



District of Columbia Water and Sewer Authority Board of Directors

Finance and Budget Committee June 25, 2026 / 9:30am

Microsoft Teams meeting

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Meeting ID: 297 385 433 561 815 Passcode: Gs9cy6k4

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Phone Conference ID: 722 628 000#

1. **Call to Order** Alexander McPhail, Vice Chairperson
2. **Roll Call** Debra Mathis, Acting Board Secretary
3. [May 2026 Financial Report \(Attachment 1\)](#) [Lola Oyeyemi](#)
4. [Insurance Renewal Update \(Attachment 2\)](#) [Tanya DeLeon](#)
5. [Rolling Owner Controlled Insurance Program \(ROCIP\) VII Update \(Attachment 3\)](#) [Tanya DeLeon](#)
6. [Extension of Payment Plan Incentive Program into FY2027 \(Attachment 4\)](#) [Marcus McKenzie](#)
7. [FY 2026 Mid-Year Projections \(Attachment 5\)](#) [Lola Oyeyemi](#)
8. [Discussion of a Draft Resolution on Procurement Procedure \(Attachment 6\)](#) [Alexander McPhail](#)
9. **Action Items**
 - A. [Recommendation for Approval of FY 2026 Use of Projection Net Cash Surplus \(Attachment 7\)](#) [Lola Oyeyemi](#)
 - B. [Recommendation for Approval to make transfer from the Cash Surplus fund to the Authority General Fund in FY 2027 Budget \(Attachment 8\)](#) [Lola Oyeyemi](#)
 - C. [Recommendation for Approval of ROCIP VII Administration and Broker Services \(Attachment 9\)](#) [John T. Pappajohn](#)
10. [Agenda for July 2026 Committee Meeting \(Attachment 10\)](#) [Alexander McPhail](#)
11. **Executive Session*** [Alexander McPhail](#)
12. **Adjournment** [Alexander McPhail](#)

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.

1The 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.



Fiscal Year 2026

Monthly Financial Report

Period Ending May 31, 2026

DEPARTMENT OF FINANCE

Lola Oyeyemi, Acting CFO & EVP, Finance, Procurement & Compliance

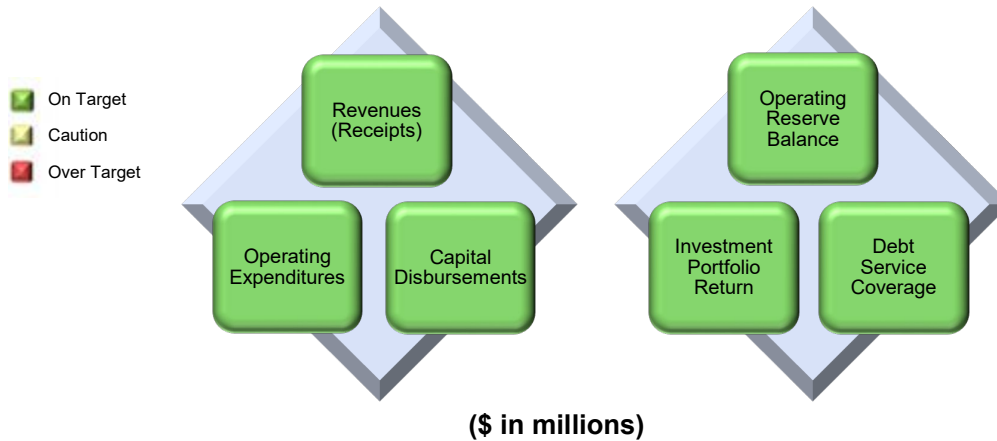
Syed Khalil, Vice President, Rates & Revenue

Henok Getahun, Controller

MAY 2026

EXECUTIVE SUMMARY

As of the end of May 2026, with approximately 67 percent of the fiscal year completed, we are on track with budgetary expectations and targeted performance metrics.



	Budget	YTD Budget	Actual	Variance Fav(Unfav) \$	Variance Fav(Unfav) %	Actual % Budget	Y/E Projection
Revenues (Receipts)	\$1,008.2	\$693.1	\$690.3	(\$2.8)	-0.4%	68.5%	\$1,016.9
Expenditures	\$838.1	\$492.6	\$487.6	\$5.0	1.0%	58.2%	\$829.3
Capital Disbursements	\$776.8	\$520.4	\$465.1	\$55.4	10.6%	59.9%	\$725.9

Highlights:

- Members of the Finance Department will attend the 120th Government Finance Officers Association (GFOA) Annual Conference in Chicago, IL in June
- The Public Hearing on the Proposed FY 2027 & FY 2028 Rates, Charges and Fees is scheduled for June 23rd

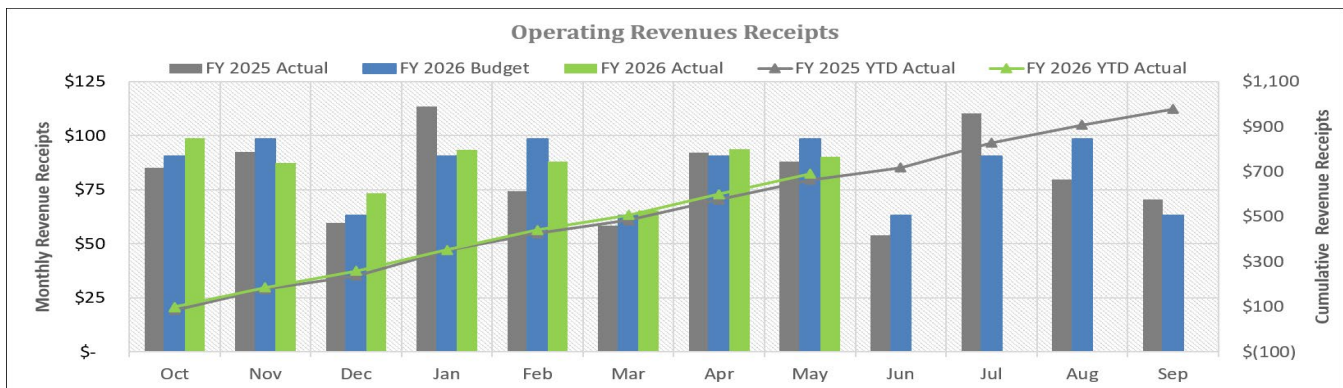
Lola Oyeyemi, Acting Chief Financial Officer & Executive Vice President

Monthly Financial Report

Fiscal Year-to-Date
As of May 31, 2026

Operating Revenues (\$000's)

FY 2025 Actual		CATEGORY	FY 2026						Projections	
Total Annual	YTD May		Year-to-Date Performance					Year-End Projections	% of Budget	
			Revised Annual Budget	YTD Revised Budget	YTD Actual	% of Budget	Variance \$ Fav(Unfav)			Variance % Fav(Unfav)
\$576,751	\$373,014	Residential / Commercial / Multi-Family*	\$582,965	\$388,644	\$388,027	66.6%	(\$617)	(0.2%)	\$595,027	102.1%
92,625	69,699	Federal	99,339	74,504	75,192	75.7%	688	0.9%	100,256	100.9%
25,727	16,262	Municipal (DC Govt.)	27,259	18,173	17,387	63.8%	(786)	(4.3%)	26,888	98.6%
14,990	10,294	DC Housing Authority	15,176	10,118	9,025	59.5%	(1,093)	(10.8%)	14,425	95.0%
24,479	16,416	Metering Fee	24,400	16,395	16,478	67.5%	83	0.5%	24,422	100.1%
43,382	29,335	Water System Replacement Fee (WSRF)	42,717	28,951	29,557	69.2%	606	2.1%	43,384	101.6%
114,341	86,691	Wholesale	124,219	93,164	91,486	73.6%	(1,678)	(1.8%)	123,769	99.6%
24,989	16,286	PILOT/ROW	24,156	16,352	16,541	68.5%	189	1.2%	24,426	101.1%
61,225	45,872	All Other	67,963	46,774	46,603	68.6%	(171)	(0.4%)	64,256	94.5%
\$978,509	\$663,869	TOTAL	\$1,008,194	\$693,075	\$690,296	68.5%	(\$2,779)	(0.4%)	\$1,016,853	100.9%



VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

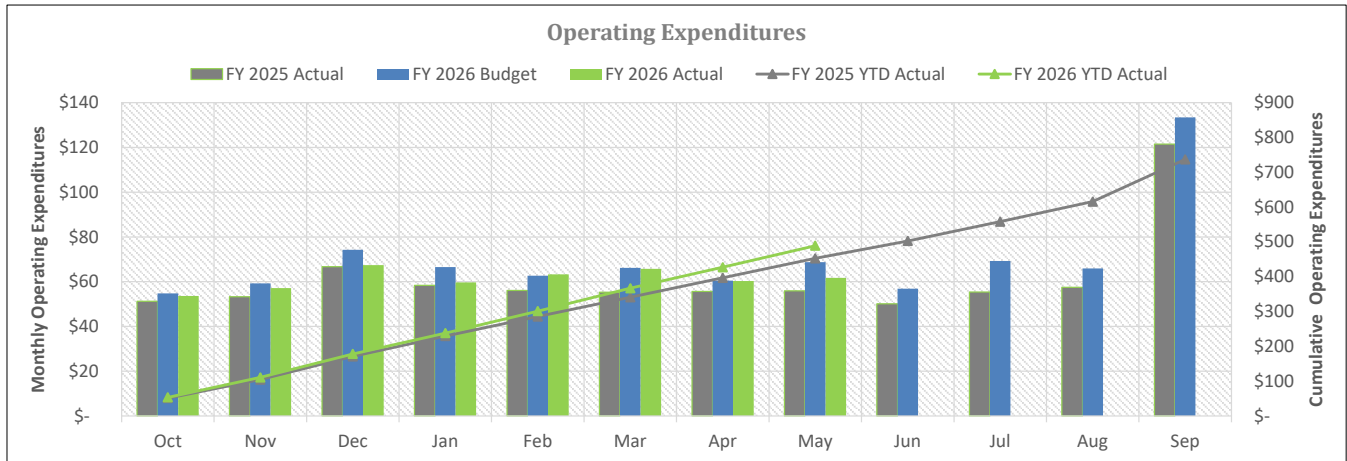
At the end of May 2026, cash receipts totaled \$690.3 million, or 68.5 percent of the FY 2026 Revised Budget. The YTD FY 2026 revised budgeted receipts were \$693.1 million. Several categories of customers make payments on a quarterly basis, including the Federal Government (which made their third quarterly payment in April 2026), and wholesale customers (who made their third quarterly payment in May).

Favorable Variances	Unfavorable Variances
<p>Federal - YTD receipts total \$75.2 million or 75.7 percent of the revised budget. The Federal government made its third quarter payment in April 2026.</p> <p>Metering Fee – Receipts are on track at \$16.5 million or 67.5 percent of the revised budget.</p> <p>Water System Replacement Fee (WSRF) – Actual Receipts for WSRF totaled at \$29.6 million or 69.2 percent of the revised budget.</p> <p>PILOT/ROW – The YTD receipts are slightly higher at \$16.5 million or 68.5 percent of the revised budget.</p>	<p>Residential, Commercial, and Multi-Family – Receipts for this category are slightly lower at \$388.0 million or 66.6 percent of the revised budget. May 2026 receipts were lower by \$0.3 million as compared to the monthly revised budget of \$48.6 million due to slightly lower consumption as compared to the monthly revised budget.</p> <p>District Government – Receipts are lower at \$17.4 million or 63.8 percent of the revised budget. May 2026 receipts were slightly lower by \$0.1 million as compared to the monthly revised budget of \$2.3 million due to lower consumption as compared to the revised budget.</p> <p>DC Housing Authority – Receipts are lower at \$9.0 million or 59.5 percent of the revised budget. May 2026 receipts were higher as compared to the revised budget because DCHA also paid \$1.1 million April payment for March billed amount, which was due last month but was not paid.</p> <p>Wholesale – The YTD actual receipts totaled \$91.5 million or 73.6 percent of the revised budget. Receipts are slightly lower by \$1.7 million. The Town of Vienna and Metropolitan Airport Authority (MWA) have not made payment of \$1.15 million billed for second quarter, which is expected to be received in June.</p> <p>Other Revenue – Receipts are lower at \$46.6 million or 68.6 percent of the revised budget mainly due to System Availability Fee (SAF) (\$2.4 million), Washington Aqueduct Backwash (\$0.3 million), and Developer Fees (\$0.8 million). IMA Indirect Cost Reimbursement for Capital Projects (\$0.8 million), Interest Earnings (\$0.7 million), and Miscellaneous Revenue (\$1.8 million) are higher than the revised budget.</p>

Fiscal Year-to-Date
As of May 31, 2026

Operating Expenditures (\$000's)

FY 2025 Actual		CATEGORY	FY 2026						Projections	
Total Annual	YTD May		Year-to-Date Performance				Variance		Year-End Projections	% of Budget
			Revised Budget	YTD Budget	Actual	% of Budget	Variance \$ Fav(Unfav)	Variance % Fav(Unfav)		
\$198,736	\$131,605	Personnel	\$217,462	\$ 140,390	\$134,419	61.8%	\$5,972	4.3%	\$207,746	95.5%
89,951	64,634	Contractual Services	102,284	72,637	69,628	68.1%	3,009	4.1%	100,392	98.2%
44,279	28,056	Water Purchases	48,149	30,620	32,822	68.2%	(2,202)	(7.2%)	52,294	108.6%
58,202	38,286	Supplies & Chemicals	57,491	39,403	43,009	74.8%	(3,606)	(9.2%)	61,233	106.5%
37,834	25,352	Utilities	41,659	27,535	29,831	71.6%	(2,296)	(8.3%)	45,199	108.5%
1,290	842	Small Equipment	1,531	973	878	57.3%	95	9.8%	1,538	100.4%
\$430,292	\$288,775	SUBTOTAL O&M	\$468,576	\$311,559	\$310,587	66.3%	\$972	0.3%	\$468,401	100.0%
224,506	147,972	Debt Service	247,448	164,965	160,921	65.0%	4,044	2.5%	238,818	96.5%
24,170	15,864	PILOT/ROW	24,170	16,113	16,113	66.7%	0	0.0%	24,170	100.0%
58,438	0	Cash Financed Capital Improvements	97,938	0	0	0.0%	0	0.0%	97,938	100.0%
\$737,406	\$452,611	TOTAL OPERATING	\$838,133	\$492,637	\$487,621	58.3%	\$5,016	1.0%	\$829,328	98.9%
(25,928)	(20,857)	Capital Labor	(30,907)	(23,151)	(21,834)	70.6%	(1,318)	5.7%	(30,796)	99.6%
\$711,478	\$431,754	TOTAL NET OPERATING	\$807,226	\$469,486	\$465,787	57.7%	\$3,699	0.8%	\$798,531	98.9%



VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

Total operating expenditures for this period (including debt service and the Right-of-Way & PILOT fees) totaled \$489.0 million or 58.3 percent of the FY 2026 revised budget of \$838.1 million.

