



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
201st MEETING OF THE BOARD OF DIRECTORS**

Thursday, September 4, 2014

9:30 a.m.

5000 Overlook Avenue, SW

Room 407

AGENDA

- I. **Call to Order (Chairman Allen Lew)**
- II. **Roll Call (Linda Manley, Board Secretary)**
- III. **Approval of July 3, 2014 Minutes (Chairman Allen Lew)**
- IV. **Chairman's Overview**
- V. **Committee Reports**
 - 1. **Governance Committee (Ellen Boardman)**
 - 2. **Human Resource and Labor Relations Committee (Edward Long)**
 - 3. **Environmental Quality and Sewerage Services Committee (Howard Gibbs)**
 - 4. **Water Quality and Water Services Committee (Rachna Butani)**
 - 5. **D.C. Retail Water and Sewer Rates Committee (Alan Roth)**
 - 6. **Finance and Budget Committee (Timothy Firestine)**
- VI. **General Manager's Report**
- VII. **Summary of Contracts**
- VIII. **Consent Items (Joint-use)**
 - 1. **Adoption of Collective Bargaining Agreement on Working Conditions between DC Water and AFGE Local 631 - Resolution No. 14-50 (Recommended by Human Resources and Labor Relations Committee 07/09/14)**
 - 2. **Approval to Execute Contract No. 130080, Corman Construction, Inc. – Resolution No. 14-51 (Recommended by Environmental Quality and Sewerage Services Committee 07/17/14)**
 - 3. **Approval to Execute Contract No. 130060, American Contracting and Environmental Services – Resolution No. 14-52 (Recommended by Environmental Quality and Sewerage Services Committee 07/17/14)**
- IX. **Consent Items (Non-Joint Use)**
 - 1. **Approval to Execute Contract No. 130150, CPP Construction Company, Inc. – Resolution No. 14-53 (Recommended by Water Quality and Water Services Committee 07/17/14)**

2. [Approval to Execute Contract No. 130190, Layne Inliner, LLC – Resolution No. 14-54](#) (Recommended by Environmental Quality and Sewerage Services Committee 07/17/14)
3. [Approval to Execute Contract No. 130070, Sagres Construction Corp. – Resolution No. 14-55](#) (Recommended by Water Quality and Water Services Committee 07/17/14)
4. [Approval of General Principles of Affordability for Low-Income Customers – Resolution No. 14-56](#) (Recommended by DC Retail Water and Sewer Rates Committee 07/22/14)
5. [Approval to Execute the Terms and Conditions for a 2014 PILOT MOU with the District of Columbia – Resolution No. 14-57](#) (Recommended by DC Retail Water and Sewer Rates Committee 09/03/14)
6. [Approval of Proposed Water and Sewer Rates, Clean Rivers Impervious Area \(IAC\), Payment-in-Lieu of Taxes \(PILOT\) Fee, and Right-of-Way \(ROW\) Fee for DC Water and Sewer Rates Beginning in Fiscal Year 2015 – Resolution No. 14-58](#) (Recommended by the DC Retail Water and Sewer Rates Committee 09/03/14)

X. Executive Session – To discuss legal, confidential and privileged matters pursuant to Section 2-575(b) of the D.C. Official Code¹

XI. Adjournment

¹ The DC Water Board of Directors may go into executive session at this meeting pursuant to the District of Columbia Open Meetings Act of 2010, if such action is approved by a majority vote of the Board members who constitute a quorum to discuss: matters prohibited from public disclosure pursuant to a court order or law under D.C. Official Code § 2-575(b)(1); contract negotiations under D.C. Official Code § 2-575(b)(1); legal, confidential or privileged matters under D.C. Official Code § 2-575(b)(4); collective bargaining negotiations under D.C. Official Code § 2-575(b)(5); facility security 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); proprietary matters under D.C. Official Code § 2-575(b)(11); decision in an adjudication action under D.C. Official Code § 2-575(b)(13); civil or criminal matters where disclosure to the public may harm the investigation under D.C. Official Code § 2-575(b)(14), and other matters provided in the Act.

Upcoming Committee Meetings (5000 Overlook Avenue SW (Blue Plains – 4th Floor)

- Governance Committee - Wednesday, September 10th at 9:00 a.m. (5000 Overlook Avenue, SW)
- Human Resource and Labor Relations Committee- Wednesday, September 10th @ 11:00 a.m. (5000 Overlook Avenue, SW)
- Environmental Quality and Sewerage Services Committee – Thursday, September 18th @ 9:30 a.m. (5000 Overlook Avenue, SW)
- Water Quality and Water Services Committee – Thursday, September 18th @ 11:00 a.m. (5000 Overlook Avenue, SW)
- DC Retail Water and Sewer Rates Committee – Tuesday, September 22nd @ 9:30 a.m. (5000 Overlook Avenue, SW)
- Audit Committee – Thursday, September 24th @ 9:30 a.m. (5000 Overlook Avenue, SW)
- Finance and Budget Committee – Thursday, September 24th @ 11:00 a.m. (5000 Overlook Avenue, SW)



**DISTRICT OF COLUMBIA
WATER AND SEWER
AUTHORITY**

BOARD OF DIRECTORS

*Governance Committee
July 9, 2014
9:00 a. m.*

MEETING MINUTES

Committee Members

Ellen Boardman, Chairperson
Rachna Butani
Edward Long
Alan Roth

DC Water Staff

Charles Kiely, Assistant General Manager
Randy Hayman, General Counsel
Linda Manley, Board Secretary

Chairperson Boardman convened the meeting at 9:06 a.m. The Chairperson turned the Committee's attention to Agenda Item # 2 (Government Affairs: Update). William Pickering, Government Relations Manager, first briefed the Committee on federal issues. The U.S. Senate Appropriations Subcommittee on Financial Services and General Government approved \$16 million for the Clean Rivers Project in its Fiscal Year 2015 appropriations bill on June 24, 2014. This is the full amount requested by the President; however, the House Subcommittee markup provided no funding for the project in its bill. The House of Representatives Appropriations Subcommittee on the Interior also unveiled its EPA funding bill which includes a 30% cut to the Clean Water State Revolving Funds and a 16% reduction to the Drinking Water State Revolving Fund. The Senate has not yet taken action on its version of the spending bill.

Mr. Pickering noted that, once again, the Clean Rivers federal payment and EPA grant funding measures would likely be determined in Senate-House conference in the form of a large omnibus bill.

Mr. Pickering then turned to District issues. A potential bill regarding the notification of tenants concerning water and sewer bills was discussed. Mr. Pickering stated that Council staff was informed about DC Water's inability to determine the identity of tenants; accordingly, staff appeared satisfied that such a bill was not feasible. Mr.

Pickering concluded that the District's 2015 budget had a provision for solar renewable energy which could prove beneficial to DC Water's solar energy efforts.

Chairperson Boardman requested that Loretta Caldwell address Agenda Item # 3 (Update on the Compliance Monitoring Program). As the Committee had been briefed previously on the components of the Compliance Program, Ms. Caldwell turned the Committee's attention to that part of the presentation showing DC Water's performance in meeting its objectives. DC Water had an increase in both the MBE design costs awarded and the WBE design costs awarded from May 2014 to June 2014. There was also an increase in both MBE payments and WBE payments actually made from May 2014 to June 2014. Both the MBE and WBE construction costs awarded increased from May to June.

Ms. Caldwell then discussed the employment statistics for the major projects. From May to June, the number of jobs filled increased for the District as well the User Jurisdictions. The Committee asked what percentage of job information was captured with online tracking. Ms. Caldwell stated that approximately 25% of the job statistics were not captured. She noted that at the time certain contracts were entered into, online reporting was not required. The Committee expressed concern about the amount of information not being captured. The Committee discussed whether the online reporting requirement could be included in such contracts at the time an option year or change order was executed. The General Counsel was asked to explore these possibilities. They also asked for information about hiring from contractors who obtained their workforce through union referrals. Ms. Caldwell continued her summary of employment statistics for major projects and pointed out that District Wards 1, 4, 5 and 7 had increases in hires from May to June.

Ms. Caldwell reported that there was a slight decrease in the percentage of apprenticeship hours by DC residents; however, there was an increase in the total number of apprenticeship hours. Ms. Caldwell's report included a breakdown of cumulative jobs filled by state and cumulative jobs filled by category. Ms. Caldwell also discussed the number of applications received and interviews conducted at DC Water's lead job center and satellite job centers. Ms Caldwell concluded her presentation with a job center success story. Through a collaborative effort between the Job Center and Mobile Dredging and Pumping Co., two DC residents became new hires on DC Water projects.

The Chairperson requested the General Counsel, Randy Hayman, to introduce Agenda Item # 4 (Summary of Investigation of Alleged Labor Issues on DC Water Projects). Mr. Hayman noted that of the 20 allegations made by ironworkers against three subcontractors on DC Water projects (Lyn-Phill Construction LLC, Collins Reinforcing, Inc., and Dominion Rebar, LLC), three had been substantiated and the seventeen remaining allegations had not been substantiated. Mr. Hayman then turned the remainder of the presentation over to Ms. Caldwell to discuss the investigation in detail. Ms. Caldwell first addressed the two phases of the investigation – Phase 1 which commenced on August 21 2012 and was comprised of wage investigations of Collins

Reinforcing, Inc. for work performed on the ENR 1C Project. As a result of this investigation, the first compensation restitution for Collins workers occurred on April 26, 2013 resulting in a payment of \$425,111.00 owed to 36 employees of Collins. Phase 2 of the investigation commenced on October 1, 2013 and was comprised of investigating allegations in 5 categories: payment of prevailing wages, safety, material theft, dangerous conditions and project accidents. Ms. Caldwell then reviewed the procedures followed during the investigation. The Committee asked the General Counsel to review the legal standards that were applied during the investigation to ensure that the conclusions were accurate. The General Counsel recommended, and the Committee agreed, to continue discussion of these legal issues in executive session. The Committee discussed with Ms. Caldwell the amount of time needed for these investigations. She advised that the investigation was a time-consuming process. She noted that some time was spent attempting to locate some of the workers who qualified for restitution checks so that payment could be made. Questions were asked about escrowing such monies pending location of missing workers. The General Counsel was asked to review what actions would be appropriate in the event a worker could not be located.

The Committee then addressed Agenda Item # 5 (Emerging Issues). A Committee member asked why DC Water had participated in an electrical rate hearing and what benefit that provided to the average DC Water customer given the relative cost of such participation (e.g., legal fees). The General Counsel advised that he would provide the requested information at the next Committee meeting.

The Chairperson noted that Agenda Item # 6 (Agenda for Upcoming Committee Meeting) is in the process of being developed and will be shared with the Committee members as appropriate.

The Chairperson then asked the General Counsel to assist the Committee with the proper procedures for going into Executive Session pursuant to Agenda Item # 7.

The Committee reconvened in Open Session. The General Council informed the Committee that the Office of General Counsel would review the documentation supporting the investigations' conclusions to ensure legal sufficiency. The General Counsel will report these findings at the next Committee meeting.

The Chairperson adjourned the meeting at 11:37 a.m.



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS**
*Human Resources and Labor Relations
Committee
July 9, 2014*
MEETING MINUTES

Committee Members Present

Edward L. Long, Chairman
Robert L. Mallett
Ellen Boardman
Keith Anderson
Rachna Butani

DC Water Staff Present

George Hawkins, General Manager
Randy Hayman, General Counsel
Rick Green, Director, Human Capital Management
Mustaafa Dozier, Director, Labor Relations
Linda R. Manley, Board Secretary

1. Call to Order

Edward L. Long, Jr., Chairman, called the meeting to order at 11:30 am. There were no regularly scheduled discussion topics for this meeting. The committee proceeded in executive session.

2. Executive Session

Executive session commenced at 11:35 a.m., to address personnel matters pursuant to DC Official Code Section 2-(575(b)(10).

The executive session ended at 12:40 p.m.

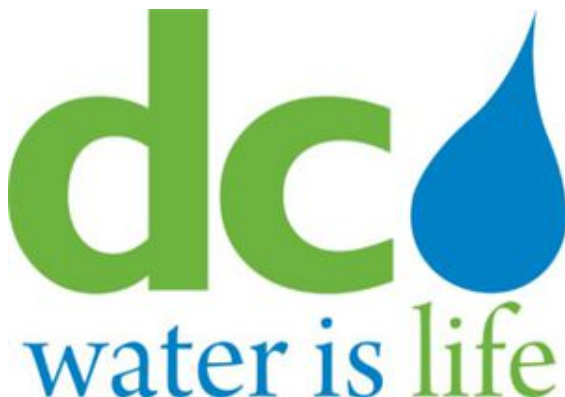
The Committee reconvened into open session.

3. ACTION ITEM

The Committee is recommending the DC Water working condition agreement with AFGE Local 631 to the full Board for approval at the September 4, 2014 meeting.

4. Adjournment

There was a motion to adjourn at 12:45 pm.



**District of Columbia
Water and Sewer Authority**

Board of Directors

**Environmental Quality and
Sewerage Services Committee**

Thursday, July 17, 2014

9:30 a.m.

MEETING MINUTES

Committee Members Present

Robert Hoyt
Brenda Richardson
Howard Gibbs
Keith Anderson

DC Water Staff Present

George Hawkins, General Manager
Len Benson, Chief Engineer
Randy Hayman, General Counsel
Linda Manley, Secretary to the Board

I. Call to Order

Mr. Robert Hoyt, Chairperson, called the meeting to order at 9:30 AM.

II. AWTP STATUS UPDATES

1. BPAWTP Performance

Mr. Walt Bailey, Assistant General Manager for Wastewater Treatment, reported that the monthly average influent flow was 316 MGD, bringing the 12-month average to 301 MGD. 3.3-inches of precipitation fell during the June reporting period. Biosolids production was 1240 wet tons per day, compared with the annual average production of 1096 wet tons per day. Total nitrogen concentration averaged 3.4 mg/l for the month, below the Chesapeake Bay goal. Overall, plant performance was excellent, with 100% permit compliance.

Mr. Bailey noted the update on commissioning activities included in this month's report, and informed the Committee that the ENR pumping station, which to his knowledge is one of the largest wastewater pumping stations in the world, will be operational next month.

The Committee inquired about the 90 day extension to the permit required “place in operation” date for the ENR facilities and asked if the January 2015 completion date would be in jeopardy. Mr. Bailey stated that the 90 day extension was granted and that completion date would be met.

The Committee commented on the production of compost material. Mr. Bailey informed the Committee that small amounts of composted biosolids were being delivered to local users in part to drive interest in the usage of class A biosolids.

III. UPDATES: POTOMAC INTERCEPTOR SEWER

1. Odor Abatement Project

Mr. David McLaughlin, Director, Engineering and Technical Services, reported that the system at Old Angler’s Inn has been operational since the beginning of the week. DC Water has staff onsite during restaurant operating hours to investigate and respond to complaints of odors. The system can be operated remotely and a team is available to respond on short notice in the event problems are encountered.

