days toward the 2032 goal of 350 days, and $6.1 million to the RSF.

Ms. Oyeyemi reviewed 18 comments from the Office of the People's Counsel (OPC) and 11 from the public received during DC Water's ratemaking process.

The committee recommended two action items to the Board.

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

The Environmental Quality and Operations Committee met July 16, 2026.

Nicholas Passarelli, Vice President, Wastewater Treatment Operations, reported that Blue Plains met all July 2026 NPDES permit requirements, capturing 85 million gallons

with no overflows. On-site generation supplied about 23 percent of facility power. Blue Plains produced about 14,500 tons of biosolids, including 4,000 tons sold as Bloom.

Mr. Brown and Moussa Wone, Chief Engineer and Vice President, Engineering and Clean Rivers Project, reported that C&O Canal environmental rehabilitation continues after favorable soil results and coordination with the National Park Service. The nearly complete assessment will guide emergency priorities and CIP revisions. As of July 16, repairs were underway at several sites with no odor complaints.

Chris Collier, Vice President, Water and Sewer Operations, reported that the non-revenue water program is advancing through the AWWA M36 methodology and a new enterprise water stewardship team. About $9 million over three years will fund AMI improvements and boundary metering, targeting a 5–7 percent reduction within three to five years.

William Elledge, Director, Capital Water and Lead-Free DC, summarized comments on proposed house-by-house rules expanding private-side lead service line replacement eligibility for vulnerable residents and certain emergencies.

The Committee reviewed fact sheet updates and recommended four joint-use and one non-joint-use item to the Board.

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

The Environmental Quality and Operations Committee held a special meeting on August 31, 2026.

Dr. Wone presented a request for the Environmental Quality and Operations Committee to recommend Board approval of $350 million Potomac Interceptor rehabilitation Construction Manager at Risk (CMAR) Master Service Agreement (MSA) to five pre-qualified contractors. The initial projects under the MSA are estimated at $253 million, leaving approximately $100 million for flexibility and additional approved CIP work.

Task orders will be competitively awarded based on the lowest responsive price or best value for the individual work items, and any increases above the $350 million ceiling would be submitted for Board approval. Ten firms were evaluated for experienced, capacity, staffing, and safety, with five recommended.

Christopher Herrington noted that over the summer break, the Blue Drop team celebrated Bloom's tenth anniversary. Paul Guttridge, PMP Director, CIP Infrastructure Management, represented DC Water at the ACEC Metropolitan Washington luncheon

where he discussed DC Water's procurement opportunities with critical contractors in the region.

Meeting of the Audit and Risk Committee
Reported by Dr. Samuel Moki

The Audit and Risk Committee met in emergency session July 23, 2026.

Francis Cooper, Director of the Enterprise Program Management Office, reported that the FY 2026 ERM annual report is approximately 60 percent complete.

The Authority added ERM 201 and 202 to mandatory ERM 101 training. The courses will be integrated into Oracle learning modules and are undergoing approval to become mandatory.

The enterprise risk assessment will combine top-down and bottom-up reviews, with services planned for August and interviews in September. Input from management, senior leaders, and Board members will identify emerging risks, inform prioritization and internal audit integration, and support an executive summary in early FY 2027.

Mr. Collier reported that DC Water is establishing a non-revenue water baseline using AWWA M36 top-down and bottom-up assessments. Data validity improved from 51 to 54 from 2024 to 2025, while reported real losses rose from 175 to 195 gallons per connection per day because of better detection, not greater losses.

DC Water identified 42 strategies to reduce apparent and real losses, prioritizing measurement, unauthorized-use investigations, meter accuracy, data handling, and infrastructure. Work includes field investigations, closer Washington Aqueduct coordination, attention to about 18,000 customer meters, assessment of about 13,000 AMI endpoints, and formation of an enterprise water stewardship team.

Cherry Bekaert reported that eight FY 2026 audit engagements are underway.

One management assessment and the FY 2027 risk assessment will occur this fiscal year. The FY 2026 cloud security audit is complete, with results scheduled for the committee's next executive session.

Cherry Bekaert reported 11 open prior audit findings, including three high-risk findings, and 85 findings closed from FY 2023 through FY 2025.

The Fraud, Waste and Abuse Hotline received 24 reports year-to-date: 16 closed and eight open, plus four open FY 2025 cases.

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

The Retail Water and Sewer Rates Committee met July 28, 2026.

The Committee reviewed adjusted FY 2027–2028 rates, fees, and charges and the revised 10-year financial plan.