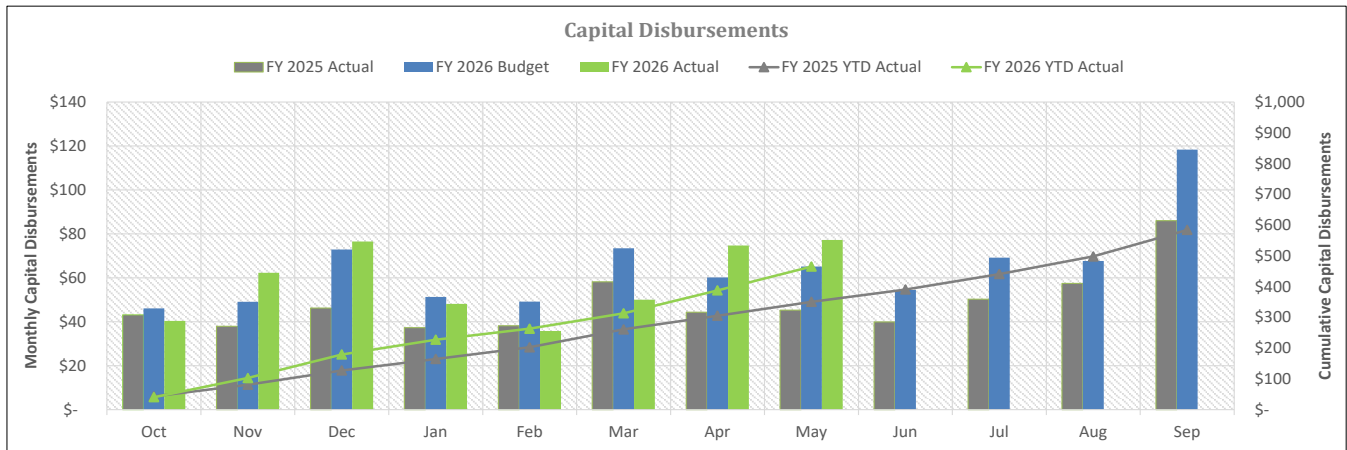
These numbers include estimated incurred but unpaid invoices and are subject to revision during year-end close-out.

Favorable Variances	Unfavorable Variances
<p>Personnel Services – Of the 1283 positions authorized, 1108 were filled at the end of April. The vacancy rate is 13.6 percent based on the total number of authorized positions. The high overtime spending is due to emergency water and sewer main repairs required during the cold winter season, including the repair work for Cambi Freeze and the Potomac Interceptor.</p> <p>Contractual Services – Spending is in line with expectations throughout the Authority at this time of the fiscal year.</p> <p>Debt Service – YTD variance reflects actual cost of variable rate interest being lower than anticipated for variable-rate bonds, along with refinancing lower cost debt through Series 2026 bonds.</p>	<p>Supplies & Chemicals – The YTD variance reflects higher-than-budgeted costs for key chemicals used at the Plant and other odor control facilities. This increase is driven by rising unit prices, freight, and transportation charges. Based on current global trends, these elevated costs are expected to continue as previously reported.</p> <p>Water Purchases – YTD spending reflects DC Water’s share of Washington Aqueduct (WAD) expenditures (approximately 75%), driven by increased consumption and a rate adjustment effective February 2026.</p> <p>Utilities – YTD increases are driven by higher electricity and automotive fuel costs, partially offset by lower water usage expenses.</p>

Fiscal Year-to-Date
As of May 31, 2026

Capital Disbursements (\$000's)

FY 2025 Actual		CATEGORY	FY 2026						Projections	
Total Annual	YTD May		Year-to-Date Performance				Variance \$ Fav(Unfav)	Variance % Fav(Unfav)	Year-End Projections	% of Budget
			Revised Budget	YTD Budget	Actual	% of Budget				
\$5,186	\$3,948	Non Process Facilities	\$15,467	\$10,363	\$2,734	17.7%	\$7,629	73.6%	\$6,288	40.7%
64,766	35,798	Wastewater Treatment	83,199	55,743	43,911	52.8%	11,832	21.2%	73,275	88.1%
165,124	97,970	Combined Sewer Overflow	237,482	159,113	146,462	61.7%	12,651	8.0%	225,701	95.0%
7,427	4,127	Stormwater	16,550	11,088	3,038	18.4%	8,051	72.6%	10,618	64.2%
109,368	62,871	Sanitary Sewer	155,371	104,099	104,939	67.5%	(841)	(0.8%)	159,713	102.8%
190,303	121,038	Water	186,757	125,127	129,739	69.5%	(4,611)	(3.7%)	176,167	94.3%
\$542,174	\$325,753	SUBTOTAL CAPITAL PROJECTS	\$694,826	\$465,534	\$430,823	62.0%	\$34,710	7.5%	\$651,763	93.8%
19,911	13,557	Capital Equipment	32,481	21,762	16,543	50.9%	5,220	24.0%	24,641	75.9%
22,060	11,217	Washington Aqueduct	49,480	33,152	17,685	35.7%	15,467	46.7%	49,480	100.0%
\$41,971	\$24,774	SUBTOTAL ADD'L CAPITAL PROGRAMS	\$81,961	\$54,914	\$34,227	41.8%	\$20,686	37.7%	\$74,121	90.4%
\$584,145	\$350,527	TOTAL	\$776,787	\$520,447	\$465,051	59.9%	\$55,397	10.6%	\$725,884	93.4%



VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of May 2026, capital disbursements totaled \$465.1 million or 59.9 percent of the FY 2026 revised budget.

Detailed project performance will be provided to the Environmental Quality & Operations and Finance & Budget Committees as part of the quarterly CIP update by Shared Services and Asset Management department in September 2026.

Capital Projects	Additional Capital Programs
<p><u>Non-Process Facilities</u> – Lower YTD disbursement mainly due to delays in HVAC and roofing projects.</p> <p><u>Wastewater Treatment</u> – Year-to-date disbursements are lower due to delays in construction progress and scheduling across Liquids Processing, Plantwide, and Biosolids projects.</p> <p><u>Combined Sewer Overflow</u> – YTD disbursements mainly for DC Clean Rivers project which is progressing as planned.</p> <p><u>Stormwater Service Area</u> – Lower YTD disbursements mainly due to construction delays in the Stormwater Pump Stations Rehabilitation.</p> <p><u>Sanitary Sewer Service Area</u> – YTD disbursements mainly due to higher than expected emergencies and planned sewer rehab for Sanitary On-going projects.</p> <p><u>Water Service Area</u> – YTD disbursement reflects spending for the Lead-Free DC Program, Critical Valve replacement and Small Diameter Water Main projects which are progressing as planned.</p>	<p><u>Capital Equipment</u> – YTD variance is mainly attributable to unused funds in the Authority-wide reserves, delays in the purchase of fleet vehicles with delivery anticipated in FY27 and the Ongoing Meter Replacement Program which is anticipated to increase later in the fiscal year.</p> <p><u>Washington Aqueduct</u> – The disbursement covers payment for the first quarter and a partial payment of the Aqueduct’s fourth-quarter PAYGO bill from last year.</p>

Fiscal Year-to-Date
As of May 31, 2026

Cash Investments (\$ in millions)

Cash Balances

Rate Stabilization Fund Balance	\$40.72
DC Insurance Reserve Balance	1.00

Operating Reserve Accounts	
Renewal & Replacement Balance	35.00
O & M Reserve per Indenture	69.92
282 Days of Cash O&M Reserve	236.68
282 Days of Cash O&M Reserve Target FY2026	341.60
Excess Above 282 Days of Cash O&M Reserve	25.66
Operating Cash Balance	367.26

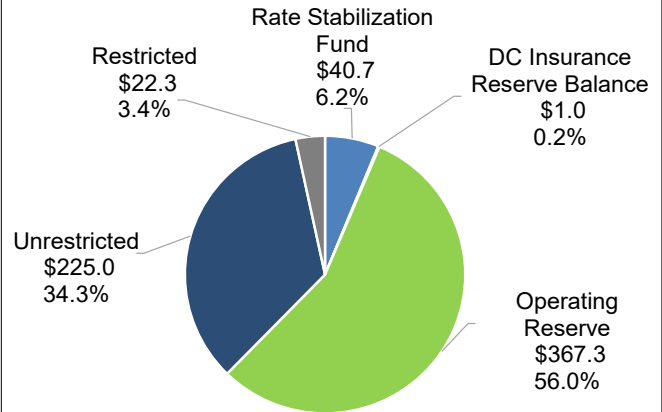
Operating Cash Balance Including RSF 408.98

Additional Reserve Accounts	
Unrestricted	
DC Water - FY2026 CSO Funding	8.02
Bond Fund - Construction 2025B	68.01
Bond Fund - Construction 2025C	148.92
Unrestricted Total	224.95

Restricted	
Debt Service Reserve - Series 1998	8.89
DC Water - DDOT Projects	13.01
District Funds	0.37
Restricted Total	22.28

Total All Funds \$656.21

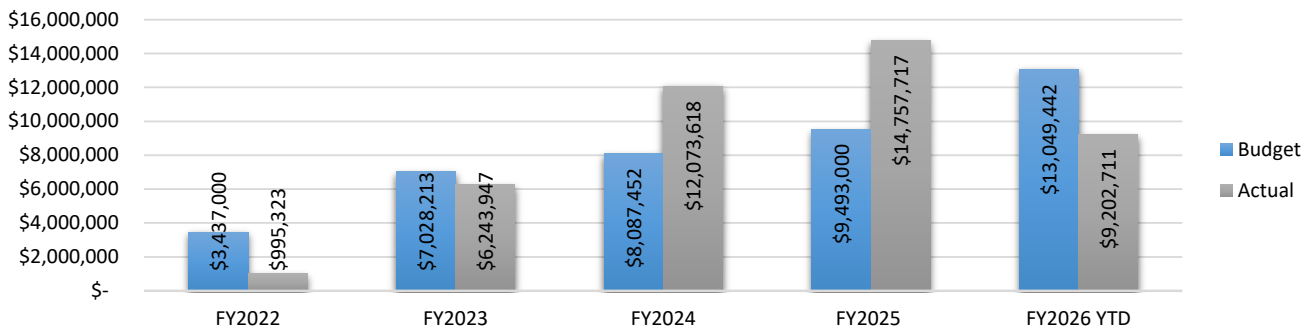
Breakdown of Cash Balances



Overall Portfolio Performance

- The operating reserve balance was \$367.3 million as compared to the revised operating reserve management target level of \$341.6 million for FY 2026
- Average cash balance for the month of May was \$381.6 million
- Total investment portfolio was in compliance with the Authority's Investment Policy
- Operating funds interest income for May (on a cash basis) was \$1,064,787; YTD \$9,202,711
- A detailed investment performance report is attached

Operating Interest Income 5 Year History



Monthly Financial Report

Fiscal Year-to-Date
As of May 31, 2026

FY 2026 Cash Flow Summary (\$000's)

	Annual Budget Cash Basis	YTD Cash Budget	YTD Actual Cash Oct. 1, 2025 - May. 31, 2026 -	Variance Favorable (Unfavorable)	
OPERATING BUDGET					
Cash Provided					
Retail	\$791,856	\$527,904	\$535,665	\$7,761	1%
Wholesale	124,219	93,170	91,486	(1,685)	-2%
Other	92,119	62,741	62,715	(26)	0%
Total Cash Provided	1,008,194	683,815	689,866	6,051	1%
Operating Cash Used					
Personnel Services	186,555	140,390	120,684	(19,706)	-14%
Contractual Services	102,284	72,637	68,146	(4,491)	-6%
Chemicals & Supplies	57,491	39,403	50,108	10,705	27%
Utilities	41,659	27,535	30,487	2,952	11%
Water Purchases	48,149	30,620	30,691	71	0%
Small Equipment	1,531	973	868	(105)	-11%
Total Operating Cash Used	437,669	311,558	300,983	(10,575)	-3%
Defeasance D.S./Cash Financed Capital Construction	97,938		0	\$	0%
Other Cash Used					
Debt Service	247,448	164,965	160,921	(4,044)	-2%
Payment In Lieu of Taxes/Right of Way	24,170	16,113	18,128	2,015	13%
Total Other Cash Used	271,618	181,078	179,049	(2,029)	-1%
Total Cash Used	807,226	492,636	480,032	(12,605)	-3%
Net Cash Provided (Used) by Operating Act.	200,968	191,179	209,834	18,656	
CAPITAL BUDGET					
Cash Provided					
Debt Proceeds	375,232	250,154	175,026	(75,129)	-30%
Proceeds from WIFIA Loan	26,000	17,333		(17,333)	-100%
Cash Financed Capital Improvements	0				0%
System Availability Fee	5,700	3,800		(3,800)	-100%
Federal Grants - Infrastructure Funding	45,664	30,443		(30,443)	-100%
EPA Grants	20,099	13,399	26,079	12,680	95%
CSO Grants					0%
Interest Income	5,850	3,900	7,769	3,869	99%
Wholesale Capital Contributions	119,438	79,625	76,797	(2,828)	-4%
Total Cash Provided	597,982	398,655	285,671	(112,984)	-28%
Cash Used					
DC Water Capital Program	727,307	405,393	439,990	34,597	9%
Washington Aqueduct Projects	49,480	24,740	17,685	(7,055)	0%
Total Cash Used	776,787	430,133	457,675	27,542	6%
Net Cash/PAYGO Provided (Used) by Cap. Act.	(\$178,805)	(\$31,478)	(\$172,005)	(\$140,527)	
Beginning Balance, October 1 (Net of Rate Stab. Fund) Projects					
Plus (Less) Operating Surplus	\$333,716		\$333,716		
Wholesale Customer Refunds for Prior Years	200,968	133,979	209,834		
Transfer to Rate Stabilization Fund	(3,000)	(2,000)	6,300		
Transfer to CAP Fund					
Transfer from CAP Fund					
Transfer from SAF					
Interest Earned from Bond Reserve	331	220	430		
DDOT 2002 MOU Transfers (CapEx Reimbursement years later)					
Miscellaneous (i.e. Settlement for previous years, etc.)					
Prior Year Federal Billing Reconciliation	(11,310)	(7,540)	(8,482)		
Project Billing Refunds			(2,531)		
Cash Used for Capital	(178,775)	(119,183)	(172,005)		
Balance Attributable to O&M Reserve	\$341,931		\$367,262		
OTHER CASH RESERVES					
Rate Stabilization Fund	Current				
DC Insurance Reserve	Balance				
Unrestricted Reserves	\$40,720				
Restricted Reserves	1,002				
	224,947				
	22,276				