Mr. McLaughlin stated that punch list items at the DC and remaining Montgomery County sites are nearing completion. Construction of the Virginia sites continues, with completion of the Loudon County facility expected in October and the Fairfax facility in November.

The Committee asked about WSSC’s cooperation in the odor abatement process at Old Angler’s Inn. In response, Mr. McLaughlin stated WSSC has begun sealing manholes that may be contributing to the odor complaints at this location, and is cooperating with DC Water in monitoring air pressures in their sewers.

IV. DC CLEAN RIVERS – JBAB OVERFLOW AND DIVERSION STRUCTURES PROCUREMENT

Mr. Carlton Ray, Director, DC Clean Rivers, provided the Committee with a presentation on the procurement of design-build services for the overflow and diversion structures to be constructed on the Blue Plains Tunnel at Joint Base Anacostia – Bolling (JBAB). The presentation included a review of the technical and price proposal process. Four firms competed for the contract, three firms were shortlisted and Corman Construction submitted the best overall value to DC Water based on the technical and price proposals submitted.

Mr. Hawkins noted that the price submitted by Corman Construction represents significant value for DC Water and commented that input received from investors during the recent bond issuance indicated that DC Water’s approach to risk management and procurement of these large contracts was a key reason the bond sales were so successful. In particular, Mr. Hawkins thanked Mr. Ray for providing the technical

support needed to explain the unique nature of the Clean Rivers projects to the potential investors in the Green/Century bonds.

V. ACTION ITEM - JOINT USE

1. Contract No. 130060, American Contracting & Environmental Services
2. Contract No. 130080, Cormac Construction, Inc.

Mr. Len Benson, Chief Engineer, presented joint use action items 1 & 2 and non-joint use action item 3.

Action item 1 is a construction contract with American Contracting & Environmental Services for improvements at the Potomac Pumping Station. The work includes replacing screens, gates and valves, and installing instrumentation and controls that will allow the station to be operated remotely.

The Committee asked about the absence of minority goals in this contract. Mr. Benson informed the Committee that 70% of this contract price is the purchase of new equipment that can only be provided by a few specialized suppliers, and as such the opportunities for M/WBE sub-contracting were limited. Therefore, the solicitation was advertised as open market, with preference provided for local businesses.

Action item 2 is a request to execute the design-build contract for the overflow and diversion structures work described earlier by Mr. Ray.

ACTION ITEM - NON JOINT USE

3. Contract No. 130190, Layne Inliner, LLC.

This contract provides for the rehabilitation of existing sewer infrastructure through the installation of cured-in-place lining systems in approximately 3,300' of sewer mains.

The Committee noted the absence of minority goals in this contract. Mr. Benson responded that the nature of the work (cured-in-place lining systems) requires specialized and licensed contractors to perform the work, which limited opportunities for sub-contracting. Therefore the solicitation was advertised as open market with preference for local bidders.

The Committee requested that future fact sheets provide an explanation when M/WBE goals have not been established. Mr. Benson agreed to do so.

VI. DMS MISSION-VIDEO

Tony Mack, Director of Maintenance Services, presented a video detailing several of his

operation's key contributions to the maintenance and operation of the Blue Plains facility. This video depicted his team's commitment to proactive as well as routine maintenance practices. Throughout the video, maintenance workers are shown demonstrating tasks that are vital to the operation and maintenance of important equipment. Mr. Mack noted that the video was developed as a tool to motivate staff, and has been very effective.

The Committee appreciated how informative the video was and the moral boosting message it conveyed, and complimented Mr. Mack on having the video produced.

VII. OTHER BUSINESS/EMERGING ISSUES

1. Capacity Allocations in the Potomac interceptor

Mr. Benson provided the Committee with follow up information pertaining to the two overflow incidents from the Potomac Interceptor on April 30th and May 15th, 2014. Mr. Benson stated that a review of flow metering data indicated that the Potomac Interceptor users exceeded their capacity limits during these events and that DC Water was planning to meet with the users to discuss measures to prevent future occurrences.

The Committee asked if the PI users had a way to monitor their flow rates and if they have controls in place in the event excessive flows are expected. Mr. Benson stated that both issues were topics to be discussed at the meeting with the users.

Additionally, the Committee wanted to know if there would be financial implications to the users that exceed their capacity limits. George Hawkins replied that there would definitely be financial implications.

2. Property Purchase for Fleet Maintenance

Mr. Hawkins informed the Committee of the potential purchase of a new fleet maintenance facility in Prince George's County. Mr. Hawkins noted that moving Fleet operations from the "O" Street site has been years in the making and is one action needed to vacate the site adjacent to the Main & O Street pumping stations. The location in Prince George's County was deemed desirable because of the location, proximity to major highways in and out of the city, acreage and price. Both Prince George's County and DC Government representatives on the Board have been consulted and are supportive of the purchase and relocation of the fleet maintenance facility. The cost of the purchase and move will be reimbursed by the DC Government as part of the agreement for DC Water to vacate the existing property.

The proposed site in Prince George's County is 6.4 acres in size, located on Walker Mill Rd, Capitol Heights, MD and is zoned industrial. It is DC Water's intention to secure an option to purchase the property with a down payment in a few weeks with final settlement happening in the next few months. The cost is anticipated to be under the

threshold required for Board approval, so a formal Board action will not be required.

The Committee suggested that an informational sheet on the proposed move be developed and provided to the Board. Mr. Hawkins agreed this was a good idea.

3. Report from General Council on Bidding Question

Mr. Randy Hayman, General Council, provided the Committee with a response to a question raised by a Board member related to a contract awarded at the previous Board meeting. The Board member noted that the successful bidder had listed as a subcontractor a firm that also submitted a bid to DC Water for the project, and questioned whether limitations should be placed on bidders to prevent the practice of bidding both as a prime and as a subcontractor.

Mr. Hayman advised the Committee that his office had reviewed the relevant regulations and policies and reported that nothing prohibited contractors from submitting bids as both prime and subcontractor. Mr. Hawkins noted that a review of the bids received did not indicate any impropriety in the bidding process and suggested that the question of whether DC Water's policy should be modified in this regard would be best addressed by the Governance Committee.

VIII: ADJOURNMENT

The meeting was adjourned at 10:35 am.

Follow-up Items

1. Provide an explanation on future fact sheets when M/WBE goals have not been established.
2. Provide an informational sheet on the future fleet maintenance property purchase.



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

**BOARD OF DIRECTORS
WATER QUALITY AND WATER SERVICES COMMITTEE**

**MEETING MINUTES
Thursday, July 17, 2014**

Present Board Members

Rachna Butani, Chair
Howard Gibbs
Alan Roth
Brenda Richardson

Present D.C. Water Staff

George Hawkins, General Manager
Randy Hayman, General Counsel
Charles Sweeney, Director, Distribution
and Conveyance Systems
Linda Manley, Board Secretary

Other Board Member Present

Robert Mallett

I. Call to Order

Ms. Butani called the meeting to order.

II. Water Quality Monitoring

A. Total Coliform Rule (TCR) Testing

The monthly reporting on Total Coliform Rule Testing was presented by Charles Sweeney, Director, Distribution and Conveyance Systems. There were two positive samples or .8 percent in June which is well below the limits. In July there have been no positives to date.

B. Lead and Copper Rule Monitoring

Mr. Sweeney stated that 275 kits were distributed and they sent 111 samples to the laboratory which is a 40 percent return rate. The requirement is 100 samples.

The first semester report was sent to the US Environment Protection Agency (EPA). The breakdown was 2 parts per billion for the first draw for lead samplings, which was D.C. Water's lowest numbers ever. Special thanks goes to Jessica Brandt-Edwards and her team. This shows that a concentrated effort is being made on this and that the methods are helping to lower those numbers through management.

III. Fire Hydrant Upgrade Program

David Wall, Manager of the Distribution, reported that of 9,454 public hydrants, 79 are out of service. At any time during the month, there is a fluctuation up or down in the 70's. This is below the 1 percent of public hydrants out of service.

Mr. Mallett asked about how frequently tests are conducted on low flow. The report shows that after 120 days of being out of service, an investigation is needed for low flow pressure and a shut test for replacement of hydrants. There were 27 such hydrants in the city. Mr. Walls stated that a hydrant may be inspected or investigated by various entities and it may be discovered that water was not flowing as fast as it typically should be. Mr. Wall reported that with over 45,000 valves in the system, it gets complicated very quickly to investigate what the causes are. The investigation period sometimes takes long because of the coordination they have to do with the customers and others and the time it takes to get the shut off completed.

Ms. Gibbs asked if when they put in a new hydrant if a shut off valve is installed to avoid future shut problems. Mr. Walls replied that this was correct and that all hydrants are supposed to have a control valve so that they do not have to shut the entire water main but just isolate that particular hydrant.

Ms. Butani asked if Mr. Wall had an idea of how many of those hydrants without shut off valves have been replaced in the last five years. Mr. Walls stated that he did not know now but would bring the information back to the Committee in September. She also wanted to know what percentage of old hydrants had been replaced within the last five years. Mr. Hawkins stated that there is a very interesting history related to this issue and they can show the trend, how many have been done each year, and how progress has been made. Mr. Wall reported that in the last couple of years, the numbers have been around 360 each year out of a total inventory of 9,400. About 50 percent remain to be replaced. Mr. Hawkins stated that the project has been very successful because when it was started there were 17 different models of hydrants and now there are 2 models.

IV. Fracking Update

Nicole Condon, Water Communication Coordinator, presented an overview on hydraulic fracturing (fracking) and spoke about why this was of interest to D.C. Water and other regional stakeholders in the Potomac Watershed. Fracking is an extraction technique for oil and natural gas that essentially sends highly pressurized fluid into rock formation to break it apart and make it possible to recover the natural gas and oil deposits. This has been described as a game changer for the oil and gas industry because it has made the extraction of these deposits economically feasible when they otherwise were not and they were prohibitively expensive to access. The fracking tool that they use is mostly water but is also made up of some sand or clay, ceramic beads that are used to hold the pores open, and then a small portion of the fluid in chemical additives. Ms.

Condon said that they do not know what all of the chemicals are, but the issue is under review because there are serious concerns.

Ms. Condon stated that there are several benefits associated with fracking which include natural gas being cleaner and cheaper compared to coal and conventional oil production; it is a significantly cheaper process because it is cheaper to build and maintain the extraction operations; the environmental site damage is much less compared to coal production; there has been a decline in energy prices; the boost in production of a stable energy source reduces the U.S. dependence on foreign energy sources, and fracking offers fewer carbon emissions.

There are some concerns that are of particular interest to the water community because they are related to water resource risks. Ms. Condon reported that among the concerns are the following: fracking process uses such a huge amount of water; the disposal of the used fracking fluid which is typically injected deep underground into wells or is stored in an above ground pits until it can be deluded or treated before it is stored in hazardous wastewater landfills or sometimes it is actually spread over land and some of the fluid is now being reused and operators are sometimes permitted to send used fracking fluid to wastewater treatment facilities; chemicals are being used that are unknown and also the wastewater has a very high salt content which is difficult for many of the wastewater treatment facilities to handle; and there is also the possibility for minerals and other materials leeching into the water after it has been so far underground. Addition concerns can be reviewed in the presentation package which is located on D.C. Water's website.

Ms. Condon continued with an update on the George Washington National Forest Management Plan. In 2011 the U.S. Forest Service proposed a plan prohibiting hydraulic fracturing in the Forest. A year later they announced that they were reconsidering the ban largely due to pressure from industry. That then launched a huge amount of public comments being submitted to the Forest Service by many jurisdictions, environmental groups, and various stakeholders in this region. In September 2013 D.C. Water submitted a letter to the Secretary of Agriculture and cited concerns for its water supply, emphasizing that these risks should be acknowledged and explored further before so many people's water supply was put at risk for contamination from these types of activities. EPA is doing a report due out by the end of the year on potential fracking risks. Ms. Condon stated that the D.C. City Council passed a Sense of Council Resolution in support of the ban and Mayor Gray has also submitted a letter in support.

Ms. Condon summarized D.C. Water's concerns that the forest is in its head waters and head waters are extremely ecologically valuable for the quality of water in the Potomac River. They know that any reduction in the source water quality may impact the treatment that is required to be undertaken to make sure all drinking water regulations are met. She indicated that they would like to have more assurance that there are no risks to the drinking water supply from this type of extraction activity and they would like to see improved regulatory oversight.

The other issue Ms. Condon briefed the Committee on related to the same environmental groups that they met with, including Earthworks and Food and Water Watch on the George Washington Forest issue, have encouraged D.C. Water to take a look at the proposed hydraulic fracturing in Maryland, particularly in Western Maryland, close to the West Virginia border. The Governor has refused to issue any permits for hydraulic fracturing in the state, so there is a moratorium in place. He has appointed a Safe Drilling Advisory Commission to take a look at some of the risks and also to look at some of the potential regulatory implications. That Commission is supposed to come out with their report in August. There is also a health based risk analysis that is underway. Portions of these areas are in D.C. Water's watershed so the environmental groups have asked D.C. Water to consider submitting a letter to the Advisory Commission citing the drinking water concerns and the similar concerns raised about the George Washington Forest issue. Mr. Hawkins stated that interested parties can use the letter D.C. Water sent to the U.S. Forest Service where D.C. Water's position is clearly presented.

V. Colonial Pipeline Update

Steve Bieber, Metropolitan Washington Council of Governments, updated the Committee on the Colonial Pipeline issues impacting this region. The presentation materials are available on D.C. Water's website under the Board Calendar. Approximately 75 percent of the regions fuel comes through the pipeline. Products are taken from refineries near the Gulf and move from Houston, Texas to New York. There are two steel pipelines and the crossing is about 3.5 miles upstream from Potomac intakes for the region. The travel time for a spill ranges from about 1.5 to 12 hours to reach the intakes.

Mr. Bieber reviewed the past incidents that have occurred since 1980 and presented the corrective action taken by Colonial. The pipeline is regulated by the Department of Transportation, Pipeline Hazardous Materials Safety Administration. Discussions have been ongoing over the years with their regulators, EPA, U.S. Coast Guard, Homeland Security, and also the state regulatory agencies such as Maryland Department of the Environment, DDOE, and Virginia Department of Environmental Quality. There are monitoring throughout the pipeline and they can see if there is a pressure drop or anything and take action.

Mr. Bieber reported that in the recent meeting with Colonial they reviewed their Emergency Response Plan page by page. The water suppliers present in the meeting were able to raise questions, flag issues that required updating or were missing. EPA and the Coast Guard participated. One of the major issues was looking at the risk modeling, their pipeline assessment methodologies, and finding out how they were managing the risks to this region of something happening. Colonial has developed and reviewed with them in a past meeting an enhanced Emergency Response Plan that was specific to this region. In past meetings they voiced the fact that it was limited in details of how they would specifically respond to an event affecting a water supply versus the

Potomac generally. Now their regulatory agency requires specifics on water supplies not just the Potomac. These are high consequence areas.