Syed Khalil, Vice President of Rates and Revenue, summarized cash receipts, delinquencies, and permit refunds through June 30, 2026.

Ms. Oyeyemi reviewed the proposed FY 2027–2028 rates and final recommendations, balancing reliable service, compliance, infrastructure, operating costs, District pass-through charges, and affordability.

Management reduced the average FY 2027 residential bill increase from 7.5 to 5.9 percent; FY 2028 remained at 5.3 percent. Both are below the Board's 6 percent target.

Government Affairs secured a PIF grace-period extension from 30 to 60 days and a sunset on DC Water's PIF payments beginning in FY 2031, reducing estimated annual costs from $12.7 million to $4.4 million.

Management proposed using the RSF to absorb the PIF in FY 2027–2028.

Ms. Bhatt said the Rates Committee, Finance and Budget Committee, and Board jointly advocated for lower rates and secured concessions for ratepayers.

The proposal retains 6 percent volumetric water and sewer rate increases for FY 2027–2028. DC Water fees remain unchanged, while the District stormwater fee rises 1.36 percent per ERU.

Ms. Oyeyemi said the 5.9 percent proposed FY 2027 bill increase comprises 5 percent in DC Water charges and 0.9 percent in stormwater fees, excluding the PIF.

Ms. Oyeyemi also presented the operating budget and 10-year financial plan, including priorities supporting the rate proposal.

Proposed FY 2027–2028 operating receipts were reduced by about $8.3 million annually, reflecting removal of the $12.7 million PIF, partly offset by a $4.4 million RSF transfer.

Proposed operating revenue is $1.061 billion for FY 2027 and $1.11 billion for FY 2028, with retail and wholesale projections unchanged. The $9.69 billion 10-year CIP includes $8.94 billion in anticipated cash disbursements.

Management proposed splitting the projected $12.2 million FY 2026 net cash surplus equally between increasing cash on hand from 282 to 287 days and the RSF. It also proposed annual $4.4 million RSF transfers to the general fund in FY 2027 and FY 2028 to absorb the PIF, leaving a projected 10-year RSF balance of $42.9 million.

The revised 10-year financial plan is projected to meet bond indenture requirements and Board financial policies.

The committee reviewed 11 public and 18 OPC comments on affordability, transparency, funding, financing, customer assistance, and infrastructure. Seniors, fixed-income households, and low- and moderate-income customers sought greater affordability and broader assistance eligibility.

Mr. Brown said rate increases are needed to sustain essential services and infrastructure, noting Management reduced the average FY 2027 residential bill increase to 5.9 percent despite two new District pass-through charges.

The Chair and committee commended Management's response to OPC and District residents.

IV. CEO AND GENERAL MANAGER'S REPORT

Interim Chief Executive Officer and General Manager Matthew Brown opened by noting that after serving in the role of interim Chief Financial Officer for the last nine months, Lola Oyeyemi has accepted the permanent position.

He reviewed several special projects and noted that for the Freedom 250 Grand Prix, DC Water supported welding down 103 manholes on the race route. He also commended Management and the Board's efforts to hold retail rate increases below the Board's 6 percent target while funding critical operations and capital needs.

DC Water hosted the Department of Energy and Environment over the last two months during the Authority's annual NPDES inspection. Mr. Brown noted DC Water's enormous responsibility in providing drinking water to the District of Columbia and treating nearly half of the region's wastewater.

During the interim period, the senior executive team will focus on seven priorities:

- asset management, to extend the life of the Authority's assets and measurably reduce outages and system failures;

- water resilience, including work to reduce non-revenue water and planning for potential water reuse;
- performance management, beginning with an upgraded CEO's report;
- facilities and fleet reliability, including improvements to employee spaces;
- employee investment, to reduce turnover and provide clear pathways for employee growth;
- external engagement, to improve our stakeholder confidence; and
- cyber resilience, to reduce exposure to cyberattacks across critical systems.

Mr. Brown also provided and update on the House by House Program to ensure customers most at risk for lead exposure have their properties addressed.

The Potomac Interceptor master service agreement is progressing, with allowance to expand the contract as needed.

While Blue Plains generates approximately 25 percent of the Authority's energy needs, the need for power remains enormous. Mr. Brown highlighted Management's procurement efforts and the use of the projected FY 2026 cash surplus to help offset the PIF for district ratepayers.

Several employees and teams were recognized for their contributions, including cybersecurity staff who maintained readiness during heightened threat activity, the outgoing Jeffrey Peterson for his leadership of the Clean Rivers Program, the team that responded to the Ridge Place Southeast sewer backup, the IT team for ensuring the Authority was shielded from cyberattacks, and outgoing Women of Water co-chairs Flora Klise and Dr. Shirley Thomas for strengthening engagement, professional development, and community across the organization.