APPENDIX

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Monthly Financial Report

Fiscal Year-to-Date
As of May 31, 2026
(\$ in millions)

Operating Revenues Detail

Revenue Category	FY 2026 Revised Budget	YTD Revised Budget	Actual	Variance Favorable / (Unfavorable)		Actual % of Budget
Residential, Commercial, and Multi-family	\$583.0	\$388.6	\$388.0	(\$0.6)	-0.2%	66.6%
Federal	\$99.3	\$74.5	\$75.2	\$0.7	0.9%	75.7%
District Government	\$27.2	\$18.2	\$17.4	(\$0.8)	-4.3%	63.8%
DC Housing Authority	\$15.2	\$10.1	\$9.0	(\$1.1)	-10.8%	59.5%
Customer Metering Fee	\$24.4	\$16.4	\$16.5	\$0.1	0.5%	67.5%
Water System Replacement Fee (WSRF)	\$42.7	\$29.0	\$29.6	\$0.6	2.1%	69.2%
Wholesale	\$124.2	\$93.2	\$91.5	(\$1.7)	-1.8%	73.6%
Right-of-Way Fee/PILOT	\$24.2	\$16.3	\$16.5	\$0.2	1.2%	68.5%
Subtotal (before Other Revenues)	\$940.2	\$646.3	\$643.7	-\$2.6	-0.4%	68.5%
IMA Indirect Cost Reimb. For Capital Projects	9.1	6.1	6.9	0.8	13.1%	75.8%
DC Fire Protection Fee	17.6	13.2	13.2	0.0	0.0%	75.0%
Stormwater (MS4)	1.0	0.7	0.7	(0.0)	0.0%	70.0%
Interest	13.4	8.9	9.6	0.7	7.9%	71.6%
Developer Fees (Water & Sewer)	9.0	6.0	5.2	(0.8)	-13.3%	57.8%
System Availability Fee (SAF)	5.7	3.8	1.4	(2.4)	-63.2%	24.6%
Washington Aqueduct Backwash	3.1	2.1	1.8	(0.3)	-14.3%	58.1%
Others	9.1	6.0	7.8	1.8	30.0%	85.7%
Subtotal	68.0	46.8	46.6	-\$0.2	-0.4%	68.6%
Rate Stabilization Fund Transfer	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	0.0%
Other Revenue Subtotal	\$68.0	\$46.8	\$46.6	-\$0.2	-0.4%	68.6%
Grand Total	\$1,008.2	\$693.1	\$690.3	-\$2.8	-0.4%	68.5%

BREAKDOWN OF RETAIL RECEIPTS BY CUSTOMER CATEGORY
(\$ in 000's)

Customer Category	Water	Sewer	Clean Rivers IAC	Metering Fee	WSRF	Total
Residential	32,548	51,338	22,716	7,325	6,667	120,594
Commercial	64,056	72,524	27,007	4,763	11,328	179,679
Multi-family	42,459	65,304	10,877	2,519	5,643	126,802
Federal	27,300	31,034	16,858	1,154	4,257	80,602
District Govt	4,509	6,101	6,777	550	1,394	19,331
DC Housing Authority	3,297	4,884	843	166	268	9,459
Total:	174,169	231,185	85,079	16,478	29,556	536,467

Note: The breakdown of Collections into Residential, Commercial, & Multi-family and Water and sewer is approximate as it is based on percentages of historical data and does not take into account adjustments and timing differences

Clean Rivers IAC - Actual vs Budget
(\$ in 000's)

Customer Category	FY2026 Budget	Year-To-Date Budget	Actual Received	Variance Favorable / <Unfavorable>	Variance % of YTD Budget	Actual % of Budget
Residential	33,222	22,148	22,716	568	3%	68%
Commercial	39,450	26,300	27,007	707	3%	68%
Multi-family	15,612	10,408	10,877	469	5%	70%
Federal	22,478	16,859	16,858	(0)	0%	75%
District Govt	9,892	6,595	6,777	182	3%	69%
DC Housing Authority	1,465	977	843	(133)	-14%	58%
Total:	122,119	83,286	85,079	1,793	2%	70%

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Retail Accounts Receivable (Delinquent Accounts)

The following tables show retail accounts receivable over 90 days (from the billing date) including a breakdown by customer class.

Greater Than 90 Days by Month

	\$ in millions	# of accounts
September 30, 2012	\$5.5	13,063
September 30, 2013	\$4.9	11,920
September 30, 2014	\$5.3	12,442
September 30, 2015	\$6.5	11,981
September 30, 2016	\$7.7	12,406
September 30, 2017	\$8.4	11,526
September 30, 2018	\$13.4	16,273
September 30, 2019	\$10.6	8,744
September 30, 2020	\$17.9	13,775
September 30, 2021	\$26.3	13,065
September 30, 2022	\$29.1	12,168
September 30, 2023	\$28.0	10,420
September 30, 2024	\$33.9	11,832
September 30, 2025	\$33.4	11,414
October 31, 2025	\$30.7	11,435
November 30, 2025	\$30.7	11,946
December 31, 2025	\$31.0	12,346
January 31, 2026	\$32.0	12,405
February 28, 2026	\$32.8	12,611
March 31, 2026	\$31.0	12,130
April 30, 2026	\$32.0	12,343
May 31, 2026	\$31.3	12,390

The overall delinquencies decreased by \$0.7 million in May 2026 as compared to the last month. The Multi-family Delinquencies increased by \$0.11 million mainly due to a pause in disconnections since January 2026.

Revenue recovery efforts remain a priority in June, with a strong focus on reducing 90-day and greater delinquencies. Dunning activities continue, supported by targeted notification calls and system-generated Late Payment, Disconnection, and Intent-to-Lien notices. The restart of Multifamily disconnections in select areas is expected to drive meaningful reductions in aged delinquency. These efforts also create opportunities to connect customers with CAP assistance and flexible payment options.

Greater than 90 Days by Customer

	Number of Accounts			Month of May (All Categories)				Total Delinquent				
				Active		Inactive		Apr		May		
	W & S	Impervious Only	Total No. of	No. of	Amount	No. of	Amount	No. of	Amount	No. of	Amount	%
	a/c	a/c	a/c	a/c	(\$)	a/c	(\$)	a/c	(\$)	a/c	(\$)	%
Commercial	8,399	1,814	10,213	960	4,248,246	133	\$725,098	1,135	\$5,948,317	1,093	\$4,973,345	16%
Multi-family	9,137	301	9,438	1,419	16,183,322	49	\$322,234	1,434	\$16,388,905	1,468	\$16,505,556	53%
Single-Family Residential	108,179	1,881	110,060	9,665	9,596,570	164	\$218,327	9,774	\$9,632,909	9,829	\$9,814,897	31%
Total	125,715	3,996	129,711	12,044	\$30,028,138	346	\$1,265,660	12,343	\$31,970,131	12,390	\$31,293,797	100%

Notes: Included in the above \$31.3M (or 12,390 accounts) of the DC Water Over 90 days delinquent accounts, \$2,524,079.21 (or 874 accounts) represents Impervious only accounts over 90 days delinquent.
 -Reportable delinquencies do not include balances associated with a long standing dispute between DC Water and a large commercial customer.
 -Delinquent accounts (12,390) as a percentage of total accounts (129,711) is 9.6 percent.
 -Delinquent impervious only accounts (874) as a percentage of total accounts (129,711) is 0.7 percent.
 -Delinquent impervious only accounts (874) as a percentage of total delinquent accounts (12,390) are 7.1 percent.
 -Delinquent impervious only accounts (874) as a percentage of total impervious only accounts (3,996) are 21.9 percent

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Overtime by Department

Department	FY 2026		
	Budget	Actual*	YTD Actual % of Budget
Office of OCOO	0	1,158	0.0%
Wastewater Treatment Operations	1,538,020	1,046,260	68.0%
Process Engineering ¹	28,401	44,094	155.3%
Maintenance Services ¹	906,032	643,730	71.0%
Clean Water and Technology	100,000	1,142	1.1%
Resource Recovery	154,010	86,078	55.9%
Water Operations ²	3,613,042	2,983,805	82.6%
Pumping and Sewer Operations ³	2,904,321	2,847,300	98.0%
Operations	9,243,825	7,653,566	82.8%
Clean Rivers	0	0	0.0%
Permit Operations	440,000	187,334	42.6%
Shared Services and Asset Management	510,000	200,842	39.4%
Wastewater Engineering	50,500	164	0.3%
Water Program and Lead Free DC	10,000	6,154	61.5%
Engineering	1,010,500	394,494	39.0%
Office of OCAO	0	0	0.0%
Customer Care	282,972	151,876	53.7%
Facilities Management ⁴	475,000	388,534	81.8%
Fleet Management	4,000	2,123	53.1%
Occupational Safety	3,000	6,107	0.0%
Office of Emergency Management	0	0	0.0%
Marketing & Communication	2,800	0	0.0%
Security	2,000	33	0.2%
Administration	769,772	548,673	71.3%
Information Technology	6,000	3,628	60.5%
Board Secretary	0	0	0.0%
Office of OCEO	0	0	0.0%
Independent Offices	0	0	0.0%
Finance	45,000	5,280	11.7%
Procurement	120,000	51,451	42.9%
Compliance	0	0	0.0%
Finance, Procurement & Compliance	165,000	56,732	34.4%
People and Talent	3,000	0	0.0%
Government and Legal Affairs	2,000	0	0.0%
Strategy and Performance	0	0	0.0%
Total DC WATER	\$11,200,097	\$8,657,093	77.3%

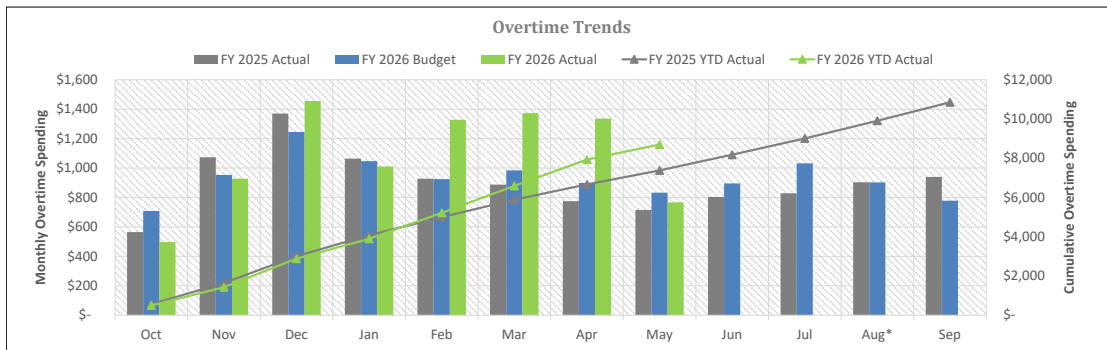
*May 2026 actuals as of Pay Period #11 thru 5/16/26

¹Process Engineering & Maintenance Services - High overtime usage mainly due to additional support during the cold winter months and to manage issues related to the Cambi freeze

²Water Operations - Overtime used for increased seasonal unplanned emergencies and planned water system activities

³Pumping and Sewer Operations - Overtime used for shift coverage and additional support due to repairs to the Potomac Interceptor

⁴Facilities - Overtime used for shift coverage and additional support during critical events



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Capital Disbursements Detail by Program (\$000's)