The last meeting with them included a briefing specific to the Metropolitan D.C. area pipeline segments which included information on the Data and Risk Management Plan, Pipeline Integrity Management Program, and Contingency Planning and Emergency Response. They have developed a Potomac River Emergency Response Plan and a Potomac Tactical Response Plan. They have put an operational unit to their plan and laid out how they will respond to an incident—how much equipment would be needed, where would it go, how would it be deployed, how many personnel, etc. This is very far ahead of where they were ten years ago. Mr. Bieber agreed that Colonial has been very responsive and frank about the issues. They have recognized that because of past incidents and a consent decree, they had to make corrections to their system. Colonial put in a schedule to accelerate the changes they were performing under the consent decree. He stated that there has been a huge improvement in how they are running their operation. They found a lot of common ground that they can work together on to prepare for something bad happening and prevent the bad things from occurring.

Mr. Bieber highlighted the issues that they wished to work with Colonial on in the future. First, joint spill and response training and exercises in which they desire to get the region's first responders up to speed and as ready as possible on how to respond. COG has a Hazmat Committee and Colonial came to their last meeting and they are beginning to engage more closely with the utility community and the first responders' community in the region. Another issue, continuing to improve communication and coordination, up-to-date contact information was provided for all utilities in the region that have an intake in the Potomac. They are redoing the plans now and will develop a plan for the Patuxent River. Everyone will work together on the plan. Colonial will be plugged in to more committees around the region beyond the utilities to improve the networking.

Mr. Roth stated that these issues were initially raised because of the West Virginia incident and the risk of railroad cars falling from the bridge going over the Potomac, a catastrophic consequence. He asked Mr. Bieber if they could go through this same exercise with CSX that they have been going through with Colonial. Mr. Bieber thought that it was interesting that Mr. Roth raised this issue because the most recent water utility spill exercise COG did concerned the scenario where a tanker car in Harpers Ferry went into the river and how they would respond to that. There has been a lot more movement of petroleum by railcar and CSX and Norfolk Southern participate in the Freight Rail Committee at COG and a Transportation Rail Committee. He has been talking with the management person at CSX about getting engaged with the water utilities. In the last COG Board meeting there was some data presented on infrastructure and that meeting focused on energy. He will provide that data to Mr. Kiely for distribution to the Board. It breaks down how much fuel, etc., is coming through the region by rail. It is a threat that warrants review. Mr. Hawkins stated that Mr. Kiely and Jonathan Reeves will also gather more information on this issue with the railroads.

VI. Colonial and Hawthorne Cleaning and Lining Project

Jessica Brandt-Edwards, Manager of Water Quality Division, reported that the project has been completed and the two areas now have clear water. The pictures are provided on the website. She briefed on the start of the project through the end of the successful project. This project started in June 2013 and all of the phases were completed in June 2014. There were some challenges and several D.C. Water and District Government departments worked together to get to this point.

Tsedale Berhanu, Manager of Technical Support Services, briefed the Committee on some of the project's challenges. A number of lessons were learned in 2013, among them the fact that they did not test the source hydrant and surrounding hydrants before the project started. In 2013 the contractor stated that the problem was with the source and not with them. They could not validate that because they did not test it first. In 2014 they got smarter and did the testing of the source hydrants and surrounding hydrants. Another was starting and finishing the project during cooler temperatures. In 2013 the project was started in June and stopped in November. This year the project was started in March and completed in June. They received advanced approvals and permits from the various stakeholders such as the Fire Department and District Department of Transportation. Ms. Berhanu reported that another lesson was to obtain a buy-in from all the stakeholders during the planning phase. The need for better project coordination and control was also learned. Another lesson was that customers are very protective of the area trees and vegetation. They made sure that the trees and vegetation were protected.

Ms. Berhanu stated that today all project activities have been completed, lined or replaced water mains are back in service, water quality and system reliability have improved, there is no more discolored water complaints which shows that customers are satisfied, there is improved knowledge of cleaning and lining, auto-flushing installed to address low water pressure demands.

David McLaughlin, Director of the Department of Engineering and Technical Services, presented two action items for consideration by the Committee. The first was a \$2,365,480 construction contract (non-joint use) for Rehabilitation of Fort Stanton No. 1 Reservoir. The other was an \$8,575,650 contract for a 20 inch Water main, SDWMR and Pressure Reducing Valves. After consideration by the Committee these were recommended to the Board for approval.

Mr. Hawkins informed the Committee about discussions related to D.C. Water facilities located next to the ballpark that do not need to be there. This is not about the pump stations but sewer operations which mobilizes from there and the vehicle maintenance facility. They want these facilities moved elsewhere so that this prime real estate can be used for other purposes. D.C. Water's view has been that as long as its ratepayers do not pay the costs and there is a facility that can handle things operationally, D.C. Water would be fine with that. There have been dozens of facilities looked at over the last ten years. Mr. Hawkins stated that they are now talking about the fleet

maintenance facility. They are still looking for a new location for the Sewer Services facility. After many meetings with the City's many departments, they were not able to locate a facility large enough inside the City. They did find a lot in Prince Georges County and it is the right size, 6.41 acres, located at 630 Walker Mill Road in Capital Heights, and the purchase price is about \$750,000. There are good transportation features. Prince Georges supports this and is actively assisting in managing the process. They have reaffirmed with the City that it will pay the costs of the move and what needs to be done on sight. Mr. Hawkins stated that this will not be done for ratepayer reasons but to support economic opportunities that the City has and this has become part of the price for putting the land back into commerce. They are currently negotiating a memorandum of understanding (MOU) and purchase agreement with the City because ultimately the City would fit the bill for the costs. It is less than \$1 million and it is a very good price compared to what they saw in the City. The contract will not come to the Committee but the Board Chair has been very involved and active in this effort.

Randy Hayman, General Counsel, reported that at the last Board meeting Capital Pavement received a prime contract and one of their subcontractors is Fort Meyers. The question was raised because Fort Meyers also applied as a prime and it was asked if a prime that was also named as a subcontract on another bid was legal. They researched this again and he wanted to confirm with the Board that that is not a violation of the D.C. Water procurement regulations. Fort Meyers submitted its own bid for the solicitation and was not the winning bid. They did not name Capital or any other bidder to be its subcontractor. It was no quid pro quo, you be my subcontractor and I will be yours and a guarantee to receive it. There is no regulation that prohibits two bidding contractors from agreement of being a subcontractor. At the same time under the regulations it requires procurement to be conducted using fully and open competition. There are sanctions against any contractor or subcontractor who breeches any of the ethical provisions which include collusion behavior, and the contracting officer has the right to determine responsive bids and responsible bidders. All bidders are required to sign a non-collusion affidavit. This does not guarantee compliance but they do provide an acknowledgement by the contractor of fair play and adherence. Mr. Hayman stated that D.C. Water will continue to follow the regulations in reviewing the bids. Ms. Butani stated that she raised this issue but was very satisfied that there are controls in place to monitor these things that are very important.

The meeting was adjourned by Ms. Butani.



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Board of Directors

DC Retail Water and Sewer Rates Committee
Tuesday, July 22, 2014

9:30 a.m.

MEETING MINUTES

Committee Members in Attendance

Alan Roth, Chairperson
Ellen Boardman
Rachna Butani
Howard Gibbs
Robert Mallett
Brenda Richardson

DC Water Staff

George Hawkins, General Manager
Mark Kim, Chief Financial Officer
Randy Hayman, General Counsel
Linda R. Manley, Board Secretary

Call to Order

Chairman Roth called the DC Retail Water and Sewer Rates Committee meeting to order at 9:40 a.m.

FY 2015 Management Recommendation on Retail Rates

Chairman Roth stated this is the single most important meeting of the DC Retail Water and Sewer Rates Committee (Committee) that we have each year in advance of the full Board meeting on rates for the next fiscal year. This Committee is comprised of all of the District of Columbia Board members and alternates, and only District representatives on the Board vote on the recommendation that the Committee sends forward. Chairman Roth informed the committee that DC Water Board Chairman and City Administrator Allan Lew, together with General Manager Hawkins and DC Chief Financial Officer Jeffrey DeWitt, have been having significant discussions on the PILOT and ROW. These discussions could affect the recommendations made today and lead to them being further amended at the September Board meeting.

Mr. Kim updated the Committee on management's proposal for FY 2015 rates:

	FY 2014 Rates	FY 2015 Recommended Rates	Increase (\$)	Increase (%)
Water (Ccf)	\$3.61	\$3.88	\$0.27	7.5%
Sewer (Ccf)	\$4.41	\$4.74	\$0.33	7.5%
CRIAC(ERU)	\$11.85	\$16.75	\$4.90	41.4%
PILOT (Ccf)	\$0.53	\$0.61	\$0.08	15.0%
ROW ⁽¹⁾ (Ccf)	\$0.17	\$0.17	-	-

(1) There is no increase in the Right-of-Way fee, which remains same at \$0.17 per Ccf {\$0.22 per 1,000 gallons}.

The FY 2015 Retail Water and Sewer Rates recommendation are volumetric in nature, and they reflect an increase of 7.5 percent. The main drivers of these increases are the decline in consumption and an

increase in Personnel and Debt Service costs. Mr. Kim stated that in order to limit the increase to 7.5 percent; DC Water is planning to withdraw \$17.5 million from the Rate Stabilization Fund (RSF). DC Water will have to withdraw funds from the RSF for the next three fiscal years to maintain rates at the levels management is proposing. Without the RSF withdrawals, necessary rate increases would be 13 to 14 percent. Management's target is to maintain a reasonable single digit level as opposed to a very big increase in rates. This is particularly important now because DC Water is at the very peak of the capital spending in the CIP program.

Ms. Butani inquired about the RSF balance. Mr. Kim explained that currently the RSF balance stands at \$28.9 million in FY 2014. In FY 2014, DC Water will withdraw \$6.5 million from RSF, leaving a balance of \$22.4 million. In FY 2015, DC Water projects to withdraw \$17.5 million from RSF, which would leave a balance of \$4.9 million. Mr. Gibbs asked where the funds will come from to fund the RSF in the remaining years. Mr. Hawkins stated that DC Water has established a Cash Financed Capital Construction (CFCC) fund. The CFCC is designated for Pay-Go or RSF to be used at the end of the year if needed.

Mr. Kim next explained the proposed CRIAC increase for FY 2015. He stated management is recommending an increase of \$4.90 to the CRIAC, from \$11.85 per ERU in FY 2014 to \$16.75 per ERU in FY 2015. This is the largest projected increase in the CRIAC, because DC Water is at the peak of spending for the Clean Rivers Project. The current Ten-Year Financial Plan totals \$3.8 billion, almost \$1.25 billion of which will be spent on the Clean Rivers Project. In FY 2015, the CRIAC will represent the single largest dollar and percentage increase, which is directly related to spending. A glance at the CRIAC projections going forward:

- FY 2015 – 41 percent increase
- FY 2016 – 23 percent increase
- FY 2017 – 12 percent increase
- FY 2018 – mid single digit increase

Mr. Hawkins explained that in FY 2014 DC Water lowered the planned increase in the CRIAC. This was mainly due to the downsizing of the debt financing last year. Expenditures were also slower than anticipated.

Chairman Roth asked Mr. Kim to respond to a question submitted by a member of the public about the relationship of the recent century bond issuance to the proposed increase in the CRIAC rate. Mr. Kim updated the Committee on the bond deal and debt financing. DC Water will close on about \$450 million of debt, \$350 million of it in the form of a historic green century bond issuance. The century bond transaction is solely to fund the Clean Rivers Project. A very innovative financing was done to spread out the costs of the project over a longer period of time, which is beneficial to our rate payers. However, this was a \$350 million bond deal for a \$2.6 billion project, a relatively small portion of the overall amount. To the extent that this transaction generates cash flow savings for rate payers, DC Water will propose to use the cash flow savings to fund the RSF. The CRIAC is designed to capture the costs related to the Clean Rivers Project. DC Water needs a certain total amount of revenue from all rates, fees, and charges. If DC Water unilaterally lowered the CRIAC we would need a corresponding dollar for dollar increase in another charge to achieve the same amount of revenue.

Ms. Richardson asked whether management is working on a parallel track to make sure that our customer assistance programs are focused on affordability. Mr. Kim replied that he would be bringing a presentation back to the Committee meeting in September on affordability issues and programs.

Mr. Kim turned next to the PILOT and ROW fees. Mr. Kim stated management recommends a \$0.08 increase for the PILOT fee in FY 2015, a 15 percent increase. The PILOT fee is a pass-through fee for the District. The reason for the increase in the PILOT fee, like the increase in water and sewer rates, is a decline in consumption greater than projected a year ago. (Of the 8 cent increase, 3 cents is attributable to the consumption decline.)

Mr. Mallett noted that our rate structure creates a “double whammy” – in other words, while we encourage conservation, that in turn leads to higher rates per CCF, which is especially bad for the PILOT. Mr. Kim responded that the FY 2015 Cost of Service Study will address the current rate structure. DC Water is consistent with industry norms with its rate structure of 30 percent fixed and 70 percent volumetric. DC Water’s cost structure is about 70 percent fixed and 30 percent volumetric. The paradox under this rate structure is the more you conserve the more you are penalized.

Chairman Roth updated the Committee on the PILOT/ROW negotiations with the District. He indicated that in a telephone discussion with Chairman Lew prior to the Committee meeting, Mr. Lew had expressed the belief that DC CFO DeWitt is personally committed to resolving these issues and that Mr. Lew believed it was possible that could be accomplished prior to the September Board meeting. Chairman Roth asked that in deference Chairman Lew’s request, we allow time before the September Board meeting to see how the negotiations with the CFO turn out rather than taking action at this Committee meeting to address these issues.

Mr. Kim displayed for the committee the proposed FY 2015 Average Residential Customer monthly bill and CAP monthly bill. Mr. Gibbs stated that a prior presentation suggested the average CAP customer used more than 8 Ccf. Mr. Kim replied, that staff will follow-up with an updated CAP analysis next RRC meeting. **[Follow Up]**

Action Items

Chairman Roth asked the committee whether it wished to recommend action item 1A, FY 2015 Rate and Fee Changes, to the full Board in September. Mr. Gibb questioned whether the ROW language should be eliminated from the recommendation because there is no increase for FY 2015. Mr. Hayman replied that he would research the issue and present action item 1A in the appropriate form for the September Board meeting. Ms. Richardson asked whether there could be language included in the rate resolution regarding the Board’s concern for affordability. Ms. Boardman suggested a separate resolution for that purpose. The Committee members discussed the various elements they would like to see included in such a resolution and asked Mr. Hayman to propose a draft for their review, with an eye toward consideration at the September Board meeting together with the Rates and Fees resolution. **[Follow Up]** The committee then decided based on a consensus recommendation to move action item 1A, FY 2015 Rate & Fee Changes, to the full Board in September.