V. CONSENT ITEMS FOR APPROVAL (JOINT USE)

1. Approval of Award and Authorization to Execute Contract No. 10638. Electric Energy Services and Electricity Generation and Transmission. Direct Energy Business. LLC (aka NRG) – **Resolution No. 26-51** (Recommended by the Environmental Quality and Operations Committee 07-16-26)
2. Approval to Exercise Contract Modification to Add Funding and Extend Option Year 7 of Contract No. 10240. Electric Energy Services and Associated Energy Generation and Transmission Services. Constellation New Energy, Inc. – **Resolution No. 26-52** (Recommended by the Environmental Quality and Operations Committee 07-16-26)
3. Approval of Award and Authorization to Execute IDIQ Contract Nos. 10631, 10633 and 10634. Industrial High Pressure and High Vacuum Truck Services: Reviera

Enterprises LLC. Jet Blast Inc. and Carter & Carter Enterprise Inc. – **Resolution No. 26-53** (Recommended by the Environmental Quality and Operations Committee 07-16-26)

4. Approval of Award and Authorization to Execute Contract No. 10637, Microsoft Enterprise Licenses Agreement, Dell Marketing LP – **Resolution No. 26-54** (Recommended by the Environmental Quality and Operations Committee 07-16-26)
5. Approval to Amend Transfer of Projected FY 2026 Net Cash Surplus to Days of Cash and to Rate Stabilization Fund to offset Public Inconvenience Fee (PIF) in FY 2027 and FY 2028 – **Resolution No. 26-55** (Recommended by the Finance and Budget Committee 07-23-26)
6. Approval of Proposed Revised Fiscal Year 2026- 2035 Ten-Year Financial Plan – **Resolution No. 26-56** (Recommended by the Finance and Budget Committee 07-23-26)
7. Approval of Award and Authorization to Execute Master Service Agreements (MSAs) with Five (5) Qualified Contractors, Contract No. 260040, Potomac Interceptor Rehabilitation: Anchor Construction Corporation1 Clark Michels JV, Garney Companies, Inc, SAK Construction, LLC and Ulliman Schutte Construction, LLC – **Resolution No. 26-57** (Recommended by the Environmental Quality and Operations Committee 08-31-26)
8. Approval of Supplemental Agreement No. 1 for $1,500,000.00 for Beveridge & Diamond. PC for Privileged and Confidential Legal Services – **Resolution No. 26-58** (Subject to approval by the full Board at its September 3, 2026, meeting)

Upon a motion made, the Board of Directors voted to approve Joint-Use Resolutions Nos. 26-51 through 26-58 as presented.

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

1. Adoption and Approval to Publish the Notice of Final Rulemaking to Establish House By House Priority Full Lead Water Service Line Replacement Program – **Resolution No. 26-59** (Recommended by the Environmental Quality and Operations Committee 07-16-26)
2. Approval of Award and Authorization to Execute an Architectural and Engineering Contract No. DCFA #572-WSA for, Water Program Management Consultant, HOR Engineering, Inc – **Resolution No. 26-60** (Recommended by the Environmental Quality and Operations Committee 07-16-26)
3. Approval to Execute Change Order No. 02 of Contract No. 220110, Water Infrastructure Rehabilitation and Replacement Contract FY23-FY25, Capitol

Paving of DC Inc. – **Resolution No. 26-61** (Recommended by the Environmental Quality and Operations Committee 07-16-26)

4. Approval to Publish Notice of Final Rulemaking for Fiscal Years 2027 and 2028 Retail Metered Water and Sewer Service Rates, Right-of-Way (ROW), Payment-in-Lieu of Taxes (PILOT) Fee, Clean Rivers Impervious Area Charge (CRIAC), Retail Groundwater Sanitary Sewer Service Rate and High Flow Filter Backwash Sewer Rate – **Resolution No. 26-62** (Recommended by the DC Retail Water and Sewer Rates Committee 07-28-26)

Upon a motion made, the Board of Directors voted to approve Non-Joint-Use Resolutions Nos. 26-59 through 26-62 as presented.

VII. EXECUTIVE SESSION

After a motion and majority vote, the Board moved into executive session at 10:44 a.m.

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

VIII. ADJOURN

The Board reconvened in open session at 12:39 p.m. and hearing no further business, the meeting adjourned at 12:40 p.m.

Debra L. Mathis
Interim Secretary to the Board of Directors