Service Areas	Budget		Actual			Variance			Projections	
	Revised BUDGET	YTD BUDGET	Oct - 25 - Apr - 26	May-26	YTD	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)	Year-End Projection	% of Budget
NON PROCESS FACILITIES										
Facility Land Use	\$15,467	\$10,363	\$2,446	287	\$2,734	17.7%	\$7,629	73.6%	6,288	40.7%
Subtotal	15,467	10,363	2,446	287	2,734	17.7%	7,629	73.6%	6,288	40.7%
WASTEWATER TREATMENT										
Liquids Processing	37,432	25,079	20,190	4,361	\$24,551	65.6%	528	2.1%	34,566	92.3%
Plantwide	36,576	24,506	11,344	3,493	\$14,837	40.6%	9,669	39.5%	27,832	76.1%
Solids Processing	8,944	5,993	4,099	424	\$4,523	50.6%	1,470	24.5%	10,545	117.9%
Enhanced Nitrogen Removal Facilities	246	165	-	-	\$0	0.0%	165	100.0%	332	0%
Subtotal	83,199	55,743	35,633	8,278	43,911	52.8%	11,832	21.2%	73,275	88.1%
COMBINED SEWER OVERFLOW										
D.C. Clean Rivers	226,435	151,712	\$124,567	19,938	144,504	63.8%	7,207	4.8%	221,772	97.9%
Combined Sewer	11,047	7,401	\$1,626	332	1,958	17.7%	5,443	73.5%	3,929	35.6%
Subtotal	237,482	159,113	126,193	20,270	146,462	61.7%	12,651	8.0%	225,701	95.0%
STORMWATER										
Local Drainage	2634	1,765	-	-	-	0.0%	1,765	100.0%	743	0.0%
On-Going	614	412	95	8	103	16.8%	308	74.9%	212	34.6%
Pumping Facilities	11747	7,870	2,813	115	2,928	24.9%	4,942	62.8%	9,322	79.4%
Research and Program Management	585	392	6	1	7	1.1%	385	98.3%	162	27.7%
Trunk/Force Sewers	969	650	0	-	0	0.0%	649	100.0%	178	18.3%
Subtotal	16,550	11,088	2,914	123	3,038	18.4%	8,051	72.6%	10,618	64.2%
SANITARY SEWER										
Collection Sewers	15,894	10,649	7,067	1,304	8,371	52.7%	2,279	21.4%	15,329	96.4%
On-Going	15,454	10,355	19,249	1,062	20,311	131.4%	-9,956	-96.2%	28,734	185.9%
Pumping Facilities	8,096	5,424	6,487	329	6,817	84.2%	-1,392	-25.7%	7,999	98.8%
Program Management	16,400	10,988	5,871	2,137	8,008	48.8%	2,980	27.1%	15,576	95.0%
Interceptor/Trunk Force Sewers	99,526	66,683	46,555	14,878	\$61,433	61.7%	5,249	7.9%	92,076	92.5%
Subtotal	155,371	104,099	85,230	19,710	\$104,939	67.5%	-841	-0.8%	159,713	102.8%
WATER										
Distribution Systems	58,259	39,034	24,505	5,218	29,723	51.0%	9,311	23.9%	45,465	78.0%
Lead Program	93,954	62,949	57,238	12,677	69,915	74.4%	-6,966	-11.1%	91,782	97.7%
On-Going	13,646	9,143	13,816	3,167	16,983	124.5%	-7,840	-85.8%	23,251	170.4%
Pumping Facilities	2,070	1,387	603	599	1,202	58.1%	185	13.3%	1,553	75.0%
Storage Facilities	2,807	1,881	206	4	211	7.5%	1,670	88.8%	93	3.3%
Program Management	16,020	10,733	10,106	1,599	11,705	73.1%	-972	-9.1%	14,024	87.5%
Subtotal	186,757	125,127	106,475	23,264	129,739	69.5%	-4,611	-3.7%	176,167	94.3%
Capital Projects	694,826	465,534	358,890	71,933	430,823	62.0%	34,710	7.5%	651,763	93.8%
CAPITAL EQUIPMENT	\$32,481	21,762	11,230	\$5,313	16,543	50.9%	\$5,220	24.0%	\$24,641	75.9%
WASHINGTON AQUEDUCT	49,480	33,152	17,685	-	17,685	35.7%	15,467	46.7%	49,480	100.0%
Additional Capital Programs	81,961	54,914	28,914	5,313	34,227	41.8%	20,686	37.7%	74,121	90.4%
Total	\$776,787	\$520,447	\$387,805	\$77,246	\$465,051	59.9%	\$55,397	10.6%	\$725,884	93.4%

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Developer Deposits

Developer Deposits are funds paid to DC Water for plans that are approved by the Permit Operations Department. They include:

- Flat fees for taps, abandonments, sewer connections, etc.
- Reimbursable estimated fees for inspection of labor hours charged to the account.
- Deposits held as security against damage and uncharged accounts.
- Miscellaneous non-commercial account items (hydrant use, groundwater dewatering, waste hauler fees, etc.)
- As of May 31, 2026, developer deposits had \$31.67 million in credit balances (liability) and \$12.25 million in debt balances (receivable).

Balances by Year as of May 31, 2026

Credit Balances (Liability)	Debit Balances (Receivables)
\$31.67 million	\$12.25 million

Year	Credit Balances	Number of Accounts with Credit Balances	Debit Balances	Number of Accounts with Debit Balances	Net Balance
2001	\$ -	-	\$ 960,164.05	1	\$ 960,164.05
2002	\$ -	-	\$ 1,836.00	2	\$ 1,836.00
2004	\$ -	-	\$ 9,066.08	6	\$ 9,066.08
2005	\$ (280,948.64)	72	\$ 260,270.23	86	\$ (20,678.41)
2006	\$ (267,855.30)	22	\$ 271,416.02	74	\$ 3,560.72
2007	\$ (114,482.12)	24	\$ 135,267.96	47	\$ 20,785.84
2008	\$ (227,017.73)	27	\$ 189,458.72	48	\$ (37,559.01)
2009	\$ (134,162.53)	19	\$ 166,341.68	41	\$ 32,179.15
2010	\$ (85,507.27)	22	\$ 128,241.81	37	\$ 42,734.54
2011	\$ (227,558.15)	46	\$ 527,941.30	52	\$ 300,383.15
2012	\$ (421,457.60)	96	\$ 438,018.76	82	\$ 16,561.16
2013	\$ (484,816.51)	83	\$ 245,969.44	76	\$ (238,847.07)
2014	\$ (736,834.59)	78	\$ 969,820.42	59	\$ 232,985.83
2015	\$ (747,795.93)	185	\$ 256,848.74	35	\$ (490,947.19)
2016	\$ (1,970,600.52)	279	\$ 427,162.28	51	\$ (1,543,438.24)
Subtotal - 2001 through 2016	\$ (5,699,036.89)	953	\$ 4,987,823.49	697	\$ (711,213.40)
2017	\$ (1,488,379.42)	348	\$ 449,154.61	111	\$ (1,039,224.81)
2018	\$ (2,129,020.29)	389	\$ 814,137.27	110	\$ (1,314,883.02)
2019	\$ (3,219,452.90)	338	\$ 1,561,203.37	151	\$ (1,658,249.53)
2020	\$ (3,317,470.45)	214	\$ 514,739.26	116	\$ (2,802,731.19)
2021	\$ (3,337,074.12)	265	\$ 518,202.40	139	\$ (2,818,871.72)
2022	\$ (4,176,914.05)	254	\$ 963,698.59	167	\$ (3,213,215.46)
2023	\$ (2,862,964.06)	161	\$ 1,017,435.53	120	\$ (1,845,528.53)
2024	\$ (2,488,745.57)	141	\$ 580,422.59	106	\$ (1,908,322.98)
2025	\$ (2,118,892.19)	154	\$ 286,642.67	88	\$ (1,832,249.52)
2026	\$ (831,480.63)	55	\$ 559,961.35	81	\$ (271,519.28)
Subtotal - 2016 through 2026	\$ (25,970,393.68)	2,319	\$ 7,265,597.64	1,189	\$ (18,704,796.04)
Total	\$ (31,669,430.57)	3,272	\$ 12,253,421.13	1,886	\$ (19,416,009.44)

Forfeiture Action

Accounts Forfeited on August 16, 2021	(4,838,938.52)	1,011
Accounts Forfeited on September 23, 2022	(1,286,705.10)	348
Accounts Forfeited on March 26, 2024	(1,621,242.25)	262
Accounts Forfeited on September 27, 2024	(764,105.79)	113
Accounts Forfeited on September 28, 2025	(969,992.94)	182
Accounts pending forfeiture determination and execution.	(5,699,036.89)	953

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Developer Deposits

Customer Communication

Statements are provided to customers when there is activity on the account. To ensure that all customers are aware of the balances, statements are also mailed annually irrespective of whether there is activity on the accounts. For the last four years, annual statements were mailed to customers on June 20, 2025, March 26, 2024, April 28, 2023, and January 25, 2022.

By law, refunds are to be requested by the account owner within two years of completion (DC Code § 34–2401.10). If not requested in that period, these accounts can be forfeited and closed. DC Water has placed a statement on invoices beginning in November 2019 notifying customers of the District law and that funds would be forfeited unless a refund is requested within two years of project completion or account inactivity. A notification to customers that is posted on our website indicates that unless a refund is requested, funds will be forfeited for projects without activity for ten years. AOBA and DCBIA have been asked to notify their membership to examine the invoices.

For accounts that were forfeited, zero balance statements were mailed to customers on August 16, 2021, September 21, 2022, March 26, 2024, September 27, 2024, and September 28, 2025.

Refund Requests and Forfeiture Disputes

Following the distribution of annual account statements to customers on June 20, 2025, it was determined that refund requests impact a total of 2,241 accounts. The table below provides a summary of the progress made to date.

Construction Inspection Refund Data

	Number of Accounts	Amount (\$)
Refund request received to date	2241	
Refunded this month	17	\$80,975.57
Refunded last month	35	\$1,041,574.95***
Refunded FY26	182	\$2,743,917.70
Refunded FY25	250	\$3,127,116.31
Refunded in FY24	369	\$6,931,447.14
Refunded in FY23 (Oct 22 - Sept 23)	105	\$1,756,574.39
Refund requests that are debits (\$0 balance or owe DC Water)	186	(\$105,483.44)
Number of Refund Accounts Reviewed, Awaiting Information from Developers*	368	\$2,070,095.28
Number of Refund Account Requested after forfeiture date**	74	\$321,529.17

*Documentation required to process the refund accounts has been thoroughly examined and assembled. DC Water is in the process of obtaining address verification and/or proof of payment from the developers to complete the refund issuance. Request for this information has already been communicated to the developers.

** These accounts were forfeited, and zero balance statements were sent to the developers before they requested a refund. As a result, these accounts are not eligible for a refund.

*** Number from last report was revised.

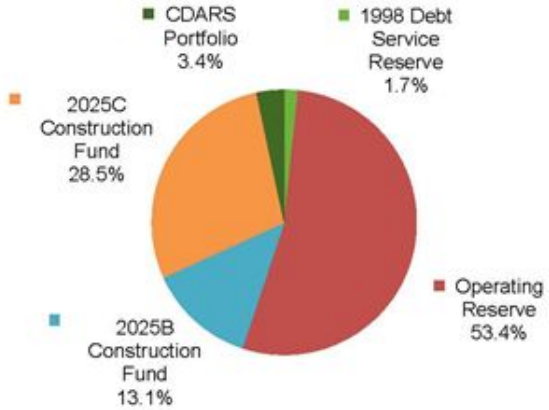


**DC Water
Finance Division
Economic Update & Portfolio Summary**

ECONOMIC COMMENTARY

- Minutes from the Fed’s April meeting signaled the Federal Open Markets Committee (FOMC) considered shifting to-wards a more neutral policy stance. We continue to see a high bar for rate hikes and view a prolonged pause as the most likely policy path.
- Kevin Warsh has been sworn in as Fed Chair and now faces a more hawkish, divided committee ahead of his first FOMC meeting on June 16–17.
- Headline personal consumption expenditures (PCE) rose to its highest level in nearly three years in April, driven by higher gasoline and energy prices. Core PCE, which strips out volatile food and energy components, reached its highest level since November 2023 at 3.3%. Rising gasoline and transportation costs, along with higher commodity input prices, are beginning to pressure other categories, increasing the risk of more persistent inflation.
- Payroll growth significantly exceeded expectations in May, showing continued labor market resilience despite broader signs of economic moderation. The report continues to give the Fed cover to keep its “higher-for-longer” stance.

INVESTMENT PORTFOLIOS



PORTFOLIO RECAP

- The portfolio is diversified among Bank Deposits, U.S. Treasuries, Federal Agencies, Mortgage-Backed Securities, Supranational Bonds, Negotiable CDs, Corporate Notes/Bonds, Municipal Bonds, FDIC Insured CDs and SEC registered money market funds.
- The overall yield-to-maturity on cost of the portfolio is 3.79%. The short term consolidated composite periodic 1 month return was 0.31% and the benchmark of ICE BofA 3- month Treasury Index periodic 1 month return was 0.31%. The Core Consolidated Composite periodic 1 month return was 0.34% and the benchmark of ICE BofA 1-3 Year Treasury Index periodic 1 month return was 0.34%.

Operating Reserve and Bond Proceeds Portfolios

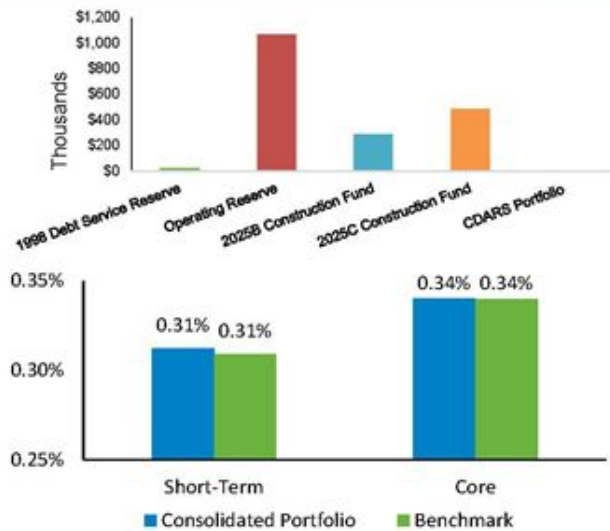
- During May, the investment advisor (PFMAM) purchased five corporate bonds totaling \$1.9 million with an average yield of 4.58%, and four treasury notes totaling \$7.7 million with an average yield of 4.04%

Operating Funds Interest Income Earnings³

- May 2026 - \$1,064,786.87
- Total FY 2026 - \$9,202,710.59

Certificates of Deposit Account Registry Services (CDARs)

MONTHLY EARNINGS¹ AND PERFORMANCE²



1. Monthly earnings shown are total accrual basis earnings based on amortized costs.
 2. Please reference performance details under “portfolio recap” and on Page 10 of the Monthly Board Report.
 3. Operating Funds Interest Income Earnings Reported by DC Water.