Retail Water and Sewer Rates Committee Workplan

Mr. Kim updated the committee on the DC Retail Water and Sewer Rates Committee Workplan. Every three years, DC Water undertakes a Cost of Service Study (COS) on the authority’s actual costs to make sure rates are set proportionate to costs. The FY 2015 COS Study scope has been expanded to ensure that rates are cost of service based. The consultant will allocate net revenue requirements among various cost drivers. In the past COS studies, costs were allocated among cost drivers such as water volumetric, sewer volumetric, metering fees, and the CSO long-term control plan. In this COS study, water volumetric costs will be further allocated to customer peaking and sewer volumetric costs. DC Water’s goal is to update the committee with a set of recommendations on the current rate structure and alternative models on the pros and cons to see if there is a better rate structure for DC Water and rate payers focusing on affordability. The COS will take approximately six months. Currently, DC Water is in the data gathering phase. Next will be the analysis phase and ultimately the recommendation phase. By the end of next year, DC Water would present to the committee a set of robust alternatives for consideration and have the options for the committee to choose to start in FY 2016 with a different rate structure.

Other Business

No other business was discussed.

Executive Session

The Committee did not move to go into executive session.

Adjournment

The meeting was adjourned at 11:18 a.m.

FOLLOW-UP ITEMS – DC Retail Water and Sewer Rates Committee Meeting (July 22, 2014)

1. Prepare a General Principles of Affordability for Low-Income Customers Resolution. (Ms. Richardson) Status: September 2014
2. Prepare CAP customers average usage analysis. (Mr. Gibbs) Status: Fall 2014



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Board of Directors

Finance and Budget Committee

Thursday, July 24, 2014

11:00 a.m.

MEETING MINUTES

Committee Members in Attendance

Timothy L. Firestine, Committee Chairperson
James Patteson, Fairfax County
Robert Mallett, District of Columbia

DC Water Staff

George Hawkins, General Manager
Mark Kim, Chief Financial Officer
Randy Hayman, General Counsel
Gail Alexander-Reeves, Director, Budget
Robert Hunt, Director, Finance (Acting)
Linda Manley, Secretary to the Board

Other Presenters and Guests

Daniel Hartman, Public Financial Management (PFM)

Call to Order

Chairperson Timothy Firestine called the meeting to order at 11:00 a.m.

June 2014 Financial Report

Ms. Gail Alexander-Reeves, Budget Director, provided several highlights for the month, including the first week of E-payables enrollment, which kicked off in June, and resulted in 25 vendor payments. The Wholesale Customers Briefing meeting held on July 18th, which included a riding tour of the digester facilities and a briefing of the FY 2014 performance and FY 2015 projected budgets, was well attended.

Ms. Alexander-Reeves reported that with approximately 75 percent of the fiscal year completed, receipts and operating expenditures were within budgetary expectations with capital disbursements trending higher than budget. As of the end of June 2014, cash receipts totaled \$347.1 million, or 74 percent of the revised FY 2014 budget and operating expenditures totaled \$316.8 million, or 72 percent of the revised budget. The spending trend for capital disbursements totaled \$507.6 million or 91 percent of the disbursement budget and are consistent with projections reported in prior months.

Additional electric loads were purchased by staff with approximately 90 percent of the Authority's electric needs purchased for the remainder of FY 2014 and 50 percent for FY 2015. Staff continues to monitor the futures market with intent to purchase additional electric loads for FY 2015.

Cash Reserves and Investments

Mr. Robert Hunt, Acting Finance Director, reported that as of June 30, 2014, Operating Cash balance (including the Rate Stabilization Fund) was \$190.3 million. The total of all funds available is \$252.6 million, consisting of \$190.3 million in operating cash, \$23.5 million in the Debt Service Reserve,

\$1.7 million in capital interest, and \$37.1 million in CSO Grant Fund. He noted that operating reserve balance remained at \$135.2 million which is above the reserve objective level of \$125.5 million. Public Financial Management – Asset Management (PFAM) has now invested approximately \$60 million of operating reserve funds and will manage the proceeds from the 2014A&B bond sales. The Authority's staff will continue to manage the bank depository accounts. All investments are in compliance with the Authority's investments policy and the investments exceed the short and long term funds.

Revised FY 2015 Budget Proposal

In presenting the Revised FY 2015 Budget, Mr. Kim, Chief Financial Officer, reported that the revised budget is the same as the Board-approved budget that had been adopted in December 2013. He noted that no additional Board action was needed; however he did want to provide an update. General Counsel, Randy Hayman concurred that no additional Board action was needed based on his research. Mr. Kim explained that while the expenditures and projections remained consistent with what was reported earlier in the year, the revenue projection increased slightly above what was reported by approximately 4 percent. Chairman Firestine requested that FY 2014 revenue projections be included when presenting the FY 2015 revised budget going forward.

Mr. Kim noted that the revised CIP projected disbursements had been updated with the most current figure but essentially remained consistent with the initial CIP disbursements projections. He stated that the 10 year CIP plan (FY 2015 – FY 2024), inclusive of the updated figures, will be presented to the Committees and the Board later this fall. Finally, Mr. Kim explained that the three primary areas of operational risks from a cash flow standpoint, in FY 2015, are as follows:

- a) Chemicals and utilities (higher price volatility and Plant flows),
- b) Contractual services (biosolids production and hauling, claims and litigation), and
- c) Debt service due to bond deal (higher interest rates).

Mr. Kim reported that an update on contractual services budget is planned for the Committee meeting in September regarding some of the delays that have been noted with the Digester Project and the potential impact on the FY 2015 operating budget, if any.

General Manager, George Hawkins noted that the DC Retail Water & Sewer Rates Committee approved the retail rates and fees that support the FY 2015 revised budget.

Bond Financing

The Committee received an update on the recent bond sale for the Series 2014A&B bonds from CFO Mark Kim and the Authority's financial advisor Daniel Hartman of Public Financial Management (PFM). The 2014 bond sale was a tremendous success and has received much publicity. The 2014A bonds have a maturity of 100 years and are referred to as "century bonds". DC Water is the first public utility to issue century bonds and the first certified "Green Bond" sold in the U.S. The offering was for \$350 million and over \$1 billion in orders from 36 investors were received. As a result, DC Water achieved an interest rate of 4.814 percent on the 2014A bond series. The Authority also sold \$100 million in variable rate demand bonds which were also very attractive to investors. The initial interest rate on the 2014B bonds is seven (7) basis points = .0007 percent. Interest rate on the variable rate bonds is reset each week based on the SIFMA index rate.

Follow-up Items

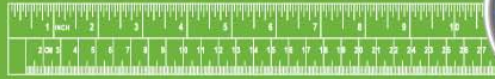
1. Provide copies of the write-ups from investors regarding the century bonds (**Mr. Firestine**)
2. Provide a breakdown of expenses related to the bond sale (**Mr. Firestine**)

Adjournment

Hearing no further business, Chairperson Firestine adjourned the meeting at 12:48 p.m.

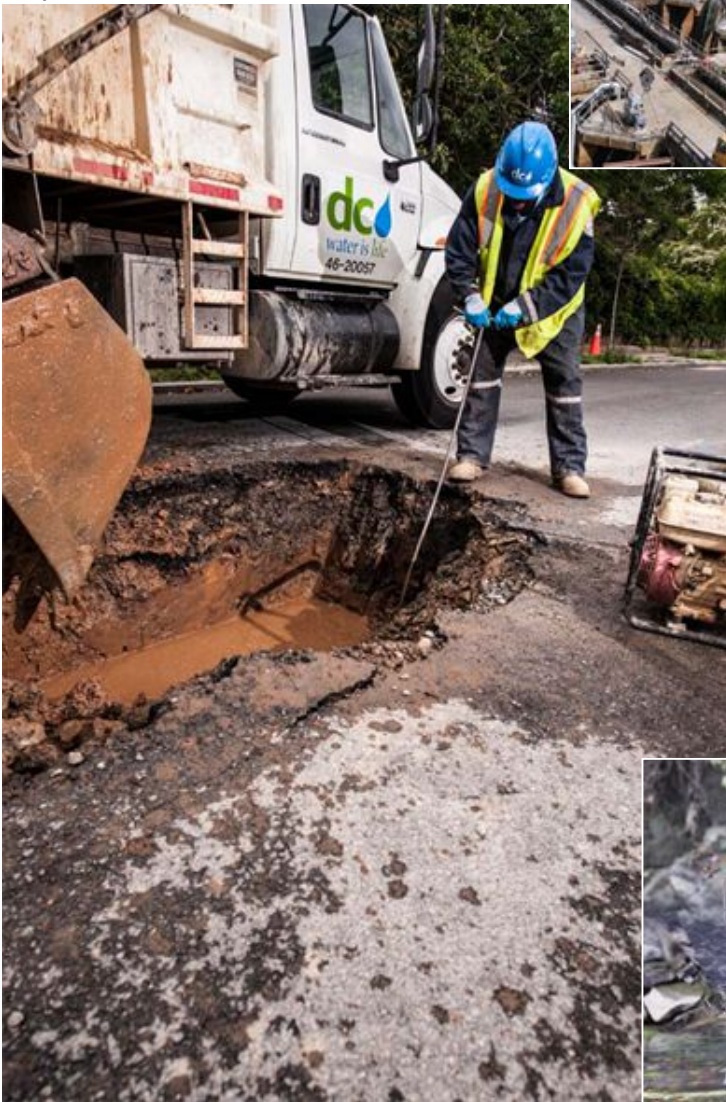


DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY



GENERAL MANAGER'S REPORT

George S. Hawkins
General Manager
September 2014



Water is life

RM: FY 2014-10

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Interpretation of Charts A

Color Key

Red	Did not meet Target
Yellow	Missed Target but within acceptable range
Green	Met/Exceeded Target
Gray	Budget/Target Value
<transparent>	Green/Yellow/Red based on comparison

EXECUTIVE SUMMARY

Greetings to the Board.

Labor Day

I am writing this Report just before the start of the Labor Day Weekend. I am mindful that Labor Day signifies the end of summer and the renewal of our agenda in the fall – with kids back in school and everyone back to work after summer vacations. The staff at DC Water has used our summer months well and we are fully engaged and ready to move the agenda of our enterprise. We look forward to proposing the 2016 budget, expanding our DC Water Works program for local hiring, launching both our Enhanced Nitrogen Removal program and Combined Heat and Power Biosolids Program at Blue Plains, advancing multiple priorities of the Blue Horizon Strategic Plan and focusing on our relationship with the Washington Aqueduct. We particularly look forward to seeking guidance from our Board in these (and many other) huge and important strategic discussions. I promise an exciting and meaningful year ahead!

PILOT and ROW

Board Chair Allen Lew has been critical to intense negotiations that have transpired in August over the PILOT (Payment in Lieu of Taxes) and the ROW (Right of Way) Fees that are imposed by DC Water on our customers on behalf of the District. I am hopeful that we will have a resolution of both issues to announce at the Board meeting – activity will be fast and furious right up to the meeting itself. Not unlike negotiations over the 2012 IMA (Intermunicipal Agreement) that structures the relationship between DC Water and our wholesale customers in Maryland and Virginia – discussions about the PILOT/ROW fees date back at least eight years.

The PILOT is an agreement between DC Water, the District and the DC Chief Financial Officer that is designed to cover the cost of services provided by the District to DC Water. There is no dispute that DC Water is authorized to enter into an agreement to cover the cost of services provided by any organization, including the District. The dispute has centered on whether the existing PILOT payments – which were set initially at the water and sewer bill to the District and then escalated over the years in parallel to water and sewer rate increases – is connected to a legitimate cost of service assessment. Negotiations have been highlighted by discussions between DC Water CFO Mark Kim and DC CFO Jeff DeWitt over appropriate calculations of the cost of services. We are seeking to replace the existing PILOT Agreement, which has no expiration date, with a ten-year Agreement that will resolve the level of the PILOT payment, and determine the disposition of PILOT funds that have been held in escrow by DC Water since 2008 as part of the dispute.

The ROW is a fee paid to the District Department of Transportation (DDOT) to cover the pay for access to the public space overseen by DDOT to maintain the water and sewer assets located there. The ROW has been a fixed \$5.1 million annual fee that has been subject to a 10 year agreement with the District that expired in 2013. DC Water has continued to collect the ROW in 2014 at the established level, and is planning to in 2015, with the funds to be held in escrow until a suitable agreement can be completed. Discussions have centered on whether the established payment level is an appropriate number.

EXECUTIVE SUMMARY

Blue Plains Communications – Distributed Antenna System

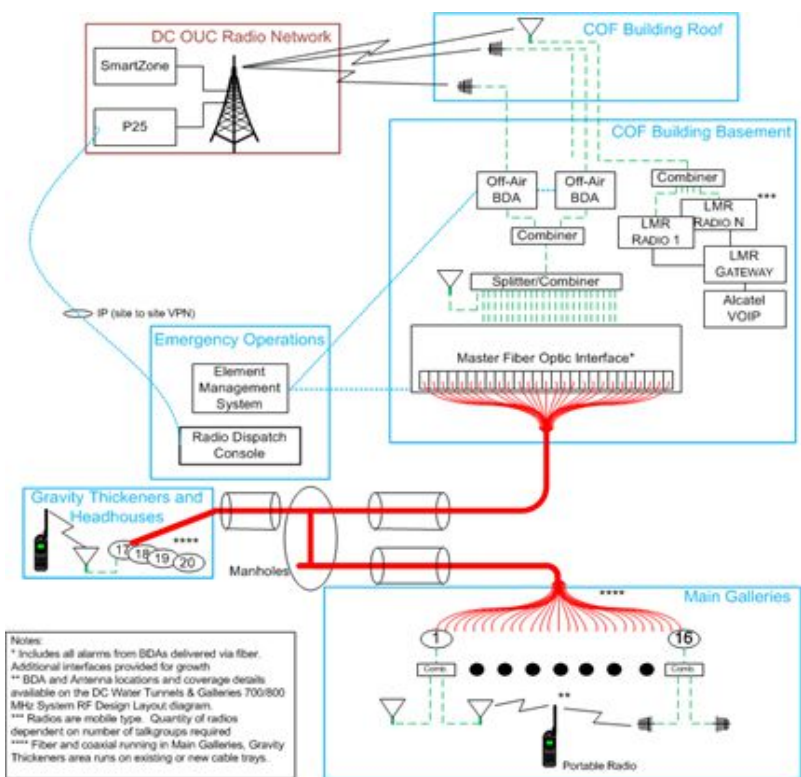
I wanted to offer a description of just one of the hundreds of projects we are implementing at DC Water to exemplify the efforts of DC Water personnel that continue every day, usually under the radar of the Board of Directors, or the GM's Office for that matter. Team Blue is a group of highly talented and dedicated people.