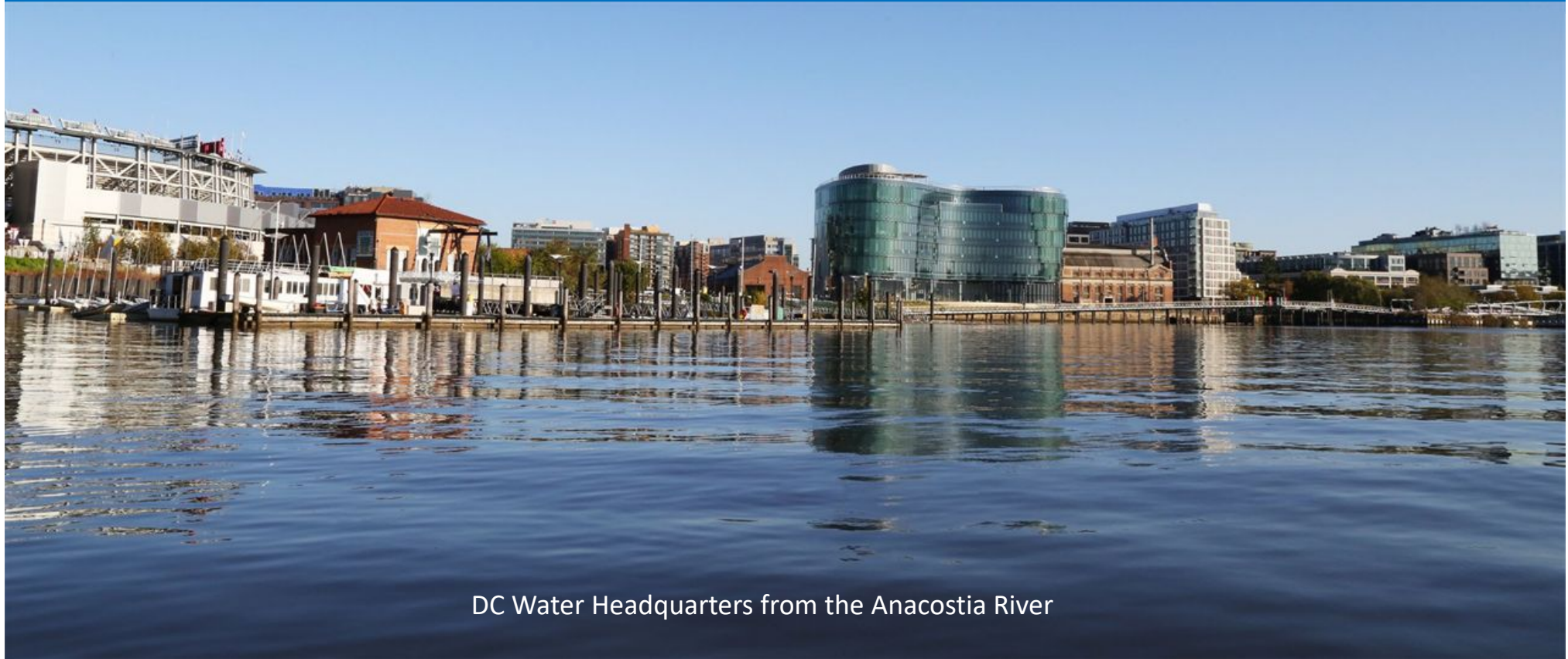
July 1, 2026 Insurance Renewals

ATTACHMENT 2

Finance & Budget Committee Meeting - June 25, 2026

By Tanya DeLeon, Risk Manager

District of Columbia Water and Sewer Authority



DC Water Headquarters from the Anacostia River



Purpose

- Provide brief update on DC Water's insurance renewal effective July 1, 2026



Insurance Update

- DC Water has renewed its insurance on July 1
 - Includes Property/Equip, Pollution, Flood, Cyber, Excess Workers' Compensation, Excess Liability, Employment Practices Liability, Public Officials' Liability, Crime, Fiduciary Liability, and Professional Liability
 - Board approved \$7.6 million not to exceed premium amount
 - Actual premiums are approximately \$7.59 million
 - Increased flood coverage (high hazard locations) sublimit from \$25 million to \$50 million
 - Increased excess & employment practices liability retention from \$1 million to \$2 million for premium savings





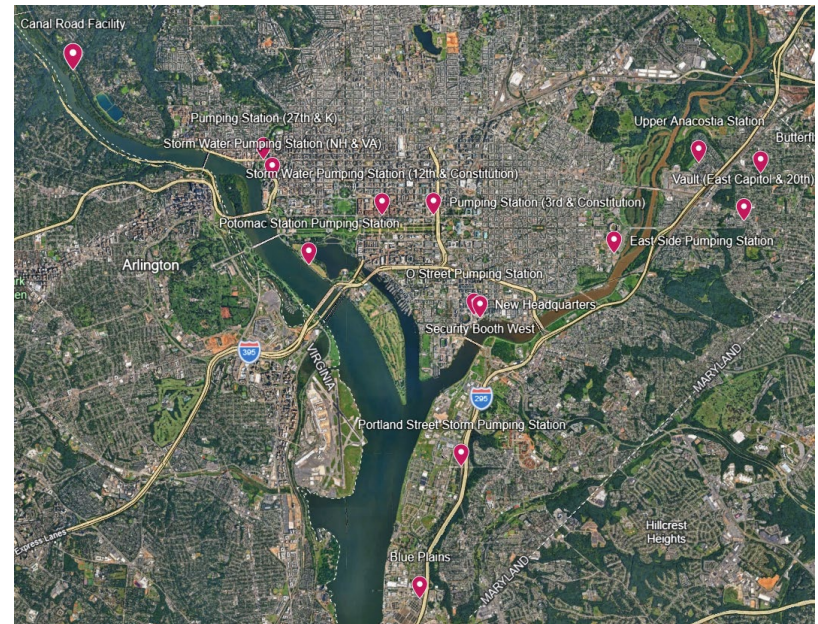
Increased Flood Coverage

Flood Event	Elevation	Loss Estimate from FM Global
100 Year (1% probability)	9 to 10 feet	\$86 million
500 Year (0.2% probability)	12 to 13 feet	\$177 million

“High hazard” flood locations are defined as:

- 5000 Overlook Ave SW
- 125 O Street
- 2700 Ohio Drive NW
- 2600 Independence Avenue SE
- 708 Anacostia Avenue NW
- New Hampshire Ave NW & Virginia Ave NW
- 12th St NW & Constitution Ave NW
- 4940 Canal Road NW
- Hayes Street NE
- East Capitol St & 20th St
- 1385 Canal Street SE
- 3rd St NW & Constitution Ave NW
- 27th St NW & K St NW
- N Place SE & Canal Street SE
- South Capitol St & Malcolm X Ave SE

Increasing limit from \$25 million to **\$50 million**.





Liability Retention Benchmarking

- Peer benchmarking: public water/wastewater utilities with comparable revenues carry materially higher liability retentions than DC Water
- Proposing an increase in the retention limit for Excess liability from \$1 million to \$2 million. DC Water's assets have more than doubled in 20 years

Public Water / Wastewater Entities	Revenue (\$)	Retention (\$)
A	697M	1M
B	917M	10M
C	109M	250K
D	356M	2M
E	376M	1M
F	687M	10M
G	1.6B	25M
H	970M	7.5M
I	899M	2M
J	483M	5M
L	710M	3M
DC Water	1.0B	\$1M (Current) \$2M (Proposed)

Source: Alliant Insurance Services



Appendix I Insurance Program – Jul 1, 2026-27

Coverage	Main Limit	Main Deductible or Retention	Insurer	25-26 Premium	26-27 Premium
Property, Equip. incl. Boiler & Machinery	\$1 Billion per occurrence \$100 Million annual Flood \$50 Million annual–100 Yr Flood	\$1 Million per occurrence	FM Global	\$2,318,034	\$2,477,563
Pollution / Environmental Liability	\$10 Million per incident and aggregate (3rd of 3-year policy)	\$250,000 per incident	Beazley	\$101,734 annualized	\$101,734 annualized
National Flood Policies (9 total)	Ea. Policy: \$500,000 bldg., \$500,000 contents	\$50,000 bldg., \$50,000 contents	Hartford / National Flood Program	\$36,669	\$40,958
Cyber/Data Security	\$10 Million annual	\$100,000 per loss	Beazley (5M) / Crum (5M)	\$114,750	\$114,750
Workers' Compensation (WC) and Employers' Liability (EL)	Full benefits due under Workers' Compensation; \$1 Million Employers' Liability	\$1 Million per accident or disease	Safety National	\$400,974	\$404,072
Excess Liability & Employment Practices Liability	\$100 Million annual	\$2 Million per occurrence	AEGIS (35M) + EIM (65M)	\$2,397,522	\$4,252,726
Public Officials' Liability (POL)	\$20 Million annual	\$250,000 per claim	RSUI, Chubb, Ascot, Crum & Forster (5M each)	\$131,821	\$134,928
Crime & Fidelity	\$10 Million	\$25,000 per loss	AIG	\$25,369	\$25,369
Fiduciary Liability	\$5 Million annual	Nil	Encore	\$20,144	\$20,144
Professional Liability	\$2 Million annual	\$10,000 per claim	Lloyds of London	\$15,657	\$13,464
TOTAL				\$5,562,674	\$7,585,708



Appendix I (cont.) Insurance Coverages

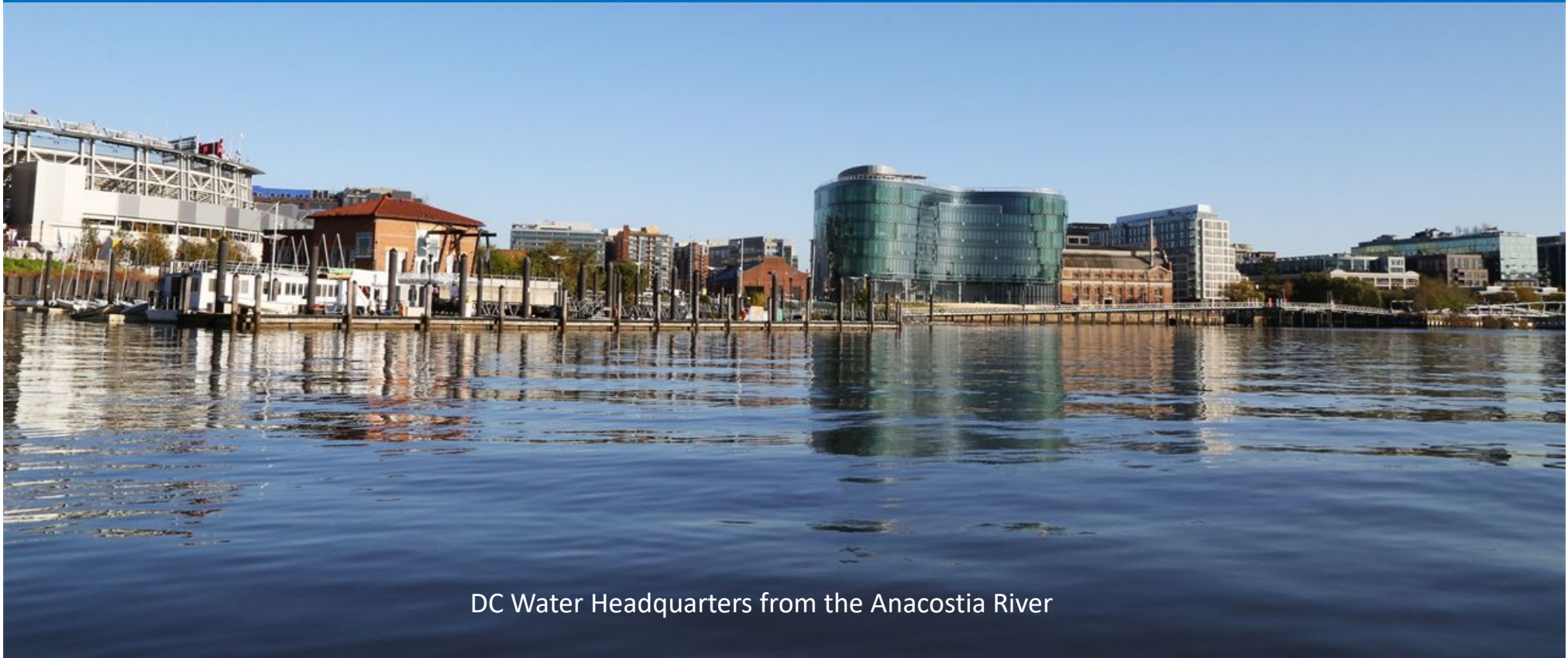
Coverage	Summary Description
Property, Equip. and Boiler & Machinery	Provides blanket "all risk" coverage for direct physical damage to DC Water structures, buildings and contents.
Pollution / Environmental Liability	Provides first party remediation expense coverage for sudden/accidental releases and third-party liability coverage for pollution incidents, subject to coverage restrictions (e.g. PFAS).
National Flood Insurance	Government sponsored program that provides a modest amount of insurance protection at affordable premium levels. Coverage is subject to a maximum of \$500,000 for buildings and \$500,000 for contents, excluding underground property and subject to actual cash valuation.
Cyber/Data Security and Breach Notification	Provides coverage for third party liability and privacy notification expenses resulting from data breaches.
Excess Workers Compensation (WC) and Employers Liability (EL)	Provides excess statutory workers' compensation benefits over self-funded levels. EL covers liability from employee injuries that are not covered under workers compensation law. Very rare in DC.
Excess Liability	Provides protection for bodily injury, property damage, and personal injuries to third parties arising out of DC Water operations (General Liability) including use of automobiles (Auto Liability) in excess of self-funded levels. The Authority's policy also provides excess EPL coverage over self-insured levels.
Employment Practices Liability (EPL)	Provides protection for claims of discrimination, harassment, or wrongful termination.
Public Officials Liability (POL)	Provides reimbursement protection for wrongful acts (excl. bodily injury and property damage) that are actually or allegedly caused by DC Water directors, officers and employees within the course of their duties.
Crime & Fidelity	Employee dishonesty coverage and miscellaneous crime coverages.
Fiduciary Liability	Provides protection for wrongful acts that are actually or allegedly caused by trustees and employees of the DC Water sponsored Employee Benefit Plans.
Professional Liability	Provides protection for errors or omissions arising from engineering, consulting or testing services provided to third parties for a fee.



ROCIP 7 Rolling Owner Controlled Insurance Program Broker Services

Risk Management Presentation to the Finance & Budget Committee June 25, 2026

District of Columbia Water and Sewer Authority



DC Water Headquarters from the Anacostia River



Purpose

- Seek Committee's recommendation to the Board to approve ROCIP 7 Broker & Administration Services



ROCIP Update

- 💧 **December 2025** – Risk team obtained list of potential projects for ROCIP 7 from Engineering
- 💧 **February 2026** - Feasibility study completed. Recommendation to arrange for another rolling ROCIP, bind coverage by November 2026 and add the Piney Branch Tunnel (PBT) to the OCIP program
- 💧 **April 2026** - ROCIP 7 Presentation and Update to the Finance & Budget Committee. Solicitation released/pre-proposal meeting held
- 💧 **May 2026** – 4 viable responses received
- 💧 **June 2026** – Procurement scoring and interviews complete with recommended final selection



Current Programs

ROCIP 6 (Term: November 2023 - November 2028)

Owner Controlled Insurance Program (OCIP)

- Potomac River Tunnel (PRT) Term: November 2023 - November 2030
- Piney Branch Tunnel (PBT) Term: June 2026 - November 2030

💧 ROCIP 6 and OCIP Programs have the following coverages:

- Workers Compensation, General Liability and Excess Liability
- Builder's Risk insurance to cover property during construction for projects
- Contractor's Pollution Liability insurance to cover environmental liability



Management's Recommendation

Management recommends Board approval to procure **ROCIP 7 Broker and Administration Services** to support DC Water's next Rolling Owner Controlled Insurance Program (ROCIP 7), which will provide insurance and risk management oversight for a significant portfolio of capital construction projects anticipated between **2026 and 2031**.