Communication at Blue Plains is both a hugely significant and hugely complicated challenge. Primarily for safety and emergency response – communication throughout Blue Plains, and the entire District for that matter, is important to connect our field personnel with a home base of operations. While we certainly have radio communication at Blue Plains, our challenge has been two-fold: first, the communication system at Blue Plains is separate from the system used in the rest of the District, including the system used by police and fire; and second, the system does not extend to the miles of underground galleries and facilities. We knew we had to improve on both fronts – and challenged the Chief Information Officer and his team to find a resolution, working in tandem with the Blue Plains personnel that must use the resulting system.

I was pleased to attend the kick-off of the new system that over 18 months has been designed and built. The team first met with operations and maintenance personnel to determine what kind of communication is needed for day-to-day work. The team then worked with the Department of Homeland Security and the DC Emergency Management Agency along with the Metropolitan Police and Fire and EMS to make sure the new system is fully integrated with federal and District communications systems. Finally, the team designed a system that would work seamlessly in an underground environment – for workday activities and first responders alike – and is expandable to include wifi capabilities and geographic location capabilities to identify and locate both physical assets and people alike. I am impressed that the project was completed on-time and on-budget, and that DC Water now has a state-of-the-art communication program that leap-frogs our system to one of the best in the country. I salute DC Water's project manager Joe Taylor on his work – which is both visionary and doggedly practical.

EXECUTIVE SUMMARY

Radio System Design Communications Architecture



Fuller Award

I was surprised and honored to receive the George Warren Fuller Award at the recent Tri-Con meeting of the Chesapeake Bay in Ocean City. (Tri-Con is a joint meeting of regional sections of the American Water Works Association, the Water Environment Federation, and the Waste Water Treatment Operators Association.) I was surprised, because I had thought I was attending to accept an award given to Sudhir Murthy, or Innovations Chief, who was unable to attend due to a vacation. I was delighted to learn I had won the Fuller Award when all the previous winners convened on my table and escorted me back to the podium. The award is the AWWA’s top service award for innovation in technology, management and diplomacy in the water sector, named for George Fuller – who was instrumental to the establishment of AWWA – the oldest water association in the United States. I am humbled by the award and noted in my remarks that I feel like a coach receiving an award for a team’s success – with the acute recognition that I am not one of the players on the field for the game itself. It is only the excellence of DC Water’s personnel – from the Executive Team to every man and woman at every level – that generates the positive energy, ideas and action that rebounds back to recognition for me. I am also pleased to receive recognition from my colleagues in the business itself, for only those of us in the water world can really appreciate what the work demands. I thank the Board again for giving me the opportunity to be part of this great enterprise.

EXECUTIVE SUMMARY

Emergency Management Funding

OEM working with IT Communications has secured \$450,000 from the regional Urban Areas Security Initiative (UASI) for the upgrade of DC Water's radio communication system to enhance interagency communication on the new P25 radio system. Purchase will include additional encrypted radios, updates of the existing radio repeater at Blue Plains, and enhancements of the Emergency Command Center.

Finance and Budget

Consistent with the budget development and review process undertaken last year, during the November 6, 2014 meeting of the Board of Directors, I will provide a FY 2016 Budget Summary Briefing to the Board. This will be a high-level overview of the proposed FY 2016 Operating Expenditure Budget, FY 2015 – FY 2024 Capital Improvement Plan (CIP), and FY 2016 Revenues & Rates.

Immediately following the meeting, staff will conduct an in-depth budget workshop. Mark Kim, Chief Financial Officer and Len Benson, Chief Engineer will review the underlying assumptions that are the basis of the proposed budgets. We encourage all Board members to attend this review in anticipation of follow up items and questions to be addressed in subsequent Committee meetings.

We especially encourage members of the DC Retail Water and Sewer Rates Committee, Environmental Quality and Sewerage Services Committee, Water Quality and Water Services Committee, and Finance & Budget Committee to attend the budget workshop as these Committees typically recommend action on the budget proposal.

Additional follow up will occur during the regularly scheduled Committee meetings in November, where we would anticipate Committee recommendation to the full Board for action in December.

Enterprise Single Sign-on and Password Self-Service

Often Cyber Security controls are considered overly restrictive, cumbersome and a hindrance to efficiently performing one's job. Rarely do users willingly embrace additional controls for fear that once again they'll be required to jump through hoops in a misguided attempt to prevent something that has never happened. Single Sign-on and Password Self-Service has changed all that at DC Water and users are enthusiastically embracing these new tools. Enterprise Single-Sign-on (SSO) eliminates the password fatigue that occurs with maintaining and remembering multiple user names and passwords. Password self-service allows individuals to maintain and reset their password if its forgotten or if they think it's been compromised. The resulting securities benefits help strengthen the overall cyber-security posture of the enterprise.

Government Relations

The majority and minority clerks from the U.S. House of Representatives Committee on Appropriations Subcommittee on the Interior and the Environment visited Blue Plains for a tour on August 13, 2014. The tour was arranged through our colleagues at the Water Environment Research Foundation, and focused on the value of federally-funded research and development programs. Unfortunately these programs have not been funded in recent years. The tour

EXECUTIVE SUMMARY

participants were interested in learning more about the DC Water's programs and indicated they would like to return for a tour of the Clean Rivers Project Blue Plains Tunnel.

Congress elected to go on their annual August recess without acting on a Fiscal Year (FY) 2015 Environmental Protection Agency funding bill which determines funding levels for the Clean Water and Safe Drinking Water State Revolving Fund grants. In addition, Congress has not yet acted on the FY 2015 Financial Services and General Government Appropriations bill which will determine the level of federal payment for the Clean Rivers Project. It is unlikely these appropriations measures will see action before the November elections.

External Affairs

Website

Session totals for the period of July 16, 2013 through August 15, 2014:

- Total Sessions: 72,399
- Total New Sessions: 38,476

Media Relations

- Responded to media inquiries about the sewer repair on Columbia Road.
- Answered media inquiries about multiple water main breaks, including the New York Avenue water main break and the Stanton Rd water main break with road damage.
- The following press releases and traffic advisories were issued:
 - August 4: DRINK TAP! DC WATER PRESENTS ANNUAL TASTE TEST CHALLENGE
 - July 31: Lane/Road Closures on Beach Drive on or About August 11
 - July 23: DC Water GM George S. Hawkins and DC leaders celebrate Green Infrastructure (GI) projects at DC Water and green job training program for local residents
 - July 22: PRESS ADVISORY: DC Water, Councilmember Mary Cheh and others celebrate Green Infrastructure (GI) projects, and unique job training program for locals

Emergency Management Communications

- OEA participated in the Metropolitan Washington Council of Government's half-day workshop on emergency water supply planning and communications.
- DC Water stood up an incident management team (IMT) on two occasions this past month and OEA participated on IMT calls supporting a communication strategy and tactics.
 - Columbia Road sewer repairs
 - PEPCO outage and staging generators at Potomac Pumping Station

Customer Newsletter

The August customer newsletter featured a cover story on the groundbreaking for the First Street Tunnel and other flooding mitigation measures. It also included information on the Enhanced Nutrient Removal facilities, an article on the Tap IT Metro app and a spotlight on Groundwork Anacostia River, DC. The GM's message centered on the many measures DC Water took to accommodate the communities affected by the First Street Tunnel work.

EXECUTIVE SUMMARY

Community Meetings/Press Events

- DC Water held a press conference event on June 27 to celebrate flood mitigation efforts and ground breaking at the First Street Tunnel. The event was planned in coordination with DC Clean Rivers and included Mayor Gray, Councilmember McDuffie and General Manager Hawkins. All of the local broadcast news, including Channel 16, in addition to the Washington Post, covered the event.
- DC Water attended the monthly meeting of ANC 7B to provide a status update on all construction projects directly impacting the Penn Branch community.
- DC Water held the Fort Reno Reservoir Green Roof Ribbon Cutting Ceremony in celebration of its Green Infrastructure initiatives to manage stormwater in the District as part of its DC Clean Rivers Project. In addition to highlighting the Fort Reno Reservoir Green Roof and other GI projects in operation at the Anacostia Water Pumping Station and East Side Pumping Station, the Ceremony also featured the newly-established partnership with DC Greenworks on a pilot green roof maintenance training program and collaboration with Alice Deal Middle School to expand the Science, Technology, Engineering and Math (STEM) curriculum offered to students.
- As part of its Speakers Bureau, DC Water provided a presentation to DC Public Library patrons on its role in protecting the Potomac & Chesapeake through maintenance and improvement of the District's infrastructure.
- In coordination with the National Park Service, DC Water hosted its DC Clean Rivers Potomac River Tunnel Project Public Scoping Meeting. The primary purpose for the meeting was to present to residents and other community stakeholders preliminary concepts for the future tunnel that may be considered as alternatives during the design phase. Of equal importance, DC Water formally announced the public comment period for this public scoping phase.
- As part of its ongoing partnership with Metropolitan Police Department, DC Water supported MPD's Annual National Night Out Events at two separate locations – Oxon Run Park and Howard D. Woodson Senior High School.
- DC Water officially kicked off its Annual "Water Wednesdays" Taste Test Challenges during which each ward is visited and a blind taste test is conducted between bottled and tap water with members of the participating public. The first of this year's challenges, in Ward 1, was held at Columbia Heights Metro-3030 14th Street NW. There were 106 participants who took the challenge. The second event was held in Ward 2 at Dupont Circle Metro where 50 participants took the challenge.

Drinking Water Marketing and Communications

- DC Water coordinated with the Aqueduct and regional partners to prepare talking points in response to Toledo's toxic algae contamination event, highlighting regional emergency preparedness.
- Assisted the Drinking Water Division and the Permit Operations Department with revisions to the hydrant usage requirements for web content and communication materials.
- Participated in a regional meeting to learn about proposed source water assessment projects supported by the Water Research Foundation and Corona Consulting.
- Chaired the regional Community Engagement Campaign Committee meeting to approve the FY2015 work plan and budget.

EXECUTIVE SUMMARY

- Participated in a meeting led by Council of Governments to discuss regional emergency response communications and messaging about water supply issues.
- DC Water joined the Potomac Drinking Water Source Protection Partnership.

Tours

- 12 Nature Conservancy summer interns
- 25 EPA summer interns
- 10 guests from Center for Progressive Reform
- 8 interns from DDOT summer youth program
- 40 Military Graduate Students- Uniformed Services University of the Health Sciences
- 7 Auditors McGladrey, LLC
- 8 visiting dignitaries from South Africa
- 9 guests from DC Sustainable Energy Utility
- guests from Brookings Institution
- 3 Congressional Staff

SUMMARY OF FINANCIAL ACTIVITIES FROM THE CFO

At the end of July, with approximately 83 percent of the fiscal year completed, we are on track with budgetary expectations, with the exception of significant over spending in capital disbursements as reported in prior months. Additional information is available in the monthly financial report.

Operating Revenues & Receipts

Cash receipts totaled \$387.3 million, or 83 percent of the revised FY 2014 budget of \$467.2 million. Several categories of customers make payments on a quarterly basis, including the Federal and District governments, and wholesale customers.

Operating Expenditures

Operating expenditures (including debt service and the right of way and PILOT fees) totaled \$350.9 million, or 79 percent of the revised FY 2014 budget of \$441.7 million. These numbers include estimated, incurred but unpaid, invoices and are subject to revision in subsequent reports.

Capital Disbursements

For the month of July 2014, actual disbursements totaled \$78.7 million, with year-to-date disbursements totaling \$586.3 million or approximately 5 percent over the revised FY 2014 disbursements budget of \$557.1 million. Planned capital disbursements through July 2014 were \$482.4 million. The spending variance is higher by \$103.9 million due to higher spending in the Wastewater and Combined Sewer Overflow service areas as previously reported.

Cash Reserves and Investments

The operating reserve balance was \$132.9 million as compared to the FY 2014 operating reserve level objective of \$125.5 million. The balances in the Rate Stabilization and DC PILOT Funds remained unchanged at \$28.9 million and \$22.4 million, respectively, since September 2013, while the DC ROW Fund is at \$3.8 million. The CSO LTCP Appropriations Account balance is \$37.1 million.

Public Financial Management – Asset Management (PFAM) invested approximately \$60 million of operating reserve funds and will manage the proceeds from the 2014A&B bond sales.

Overall Portfolio Performance







DC Water's total investment portfolio performed well and complied with the Authority's Investment Policy. Returns exceeded the established benchmarks for short term (less than one year) and core (one plus years) funds. Operating funds interest income for July (on a cash basis) was \$2,465, with year-to-date totals of \$286,120 as compared to the budget of \$380,527 for the year.