Key elements of ROCIP 7 under evaluation include:

- Placement and administration of workers' compensation, general liability, and excess liability coverages for enrolled construction projects.
- Procurement of a **Master Builder's Risk Policy** to provide consistent property coverage across eligible projects.
- Procurement of a **Master Contractor's Pollution Liability (CPL) Policy** to address environmental exposures associated with construction activities.
- Evaluation of **Owner's Protective Liability** and **Professional Liability** risks, including consideration of insurance solutions that provide enhanced protection and greater control over professional liability claims.
- Procurement of **safety and loss control services** and, if appropriate based on the selected insurance structure, engagement of a **Third-Party Claims Administrator (TPA)** to support claims management activities.



Next Steps

Management anticipates returning to the Board for approval of the recommended ROCIP 7 program structure, insurance placements, and related service providers following completion of the procurement and evaluation process. This approach will position DC Water to effectively manage construction-related risks while supporting the Authority's capital improvement program over the next five to seven years.

- 💧 July 2026 – Board approval, broker administration
- 💧 July 2026 - Notice to proceed for broker services contract and initiate the insurance marketing process. Transition, data migration and rollout.
- 💧 September 2026 – ROCIP 7 recommendation with insurance premium NTE figures to Finance & Budget Committee
- 💧 October 2026 – Board approval of ROCIP 7 premium
- 💧 Bind coverage with proposed term November 2026 - November 2031



Recommendation

That the Committee Recommend to the Board:

- Approval to procure ROCIP 7 Broker and Administration Services agreement with Alliant Insurance Services for at a full cost of approximately \$1.253 million



Appendix



ROCIP Program Periods

PROGRAM	FISCAL YEARS	COVERAGE / TERM	NOTES
ROCIP 1	FY05 – FY08	Oct 2004 – Apr 2012	Initial program with exception projects
ROCIP 2	FY09 – FY11	Oct 2009 – Apr 2016	Exception projects incl.
ROCIP 3	FY12 – FY16	Oct 2012 – Oct 2017	3-year program
ROCIP 4 (Base)	FY16 – FY21	Oct 2015 – Apr 2021	Base term
ROCIP 4 – Extension 1	FY21	Nov 2020 – Apr 2021	6 months; no cost
ROCIP 4 – Extension 2	FY21 – FY22	Apr 2021 – Oct 15, 2022	Approved extension
ROCIP 4 – Extension 3	FY22 – FY23	Oct 15, 2022 – Oct 15, 2023	Final extension
ROCIP 5	FY21 – FY24	Nov 2020 – Nov 2023	Bridge program
ROCIP 6 – Liability	FY24 – FY29	Nov 2023 – Nov 2028	WC, GL, Excess
ROCIP 6 – Builder’s Risk	FY24 – FY26	Nov 2023 – Nov 2025	Property coverage
ROCIP 6 – Pollution	FY24 – FY29	Nov 2023 – Nov 2028	Environmental liability
PRT OCIP	FY24 – FY31	Nov 2023 – Nov 2030	Tunnel OCIP
PBT (Added to PRT OCIP)	FY24 – FY31	June 2026 – Nov 2030	Tunnel OCIP



Program Statistics

DC Water ROCIP Programs Key Statistics 2004 – 2025

Metric	ROCIP 1 – ROCIP 6 & PRT
Projects Enrolled	261
Contractors Enrolled	3,366
Total Construction Value	\$6,804,863,909
Total Avoided Costs	\$31,996,570

ROCIP Version	Loss Pick	Total Capped Incurred Losses	Loss Ratio
ROCIP 1	\$4,666,043	\$5,109,670	109%
ROCIP 2	\$7,258,571	\$5,750,430	79%
ROCIP 3	\$5,801,390	\$8,931,048	153%
ROCIP 4	\$10,796,313	\$7,692,597	71%
ROCIP 5	\$3,500,000	\$1,451,421	41%
ROCIP 6	\$7,761,340	\$1,275,394	16%
PRT	\$4,107,424	\$10,632	.02%
Total	\$43,891,081	\$30,221,192	68%

*ROCIP Insurance program enrollment periods range from 3-5 years (please see slide #4). R4 included NEBT



Payment Plan Incentive Program Extension

Presentation to Finance and Budget Committee, June 25, 2026
Marcus McKenzie, Acting Director, Department of Customer Care

District of Columbia Water and Sewer Authority

Attachment 4





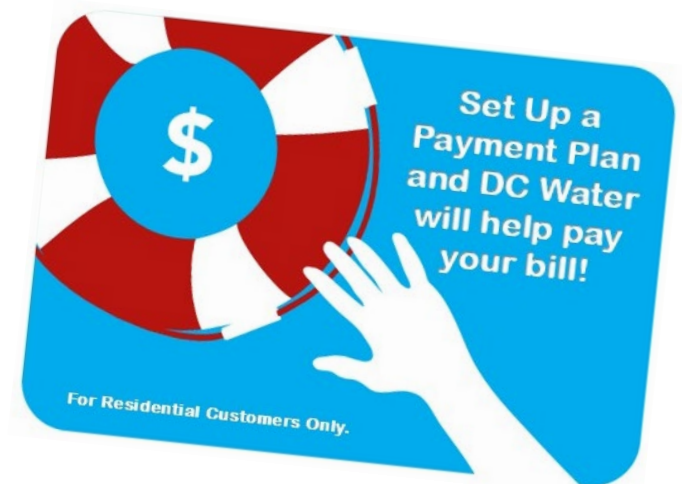
Purpose

- Request the Finance and Budget Committee recommend to the Board for approval to :
 - Fund FY 2027 at \$1,000,000 from the projected FY 2026 net cash position



Overview

- The Payment Plan Incentive Program was launched on June 1, 2024, to assist residential customers with outstanding balances \$500 > and 60 day > aged delinquencies.
- The program offers a 50% credit on the amount paid to reduce delinquent balance faster.
- Credits are applied every fourth month after three consecutive months of on-time payments.
- The program budget was \$1M for FY26
(Using the Rate Stabilization Fund)





Benefits

- **Extends Benefits to Current / New Participants:** Customers who have established a payment plan through September 2026 will continue to be eligible to benefit from the program
- **Reduction in Disconnections:** Minimizes the need for service disconnections by incentivizing residential customers to adhere to their payment plans
- **Reconnection of Service:** Residential customers that were disconnected are now able to establish a payment plan to restore service and benefit from the Payment Plan Incentive Program
- **Back on Track:** Encourages consistent bill payments and offers equitable assistance to help all eligible residential customers manage their outstanding balances.



Progress

Payment Plan Incentive Program (YOY)

Adjustment Year	No. Accounts that Received Credits*	Adjustments
FY 2024	470	\$122,307
FY 2025	2,250	\$601,461
FY2026*	1,395	\$464,396

*As of May 2026

Residential Payment Plan Data

	Active Plans	Plans Created	Plans Defaulted
Oct-25	3,667	1,550	1,242
Nov-25	3,470	1,093	833
Dec-25	3,251	1,376	1,236
Jan-26	3,521	1,571	867
Feb-26	3,539	1,224	774
Mar-26	3,757	1,810	884
Apr-26	3,826	1,574	1,269
May-26	3,732	1,404	991

FY 2026 Payment Plan Incentive Program

Adjustment Month	No. Accounts that Received Credits*	Adjustments
Oct-25	114	\$35,091
Nov-25	409	\$118,605
Dec-25	133	\$41,988
Jan-26	215	\$74,553
Feb-26	118	\$40,497
Mar-26	162	\$64,787
Apr-26	107	\$40,392
May-26	137	\$48,483
FY26 Distribution	1,395	\$464,396



Funding Transfer

Payment Plan Incentive Program (YOY)					
Adjustment Year	No. Accounts that Received Credits*	Adjustments	Budget	Remaining Budget	% Spend
FY 2024	470	\$122,307	\$2,000,000	\$1,877,693	6%
FY 2025	2250	\$601,461	\$2,000,000	\$1,398,539	30%
FY 2026 (May)	1,395	\$464,396	\$1,000,000	\$535,604	46%

- The projected expenditure for FY26 is approximately \$725K.
- In FY27, we are requesting the program be funded out of Cash Surplus at \$1,000,000. We anticipate with increased outreach assistance (50% adjustment) and reminders; customers will maintain the plan to receive the benefit.



Management Recommendations

Management requests that the Finance and Budget Committee recommend Board approval to :

- Fund FY 2027 at \$1,000,000 from the projected FY 2026 net cash position



Questions

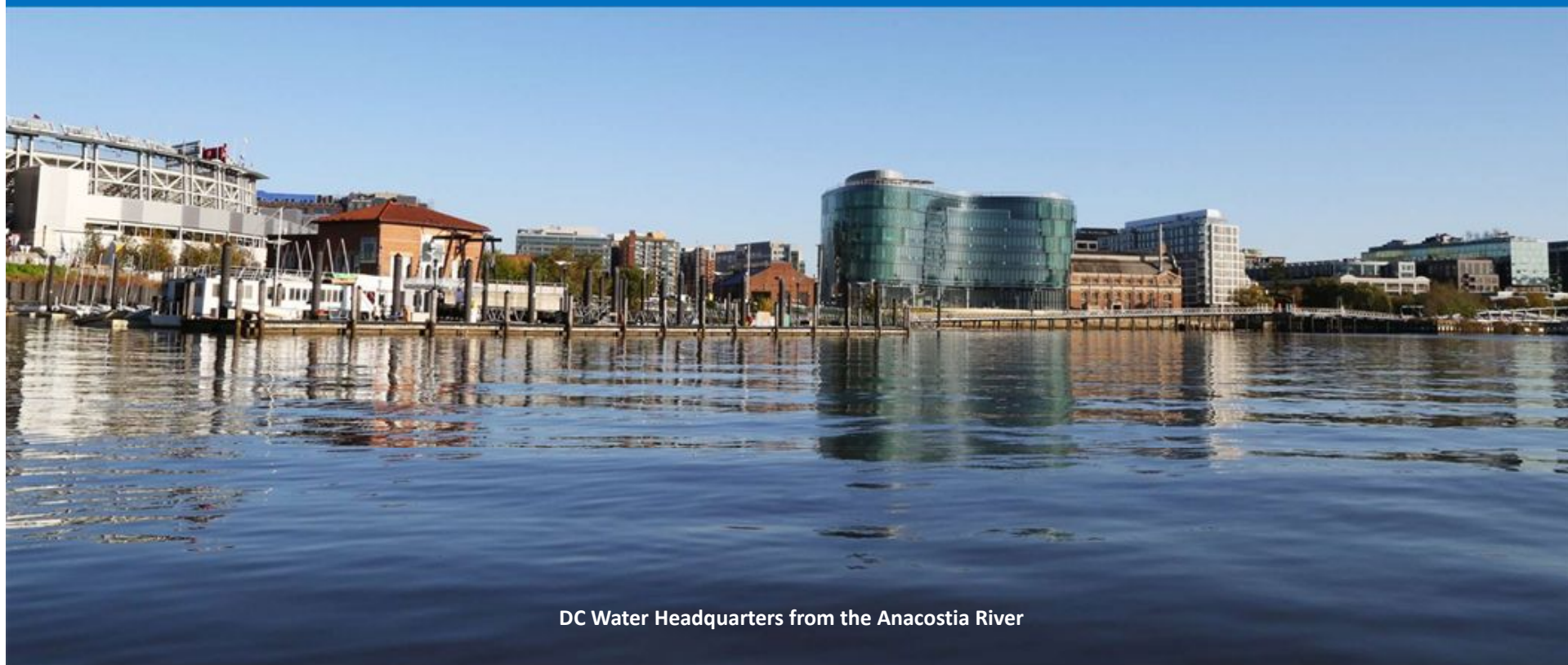




ATTACHMENT 5

FY 2026 Mid-Year Projections and Recommendation Presentation to the Finance & Budget Committee, June 25, 2026

District of Columbia Water And Sewer Authority



DC Water Headquarters from the Anacostia River



Purpose

- 💧 Review year-end revenue and expenditure projections
- 💧 Discuss considerations and options
- 💧 Seek Committee's recommendation to the Board for allocation of projected year-end cash



Overview of FY 2026 Mid-Year Projections

Revenue

- Operating revenue receipts are anticipated to be \$8.7 million, or 0.9%, above the revised budget of \$1,008.2 million

Capital Budget

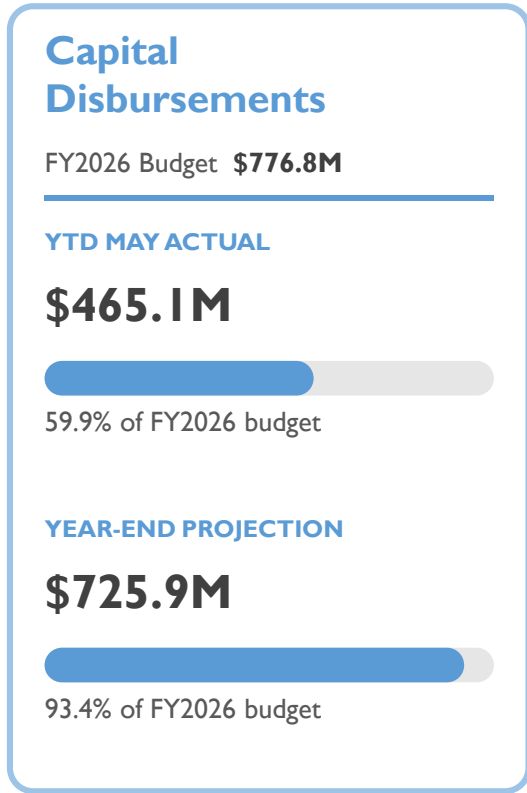
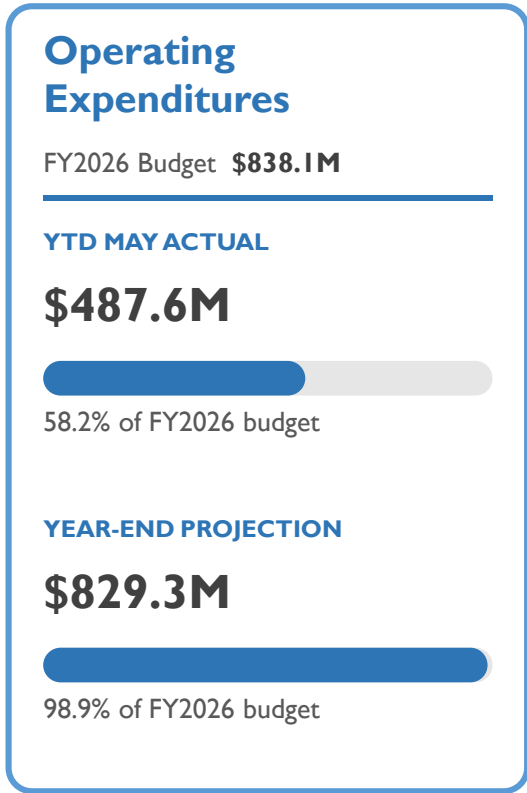
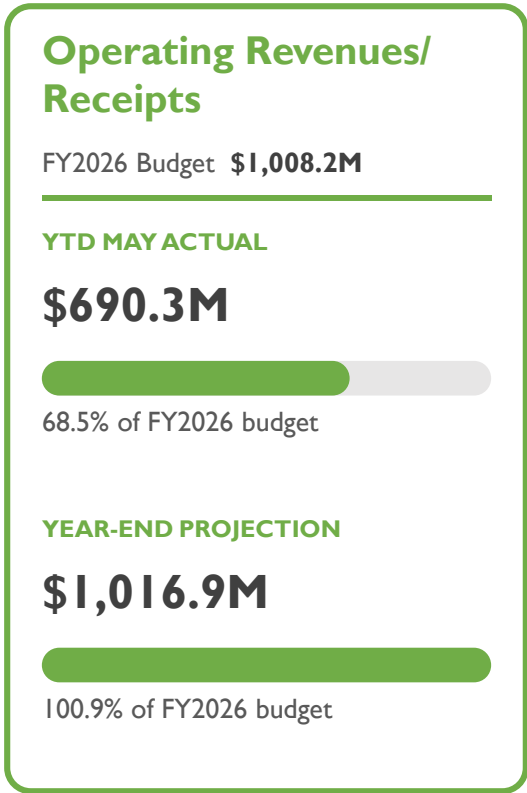
- Preliminary year-end projections are estimated to be \$50.9 million, or 7%, below the revised budget of \$725.9 million

Operating Budget

- Projected expenditures are estimated at \$8.8 million, or 1.1% below the revised budget of \$838.1 million
- Cost pressures in the operations and maintenance category offset by lower than anticipated debt service costs



Summary of Revenues and Expenditures



Preliminary projections are tracking favorably to budget – year-end outlook stays healthy



Operating Revenues

💧 Total operating revenues are projected at \$8.7 million or 0.9 % above the FY 2026 revised budget

Category	FY 2026 Revised Budget	YTD May Actual	Year-End Projection	Projected Variance (\$)	Projected % of Revised Budget	Proposed FY 2027
Residential, Commercial and Multi-family	\$582,965	\$388,027	\$595,027	\$12,062	2.1%	\$611,015
Federal Government	99,339	75,192	100,256	917	0.9%	106,618
District Government	27,259	17,387	26,887	(372)	-1.4%	28,615
D.C. Housing Authority	15,176	9,025	14,425	(751)	-5.0%	15,928
Customer Metering Fee	24,400	16,478	24,422	22	0.1%	24,400
Water System Replacement Fee (WSRF)	42,717	29,557	43,384	667	1.6%	42,717
Wholesale, Loudoun, Small PI	124,219	91,486	123,769	(450)	-0.4%	134,090
Public Inconvenience Fee	-	-	-	-	0.0%	12,737
Right-of-Way Fee/PILOT	24,156	16,541	24,426	270	1.1%	24,552
Subtotal (before Other Revenue)	940,231	643,693	952,597	12,365	1.3%	1,000,672
Other Revenue without RSF:						
IMA Indirect Cost Reim. For Capital Projects	9,142	6,858	9,144	2	0.0%	12,820
DC Fire protection Fee	17,575	13,181	17,575	-	0.0%	17,575
Stormwater (MS4)	1,008	697	939	(69)	-6.9%	1,107
Interest	13,380	9,632	14,095	715	5.3%	12,883
Developer Contractor Water Service Fees, Taps	5,000	2,145	3,395	(1,605)	-32.1%	5,000
Developer Contractor Liability Deposits and Sewer Service Fees	4,000	3,033	4,078	78	1.9%	4,000
Washington Aqueduct Backwash - DC Water's prorata share	3,085	1,812	3,501	416	13.5%	3,043
System Availability Fee (SAF)	5,700	1,400	2,450	(3,250)	-57.0%	5,700
Other	9,073	7,846	9,080	7	0.1%	6,574
Subtotal	67,963	46,603	64,256	(3,706)	-5.5%	68,703
Rate Stabilization Fund Transfer	-	-	-	-	0.0%	-
Grand Total	\$1,008,194	\$690,296	\$1,016,853	\$8,659	0.9%	\$1,069,375



Summary of Revenue

- Overall, revenue is projected to be \$8.7 million, or 0.9%, over the revised budget of \$1,016.9 million
- Residential, Multi-family, and Commercial revenue receipts are projected to be \$12.1 million, or 2.1% above the Revised Budget, due to slightly higher projected consumption and CRIAC receipts
- DC Housing Authority revenue receipts are projected to be lower by \$0.8 million or 0.5% as compared to the Revised Budget due to slightly lower projected consumption than the budget
- Municipal revenue is anticipated to be below budget by \$0.4 million or 1.4% mainly due to lower consumption
- Metering Fee and Water System Replacement Fee (WSRF) are projected to increase by \$0.02 million and \$0.7 million, respectively, above the Revised Budget
- Interest earnings are projected to be \$0.7 million higher than the Revised Budget based on year-to-date earnings
- System Availability Fee and Development Contractors' Water and Sewer Fees are projected to be below the Revised Budget by \$3.3 million and \$1.5 million, respectively, based on year-to-date development activity











Capital Disbursements

💧 Total capital disbursements are projected at \$725.9 million or \$50.9 million below the budget

(000's)	FY 2025	FY 2026					FY 2027	
	Actual	Revised Budget	YTD Actual	YTD %	Projections	Variance	% of Budget	Approved Budget
Non Process Facilities	5,186	15,467	2,734	17.7%	6,288	9,179	41%	32,671
Wastewater Treatment	64,766	83,199	43,911	52.8%	73,275	9,924	88%	127,537
Combined Sewer Overflow	165,124	237,482	146,462	61.7%	225,701	11,781	95%	311,016
Stormwater	7,427	16,550	3,038	18.4%	10,618	5,932	64%	14,740
Sanitary Sewer	109,368	155,371	104,939	67.5%	159,713	(4,342)	103%	230,713
Water	190,303	186,757	129,739	69.5%	176,167	10,590	94%	274,558
Total Capital Projects	542,174	694,826	430,823	62.0%	651,763	43,063	94%	991,234
Capital Equipment	19,911	32,481	16,543	50.9%	24,641	7,840	76%	45,248
Washington Aqueduct	22,060	49,480	17,685	35.7%	49,480	0	100%	35,770
Total Additional Capital Programs	\$ 41,971	\$ 81,961	\$ 34,227	41.8%	\$ 74,121	\$ 7,840	90%	\$ 81,018
Grand Total	\$ 584,145	\$ 776,787	\$ 465,051	59.9%	\$ 725,884	\$ 50,903	93%	\$ 1,072,251



FY 2026 Capital Budget Variances

- 
Non-Process Facilities (\$9.1 million decrease) - Projected underspending is driven by delayed project execution and permitting, with several projects expected to progress later in the fiscal year but not fully recover
- 
Wastewater Treatment (\$9.9 million decrease) - Variance reflects timing shifts in large payments and construction schedules, with some recovery expected; however, year-end spend remains below plan due to deferred activities
- 
Stormwater (\$5.9 million decrease) - Underspending is primarily due to construction delays at I 2th and Maine Ave, resulting in timing-related impacts to planned year-end spending
- 
Combined Sewer Overflow (\$11.8 million decrease) - The DC Clean Rivers program remains largely on track
- 
Sanitary Sewer (\$4.3 million increase) - Overspending is driven by higher emergency response work, including the Potomac Inceptor and increased sewer lateral activity, reflecting operational demand rather than timing effects
- 
Water (\$10.6 million decrease) - Underspending reflects early-stage progressive design-build contracts, with spending expected to increase as construction advances
- 
Capital Equipment (\$7.9 million decrease) - Underspending is driven by project delays including HVAC replacement, Meter Replacement Program and Information Technology initiatives, long lead times for delivery of heavy-duty fleet equipment which are anticipated for delivery in FY 2027 and lower-than-expected utilization of Authority-wide reserves. Additional cost pressures impacted critical equipment and emergency motor pump replacements at the Potomac Pump Station
- 
Washington Aqueduct (no change) - Projections are consistent with the budget



Annual Operating Expenditures

💧 Total operating expenditure is projected at \$829.3 million, representing 1.1% below the revised budget of \$838.1 million

(\$000's)	FY 2025				FY 2026			2027
	Actual	Revised	YTD May	YTD %	Projections	Variance	% of Budget	Approved
Regular Pay	\$ 143,899	\$ 159,348	\$ 97,179	61%	\$ 150,678	\$ 8,670	95%	\$ 167,504
Benefits	43,049	46,914	28,584	61%	44,945	1,970	96%	47,193
Overtime	10,854	11,200	8,656	77%	12,123	(923)	108%	12,265
Total Personnel Services	197,802	217,462	134,419	62%	207,746	9,716	96%	226,962
Chemicals	44,103	43,995	33,583	76%	48,052	(4,057)	109%	45,405
Supplies	12,731	13,496	9,427	70%	13,181	315	98%	14,772
Chemicals and Supplies	56,834	57,491	43,009	75%	61,233	(3,742)	107%	60,177
Utilities	39,731	41,659	29,831	72%	45,199	(3,539)	108%	42,201
Contractual Services	90,012	102,284	69,628	68%	100,392	1,892	98%	99,994
Water Purchases	43,498	48,149	32,822	68%	52,294	(4,145)	109%	54,470
Small Equipment	1,311	1,531	878	57%	1,538	(7)	100.4%	1,005
Total Non-Personnel Services	231,386	251,114	176,168	70%	260,655	(9,542)	104%	257,847
Total Operations & Maintenance	429,188	468,576	310,587	66%	468,401	175	100%	484,809
Debt Service	224,506	247,448	160,921	65%	238,818	8,630	96.5%	257,898
PILOT & ROW	23,796	24,170	16,113	67%	24,170	-	100%	24,551
Cash Financed Capital Improvements	58,438	97,938	-	0%	97,938	-	100%	76,846
Total Non-O&M	306,740	369,557	177,034	48%	360,926	8,630	97.7%	359,295
Total Operating Expenditure	735,928	838,133	487,621	58%	829,328	8,805	98.9%	844,105
Capital Labor Charges	(25,789)	(30,907)	(21,834)	71%	(30,796)	(111)	99.6%	(31,360)
Net Operating Expenditure	\$ 710,140	\$ 807,226	\$ 465,788	58%	\$ 798,532	\$ 8,694	98.9%	\$ 812,745



Summary of Operating Expenditure Budget Variances

AREAS OF INCREASES

Water Purchases (\$4.1 million increase) – Reflects DC Water’s share of Washington Aqueduct’s operating costs, along with higher than anticipated increase in the quantity of water bought and new water purchase rate that became effective in February 2026

Chemicals & Supplies (\$3.7 million increase) – Overall increased spending on major chemicals used for treatment and critical parts needed for operations. The increase is primarily driven by rising unit prices of crude oil, freight, and transportation charges based on current global trends with elevated costs which may also impact future years’ budget

Utilities (\$3.5 million increase) – Higher than anticipated spending mainly for electricity and fuel costs, partially offset by lower costs for water usage. Staff monitoring the electricity costs closely for impact on future budget

AREAS OF DECREASES

Personnel Services (\$9.7 million decrease) – Projected underspending is primarily due to a higher-than-budgeted vacancy rate. Higher overtime costs due to seasonal unplanned emergencies, planned water system activities, and additional support for the Cambi freeze at Blue Plains, emergency repairs for the Potomac Inceptor and other critical events

Debt Service (\$8.6 million decrease) – Underspending due to lower variable rate interest for variable-rate bonds and refinancing lower cost debt through Series 2026 bonds

Contractual Services (\$1.9 million net decrease) – Underspending mainly from lower software maintenance, claims and audit costs. This is partly offset by increased costs for litigation, insurance, temporary staffing, permit fees, and other professional services

Capital Labor Charges (\$0.1 million decrease) – Spending relatively in line with budget



Considerations for Cash

Days of Cash Board Policy

- Goal of achieving 350 days of cash through the allocation of year-end surpluses by 2032
- Current Board-approved Financial Plan projection is 282 days of cash at the end of FY 2026
- Each day of cash is approximately \$1.2 million, and an additional 68 days is needed to meet the goal

Rate Stabilization Board Policy

- 5% of Retail Revenues for targeted Rate Stabilization Fund balance

Paygo Policy:

- Using cash to fund a portion of capital expenditures would reduce debt service costs

Additional Considerations:

- Increase the DC Insurance Reserve to align with the requirement for Excess Liability insurance
- Reduce delinquencies by extending Payment Plan Incentive Program