ORGANIZATIONAL PERFORMANCE DASHBOARD (JULY, 2014)

Financial Highlights

Net Operating Cash Actual 41953 Target 31930 (\$ tho)	Operating Revenues Actual 387 Target 389 (\$ mil)	Operating Expenses Actual 351 Target 368 (\$ mil)	Capital Disbursements Actual 586 Target 482 (\$ mil)
Operating Cash Balance Actual 168 Target 126 (\$ mil)	Delinquent Account Receivables Actual 1 Target 3 (%)	Core Investments Yield Actual 0.54 Target 0.45 (%)	Short Term Investment Yield Actual 0.29 Target 0.03 (%)

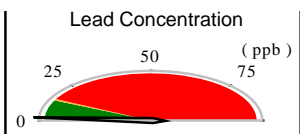
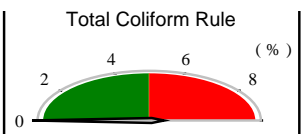
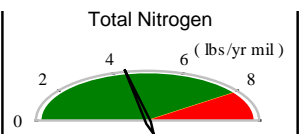
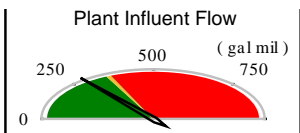
Customer Care and Operations Highlights

Call Center Performance  Jul 87 85 (% of calls rec)	Command Center Performance  Jul 93 85 (% of calls rec)	First Call Resolution  Jul 90 75 (% of calls rec)	Emergency Response Time  Jul 97 90 (% of calls rec)
Fire Hydrants out of Service  Jul 71 96 (count)	Fire Hydrant Inspection 0 (count)	Fire Hydrants Repaired 833 (count)	Fire Hydrants Replaced  Jul 153 250 (YTD count)
Permit Processing within SLA 89 (%)			

Low Income Assistance Program

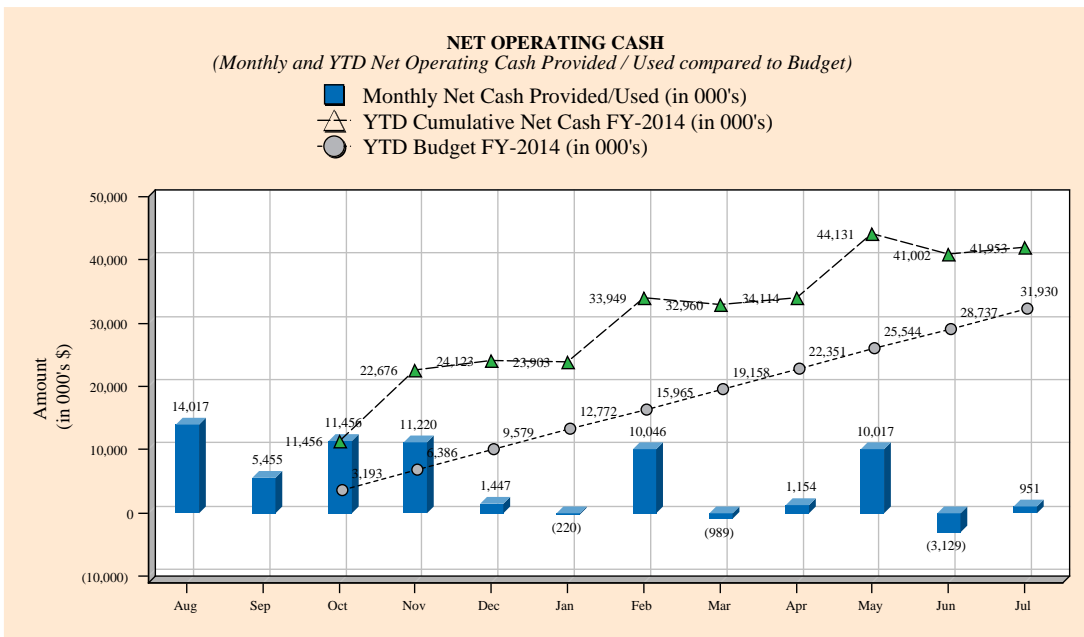
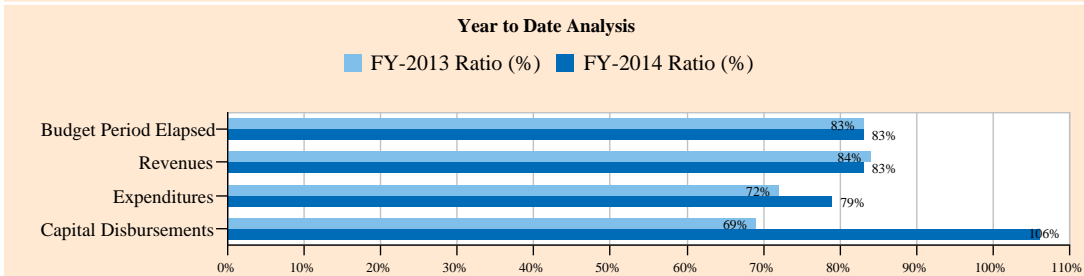
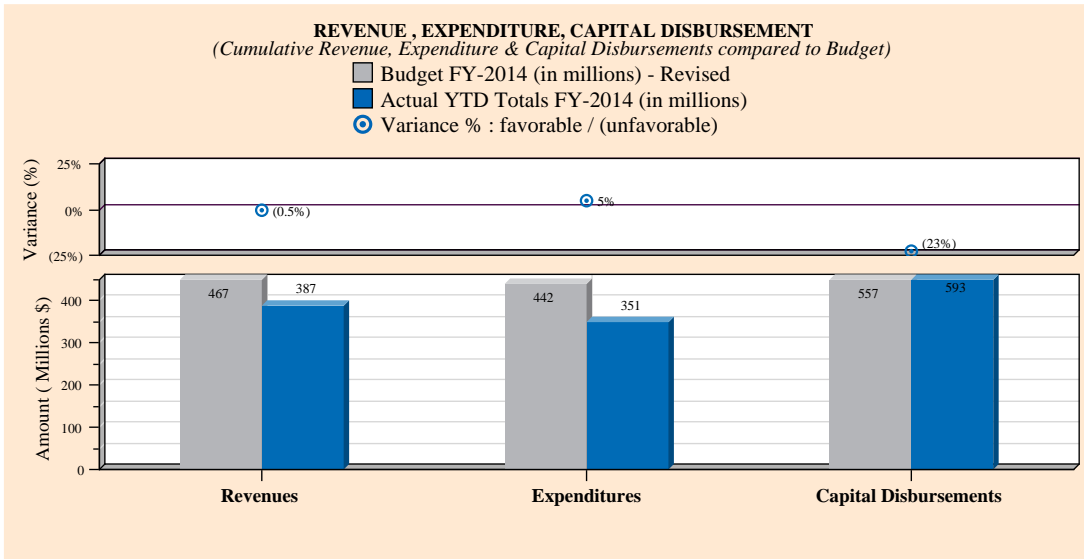
Splash Contributions Actual 93 Target 67 (\$ tho)	Customer Assistance Program Previous 142 Current 160 (\$ tho)
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Operational Highlights

Lead Concentration 	Total Coliform Rule 	Biosolids Production 1109 (wet tons)	Total Nitrogen 
Plant Influent Flow 	Excess Flow 15 (gal mil)	Water Main Leaks 26 (count)	Water Valve Leaks 1 (count)
Non-Revenue Water Sold 8 Purchased 12 (CCF mil)	Sewer Main Backups 6 (count)	Sewer Lateral Backups 140 (count)	Dry Weather CSO 0 (events)
Recruitment Activity Filled 17 Open 95 (count)	Electricity Usage 22425 (MWh)	Employee Lost Time Accidents 8 (count)	Vendor Payments Actual 99 Target 97 (%)

FINANCIAL HIGHLIGHTS

FINANCIAL PERFORMANCE SUMMARY



Net cash to date for July was above budget by \$10 Million

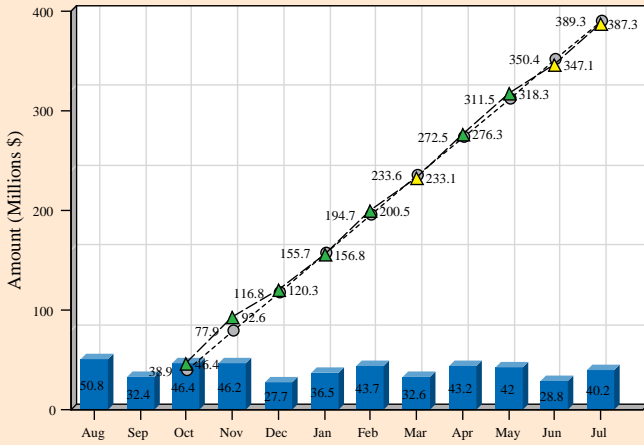
FINANCIAL HIGHLIGHTS

REVENUES AND OPERATING EXPENSES

OPERATING REVENUES

Monthly & Cumulative Revenue compared to YTD Budget

- Actual Monthly Revenue
- △ YTD Cumulative Revenue FY-2014
- YTD Cumulative Budget FY-2014

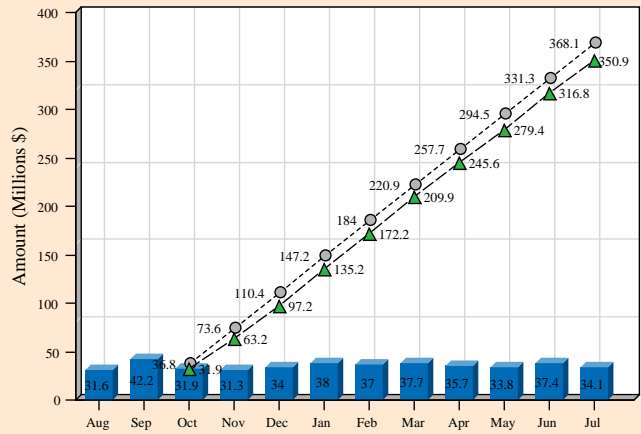


Revenue to date for July was below budget by \$2 Million

OPERATING EXPENSES

Monthly & Cumulative Expenditure compared to YTD Budget

- Actual Monthly Expenses
- △ YTD Cumulative Expenditure FY-2014
- YTD Cumulative Budget FY-2014



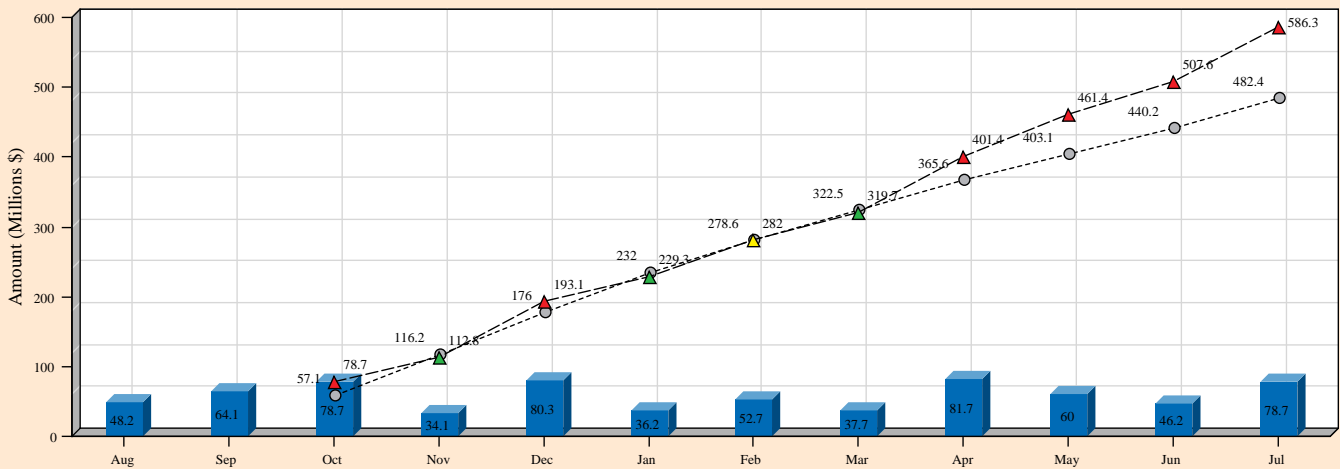
Expenditure to date for July was below budget by \$17 Million

CAPITAL SPENDING

CAPITAL DISBURSEMENTS

Monthly & Cumulative Disbursements compared to YTD Budget

- Actual Monthly Disbursements
- △ YTD Cumulative Disbursements FY-2014
- YTD Cumulative Budget FY-2014



Disbursements to date for July were above budget by \$104 Million

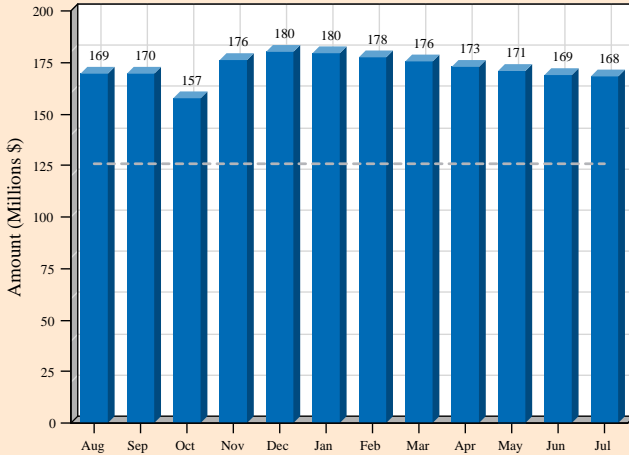
FINANCIAL HIGHLIGHTS

OPERATING CASH AND RECEIVABLES

OPERATING CASH BALANCE

Average Daily Cash Balance compared to Operating Reserve Target

- Actual Cash Balance
- - - Operating Reserve Target - (126 Million)

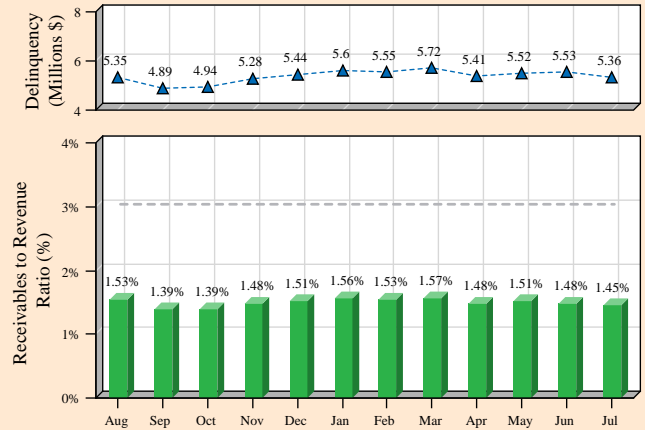


Cash Balance for July was above target by \$43 million

DELINQUENT ACCOUNT RECEIVABLES

Delinquency & Receivables to Revenue Ratio compared to Target

- Receivables to Revenue Ratio
- ▲ Delinquencies (in millions)
- - - Target: Receivables to Revenue Ratio (3%)



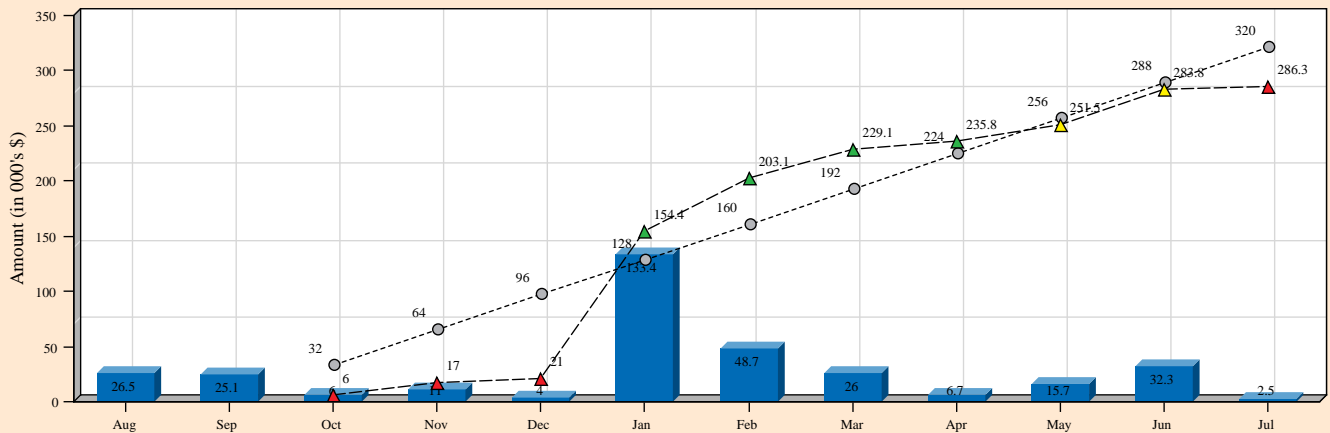
July Receivables to Revenue Ratio 1.5%, Delinquency \$5.4 Million

INVESTMENT EARNINGS

INVESTMENT CASH EARNINGS

Monthly & Cumulative Earnings compared to YTD Budget

- Monthly Earnings (in 000's)
- ▲ YTD Cumulative Earnings FY-2014 (in 000's)
- YTD Cumulative Earnings Budget FY-2014 (in 000's)



Earnings to date for July were below Projected Budget by \$34,000

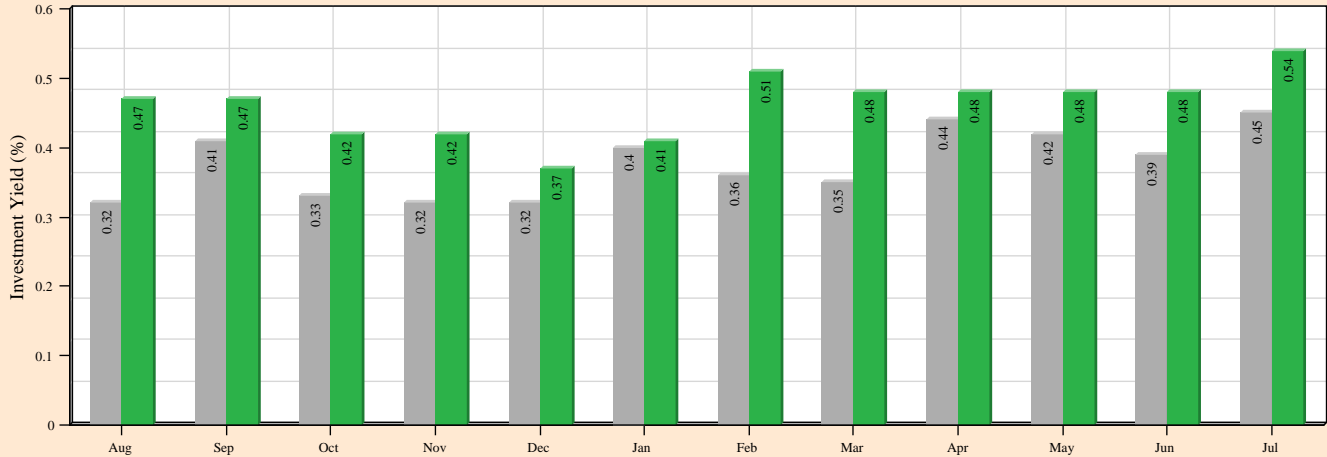
FINANCIAL HIGHLIGHTS

INVESTMENT YIELD

CORE INVESTMENTS YIELD

Monthly Yield compared to Merrill Lynch Benchmark

- Actual Monthly Yield (%)
- Merrill Lynch 1-3 Year Treasury Index - Book Value (%)

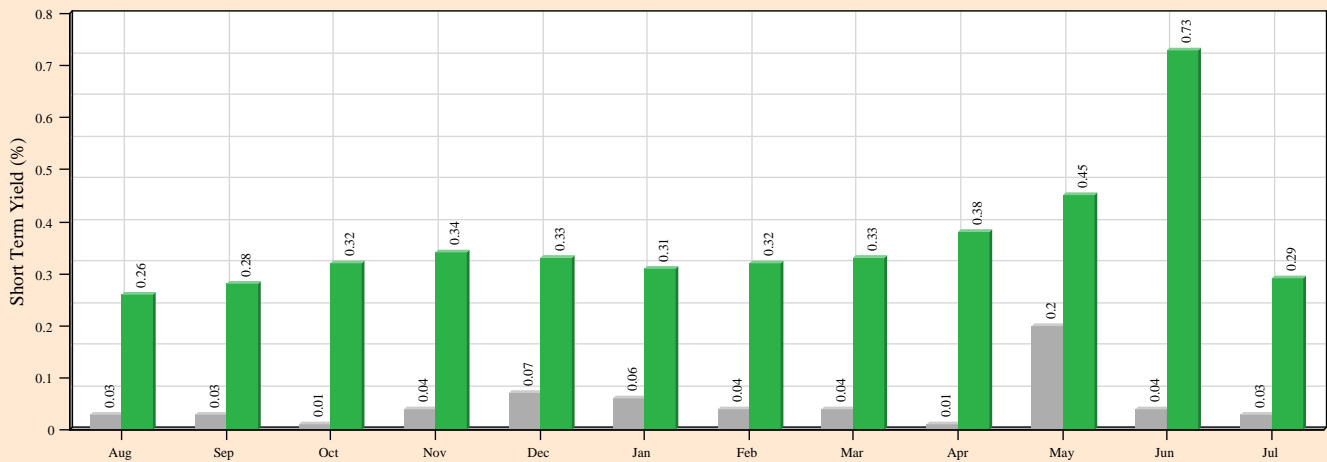


Yield for July was higher than the treasury index by 0.09%

SHORT TERM INVESTMENT YIELD

Short Term Yield compared to Merrill Lynch Benchmark

- Actual Monthly Yield (%)
- Merrill Lynch 3-Month Treasury Index - Book Value (%)



Short Term Yield for July was above than the Merill Lynch yield by 0.26%

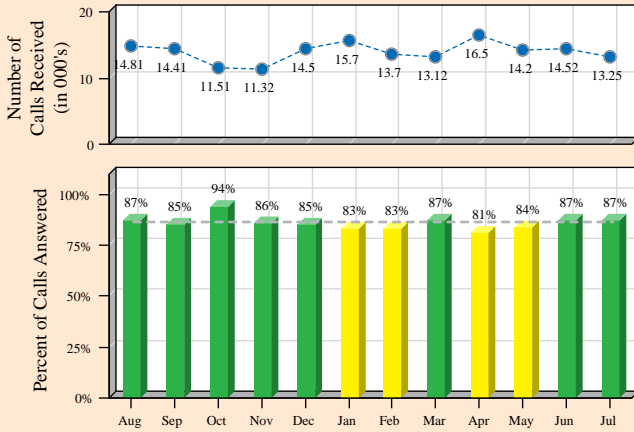
CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

CUSTOMER SERVICE

CALL CENTER PERFORMANCE

Calls Answered within 40 Seconds compared to Target

- Call Center: Calls answered (%)
- No of Calls - Call Center (in 000's)
- Target -Call Center (85%)

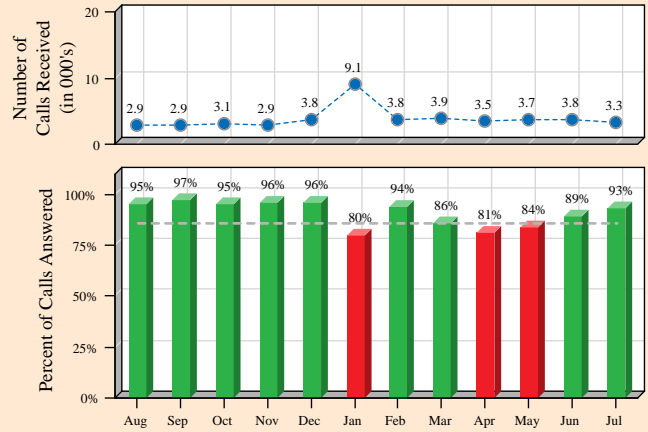


Performance for July was above target by 2%

COMMAND CENTER PERFORMANCE

Calls Answered within 40 Seconds compared to Target

- Command Center: Calls answered (%)
- No of Calls - Command Center (in 000's)
- Target -Command Center (85%)

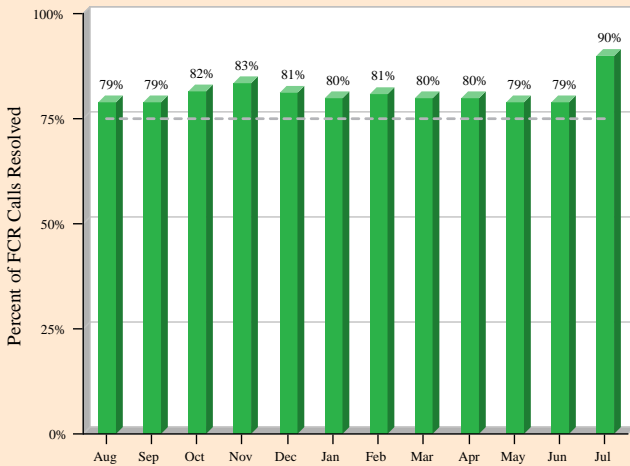


Performance for July was above target by 8%

FIRST CALL RESOLUTION (FCR)

Calls resolved on first contact compared to Target

- FCR (%)
- FCR Target (75%)

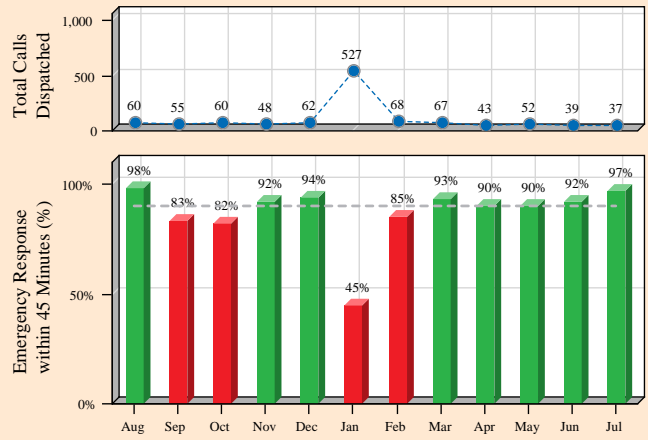


Performance for July was above target by 15%

EMERGENCY RESPONSE TIME

Calls responded to within 45 Minutes compared to Target

- Response (%) within Target
- Total Emergency Calls Dispatched
- Response Target (90%)



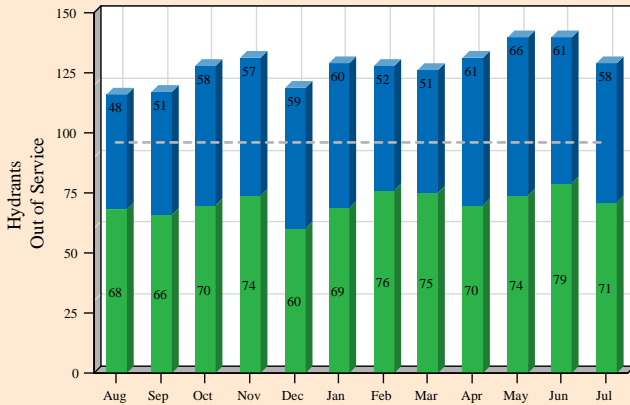
Performance for July was above target by 7%

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

FIRE HYDRANTS

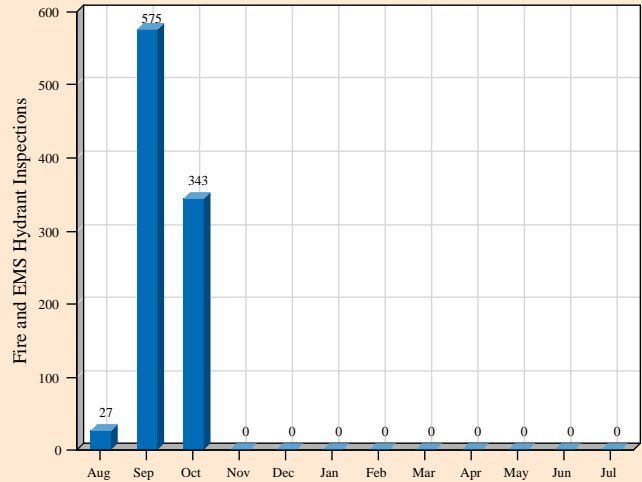
FIRE HYDRANTS OUT OF SERVICE (OOS)
Total Hydrants Out of Service against Target

- Out of Service Fire Hydrants (Defective OOS Hydrants)
- In-Operational - OOS Due to Inaccessibility or Temporary Work
- Out of Service Hydrants Target (96)



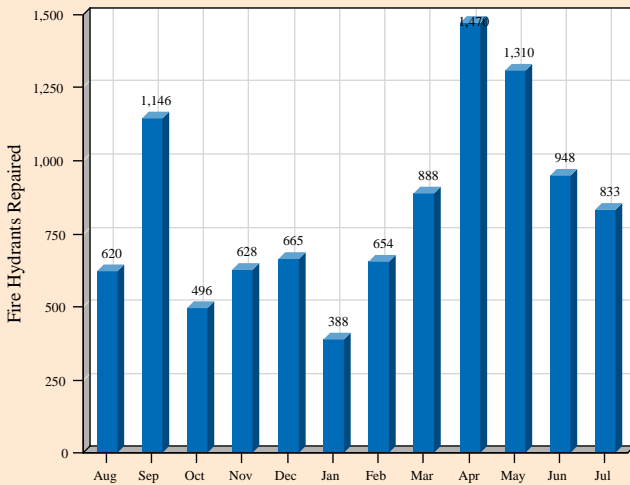
FIRE HYDRANT INSPECTION
Total Hydrants Inspected per Month

- Total No of Fire and EMS Hydrant Inspections



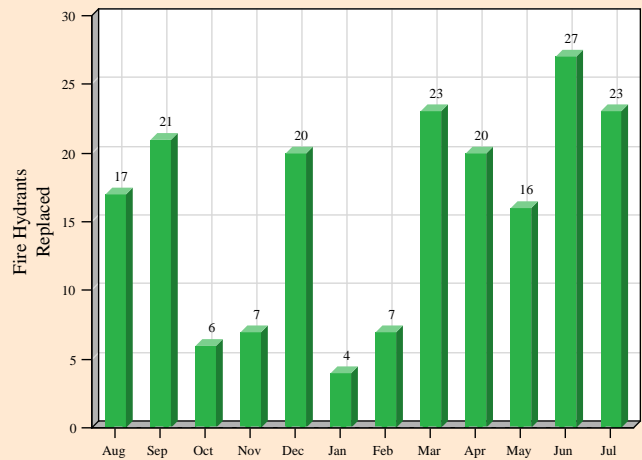
FIRE HYDRANT REPAIRS
Total Hydrants Repaired per Month

- Total No of Hydrants Repaired



FIRE HYDRANT REPLACEMENTS
Total Hydrants Replaced per Month

- Hydrants Replaced
- Annual Replacement Target (250)