Recommendation



FY 2026 Projected Net Cash Position

(\$000's) Category	Board Approved (Revised FY2026 Financial Plan	FY2026 Year-End Projection	Variance Positive/(Negative)
Total Revenue	1,008,194,203	1,016,852,753	8,658,550
Total Expense	709,287,437	700,592,282	8,695,155
Cash Financed Capital Improvements (CFCI)	97,938,396	97,938,396	-
Revenue Less Expense and CFCI	\$ 200,968,370	\$ 218,322,075	\$ 17,353,705
County Refunds / Mid-Year Projected Refund (Reversal)	(3,000,000)	2,630,841	5,630,841
Project Billing Refunds	(2,000,000)	(2,900,000)	(900,000)
Prior Year's Federal Billing Reconciliation	(11,309,832)	(11,309,832)	-
Net Income / Planned Capital Contributions	\$ 184,658,538	\$ 206,743,084	\$ 22,084,546
Beginning Cash Balance over Target	193,716,293	193,716,293	-
Transfer to Capital Improvement Program (CIP)	(176,774,831)	(176,774,831)	-
Transfer to Paygo to be consistent with CFCI in the Financial Plan	-	-	-
Total	\$ 201,600,000	\$ 223,684,546	\$ 22,084,546
Meet Board Policy Requirements			
Transfer to Rate Stabilization Fund (RSF) - Target RSF balance of 5% of Retail Revenues			(5,000,000)
Additional Cash Balance over Target -Transfer to Ending Cash Balance to increase the Days of Cash from 282 to 292 days			(12,200,000)
			4,884,546
Recommendation:			
Additional Transfer to Paygo to reduce future borrowing			(884,546)
Additional Cash Balance over Target- for Permit Refunds in FY2027			(2,000,000)
Additional Cash Balance over Target- for extending Payment Incentive Plan to FY2027			(1,000,000)
Additional Cash Balance over Target- for transfer to DC Insurance Reserve			(1,000,000)



Management Recommendation

- That the Committee recommends to the Board the allocation of:
 - \$12.2 million to Ending Cash Balance to increase the Days of Cash from 282 to 292 days (Board Policy) or RSF*
 - \$5.0 million to Rate Stabilization Fund (RSF) to meet the targeted RSF balance of 5% of Retail Revenues (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 Payment Plan Incentive Program in FY 2027
 - \$1.0 million to the Ending Cash Balance to increase the DC Insurance Reserve to \$2 million (align with the requirement for Excess Liability Insurance)
 - \$0.9 million to Paygo to reduce future borrowing

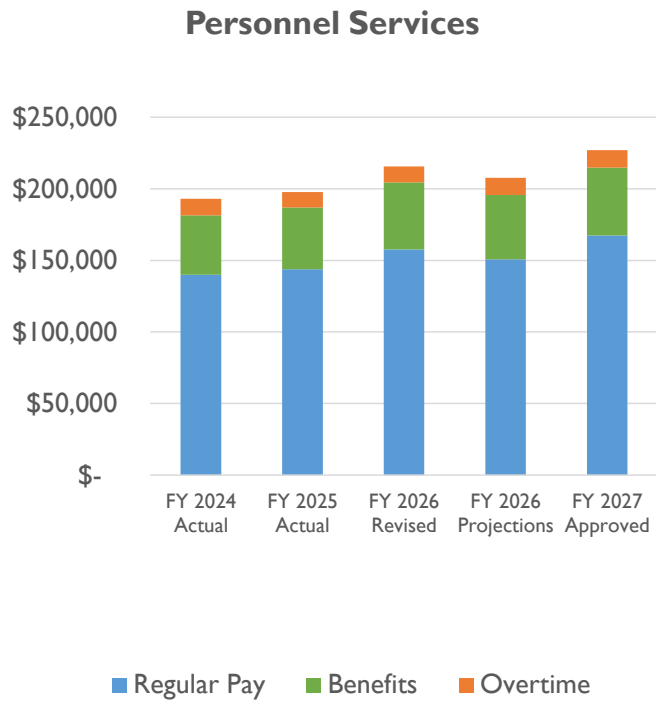
* Alternatively, the \$12.2 million for ten days of cash can be used to offset the public inconvenience fee in FY 2027



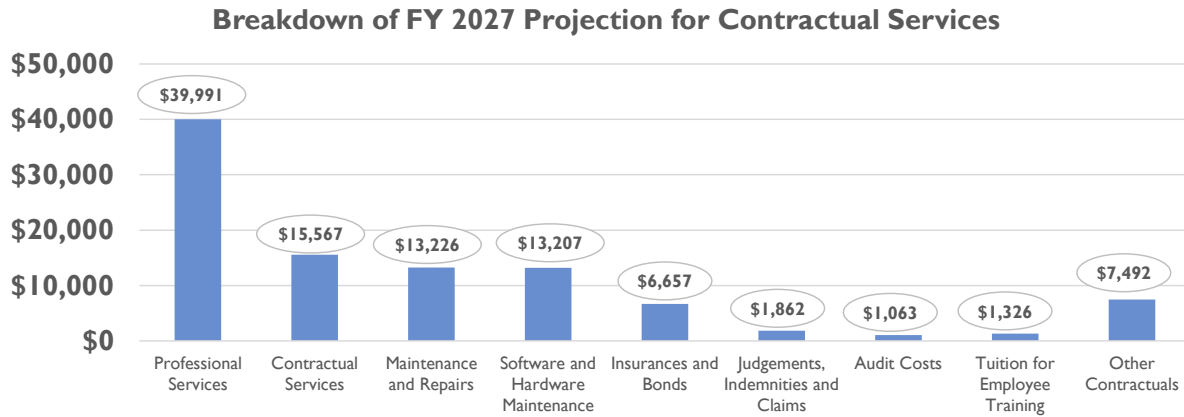
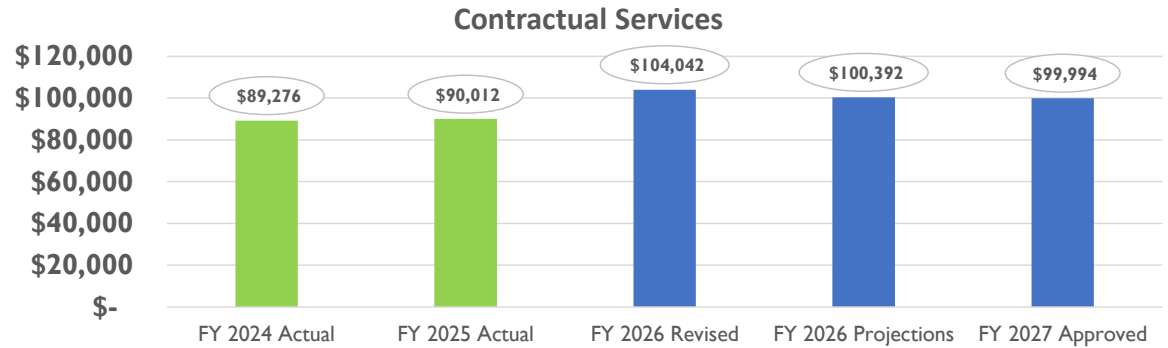
Appendix



Personnel & Contractual Services



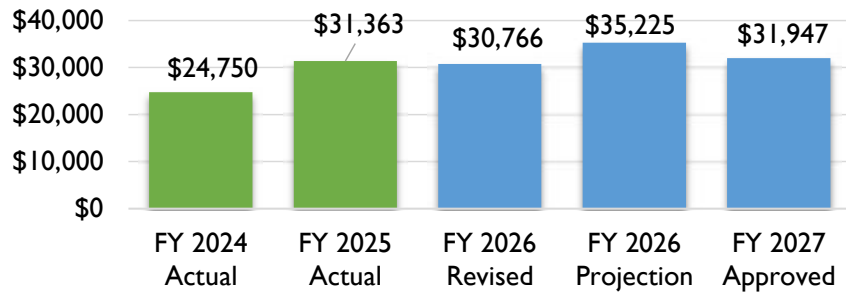
\$ in thousands



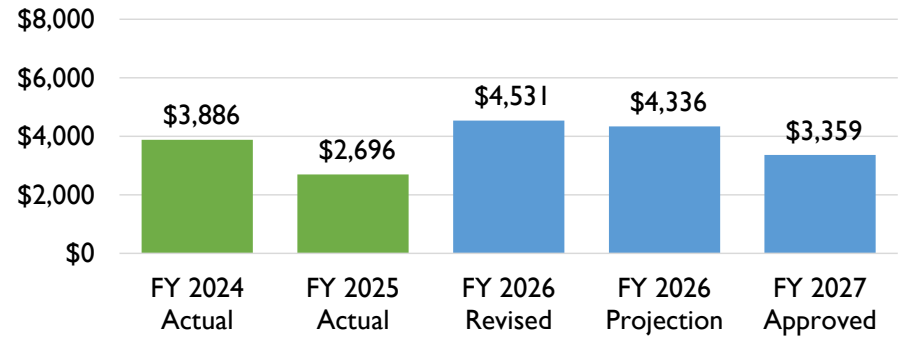


Utilities

Electricity Costs

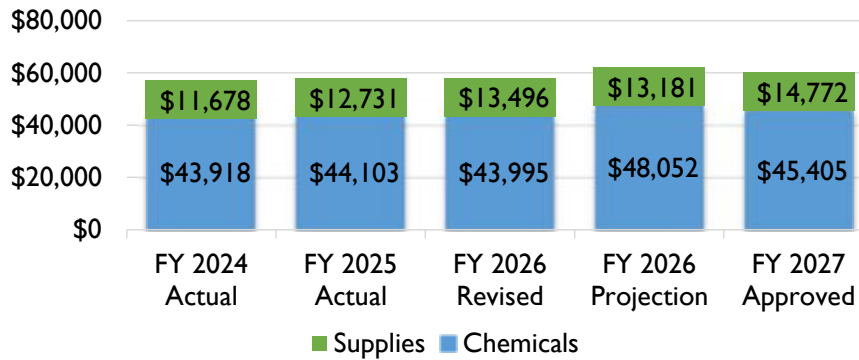


Water Usage

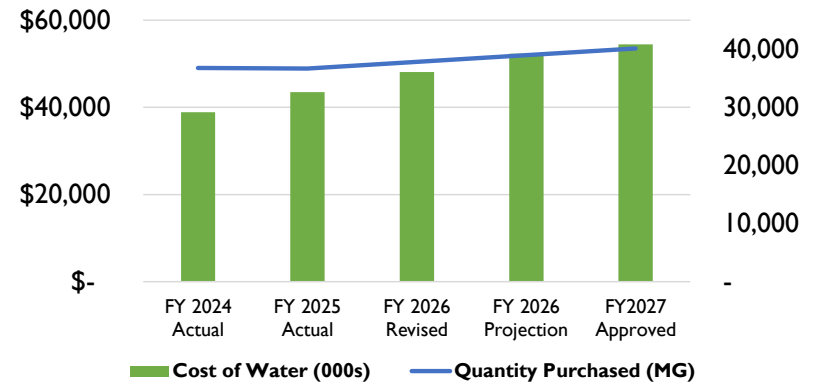


\$ in thousands

Chemicals & Supplies



Water Purchase



Presented and Adopted: *Board approval date*
**Subject: *DRAFT* Approval of Revised Procurement
Procedures and Direction to the General Manager**

**#26-XX
DRAFT
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 *Board approval date*, 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 *EQ&Ops meeting date*, 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 *Budget&Finance meeting date*, 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 *Governance Committee meeting date*, 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.

Secretary to the Board of Directors

**FINANCE & BUDGET COMMITTEE
PROPOSED TRANSFER OF FY 2026
PROJECTED NET CASH SURPLUS**

ACTION ITEM XX: Recommendation for Board Approval Authorizing the Transfer of the Projected FY 2026 Net Cash Surplus to the Rate Stabilization Fund, Paygo, Cash Balance over Target, and Ending Cash Balance.

DC Water Management requests authorization of the transfer of the Projected FY 2026 Net Cash Surplus as follows:

Projected FY 2026 Net Cash Surplus:	\$22,084,546
Additional Cash Balance over Target -Transfer to Ending Cash Balance to increase the Days of Cash from 282 to 292 days (or RSF)* (Board Policy)	\$12,200,000
Transfer to Rate Stabilization Fund (RSF) - Target RSF balance of 5% of Retail Revenues (Board Policy)	\$5,000,000
Additional Cash Balance over Target- for Permit Refunds in FY2027	\$2,000,000
Additional Cash Balance over Target- for extending Payment Incentive Plan to FY2027	\$1,000,000
Additional Cash Balance over Target- for transfer to DC Insurance Reserve	\$1,000,000
Additional Transfer to Paygo to reduce future borrowing	\$884,546

***Note:** As an option, \$12.20 million to increase ten days of Cash can be transferred to RSF to offset Public Inconvenience Fee (PIF) in FY 2027.

**FINANCE & BUDGET COMMITTEE
RECOMMENDATION FOR BOARD TO
THE CASH SURPLUS TO THE AUTHORITY GENERAL FUND IN FY 2027**

ACTION ITEM XX: Approval to make transfers from the Cash Surplus to the Authority General Fund in FY 2027.

DC Water seeks to transfer of \$1,000,000 from the Cash Surplus to the Authority General Fund in FY 2027 to fund the extension of “**Payment Plan Incentive Program**“, to assist residential customers who are 60+ days past due and \$500 or more in arrears. DC Water proposes to apply 50% adjustment of the total payments toward the arrears balance until the program’s end date. The program will be funded from the Cash Surplus to extend the Payment Plan Incentive Program through September 30, 2027.

The details of transfer from Cash Surplus for FY 2027 is 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

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

PROCUREMENT INFORMATION

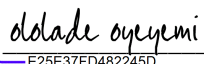
Contract Type:	Goods and Services	Award Based On:	Highest Rating
Commodity:	Insurance Services	Contract Number:	10632
Contractor Market:	Open Market		

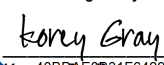
BUDGET INFORMATION

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
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 Lola Oyeyemi Date
 Acting CFO & EVP of Finance, Procurement & Compliance, and Vice President, Budget

DocuSigned by:

 _____ / 6/17/2026
40BDAE0B21F6429...
 Korey R. Gray Date
 VP Compliance and Chief Procurement Officer

 David L. Gadis Date
 CEO and General Manager



District of Columbia Water and Sewer Authority Board of Directors

Finance and Budget Committee July 23, 2026 / 9:30am

Microsoft Teams meeting

[Click here to join the meeting](#)

Meeting ID: 258 192 568 581 Passcode: k2HB9HM3

Call in (audio only) [202-753-6714](tel:202-753-6714), [636623879](tel:636623879)#

Phone Conference ID: 636 623 879#

- 1. **Call to Order** Anthony Giancola, Chairperson
- 2. **Roll Call** Debra Mathis, Assistant Board Secretary
- 3. **June 2026 Financial Report (Attachment 1)** Lola Oyeyemi
- 4. **Agenda for September 2026 Committee Meeting (Attachment 2)** Anthony Giancola
- 5. **Executive Session*** Anthony Giancola
- 6. **Adjournment** Anthony Giancola

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.

1The 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.