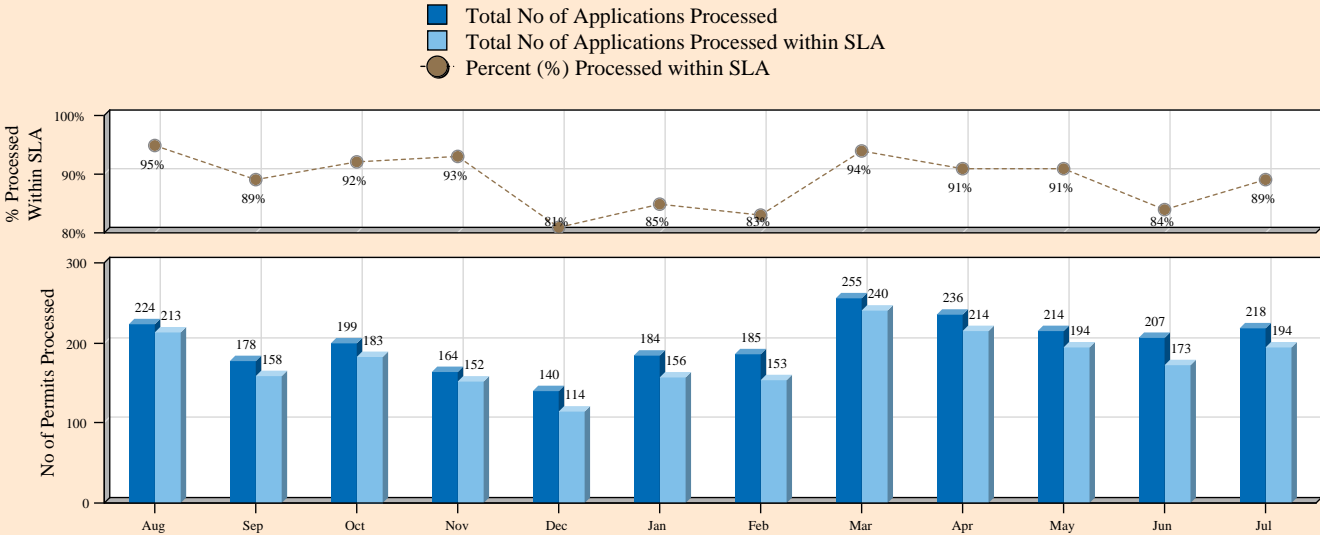


Total replacements as of July were 153 against annual projections of 250

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

PERMIT PROCESSING

TOTAL APPLICATIONS PROCESSED WITHIN SERVICE LEVEL AGREEMENT (SLA)



SLA Examples: Raze Permit - 14days, Sheeting and Shoring - 14 days, Preliminary Plan Review - 45 days
 Permits not processed within SLA in July were 11% Note that different SLA's range from 7 days to 45 days

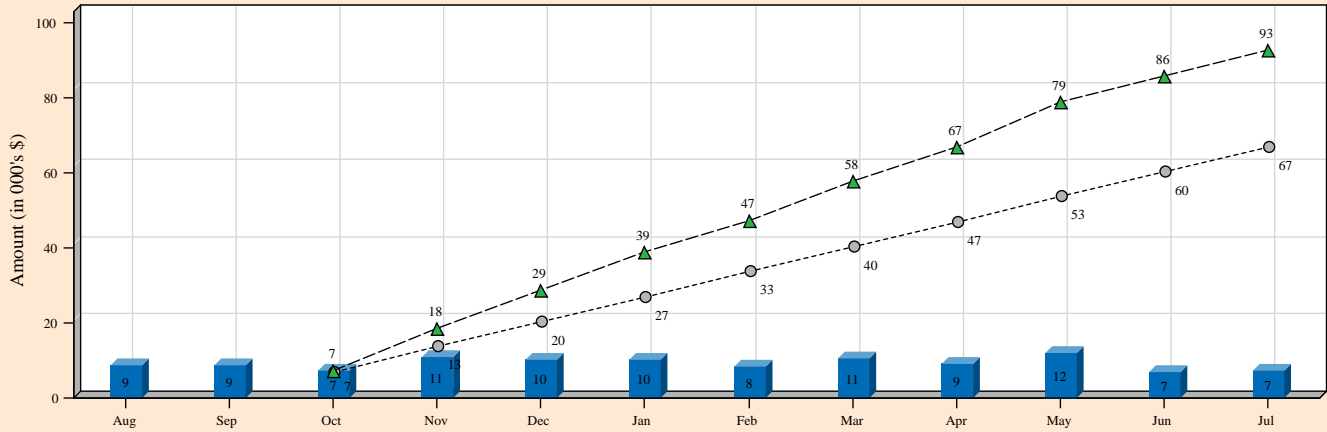
LOW INCOME ASSISTANCE PROGRAM

SPLASH PROGRAM

SPLASH CONTRIBUTIONS

Monthly and Cumulative Contributions compared to YTD Target

- Monthly Contributions (in 000's)
- △ YTD Cumulative Contributions FY-2014 (in 000's)
- Projected YTD Target FY-2014 (in 000's)



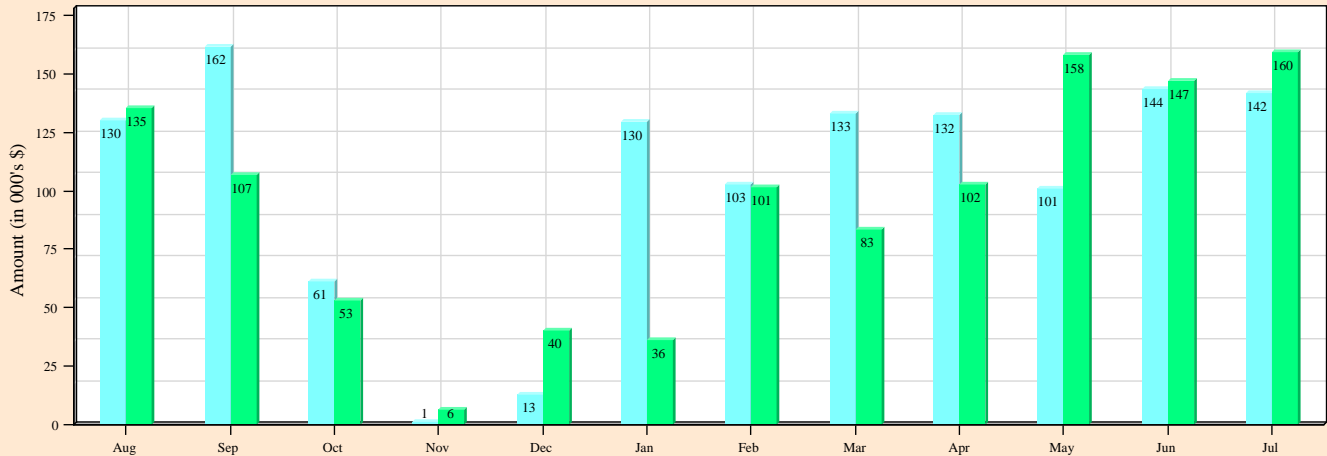
Total SPLASH Contributions to date for July were above target by \$26,000

CUSTOMER ASSISTANCE PROGRAM (CAP)

CUSTOMER ASSISTANCE PROVIDED

Monthly Assistance Provided compared to corresponding Previous Year Periods

- Actual Monthly Amount - Previous Year (in 000's)
- Actual Monthly Amount - Current Year (in 000's)

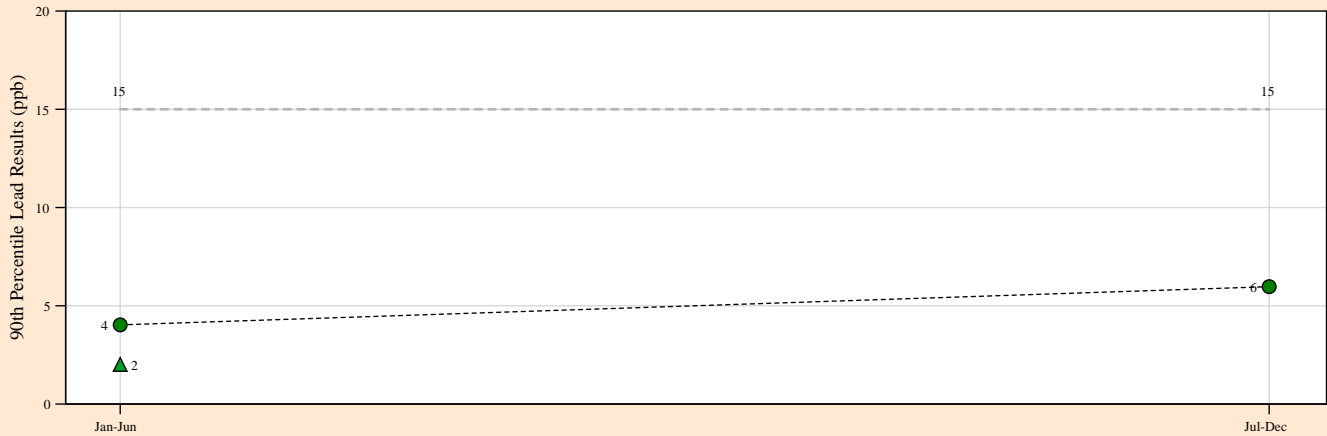


OPERATIONAL HIGHLIGHTS

DRINKING WATER QUALITY

LEAD AND COPPER RULE (LCR) COMPLIANCE
Semi-Annual LCR Monitoring Results

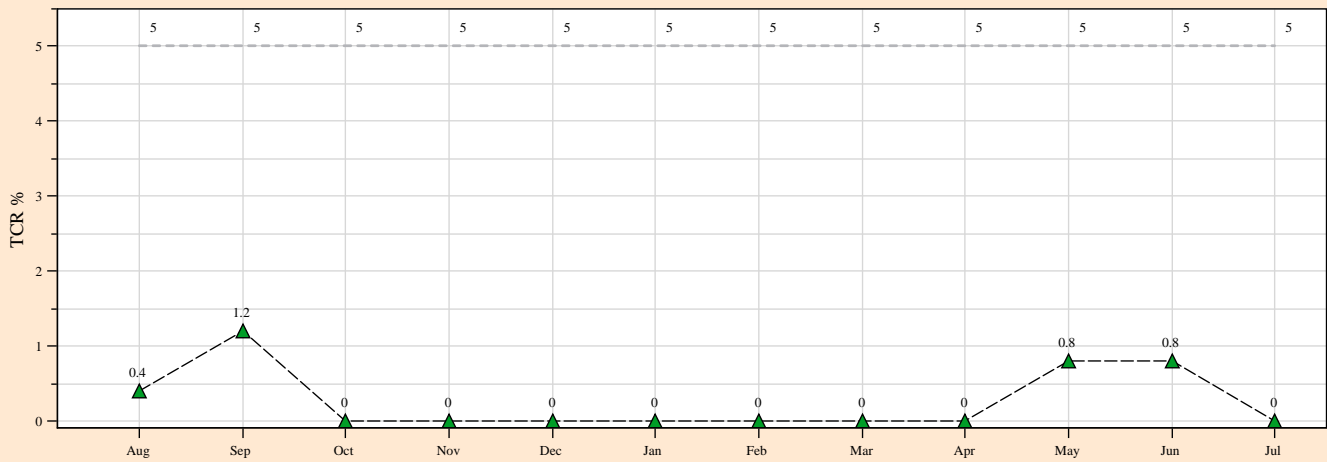
- 2013 LCR Results
- △ 2014 LCR Results
- Action Level : 15 parts per billion (ppb)



Jan-Jun 2014 results to date

TOTAL COLIFORM RULE (TCR)
Total Coliform Positives compared to EPA Maximum Contaminant Level (MCL)

- △ TCR Level
- EPA Maximum Contaminant Level (5%)



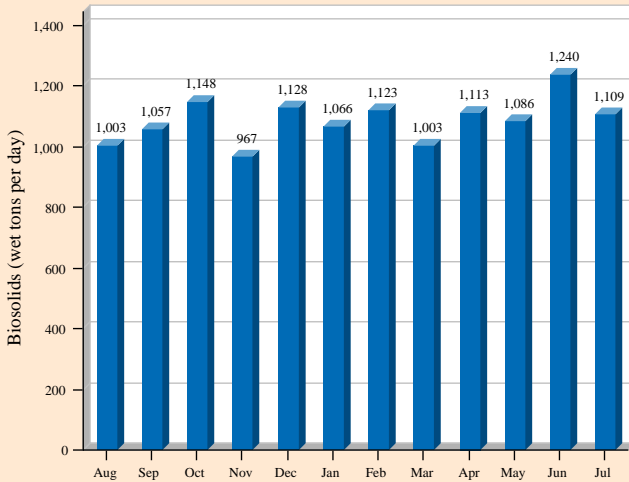
No Coliform Positives were recorded in July

OPERATIONAL HIGHLIGHTS

WASTEWATER TREATMENT

BIOSOLIDS PRODUCTION
Average Daily Biosolids Production

■ Average Daily Biosolids Hauled

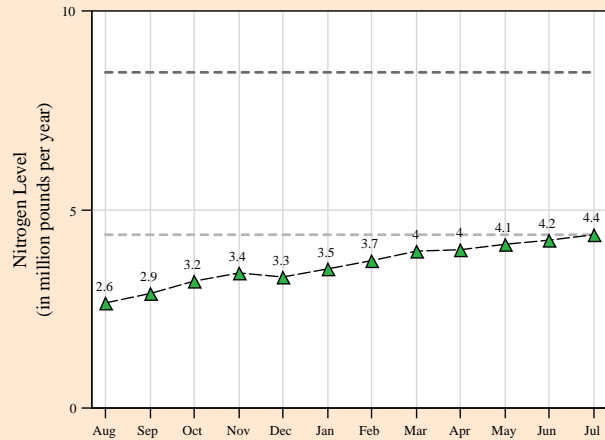


Biosolids Average Daily Production for July was 1109 wet tons per day

TOTAL NITROGEN

Total Nitrogen compared to Current and 2015 Permit Levels

△ Nitrogen Rolling 12 months (lbs/yr)
 - - - Proposed Limit for 2015 - 4.38 Million (lbs/yr)
 - - - Current Permit Limit - 8.47 Million (lbs/yr)

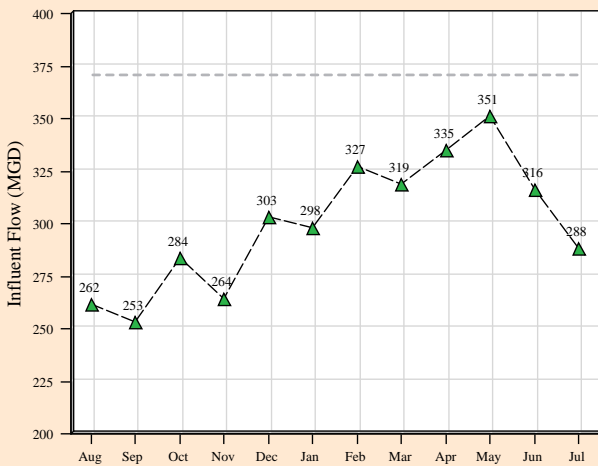


Nitrogen level for July was below permit by 4.1 million lbs/yr

PLANT INFLUENT FLOW

Influent Flow compared to Plant Design Average Limit

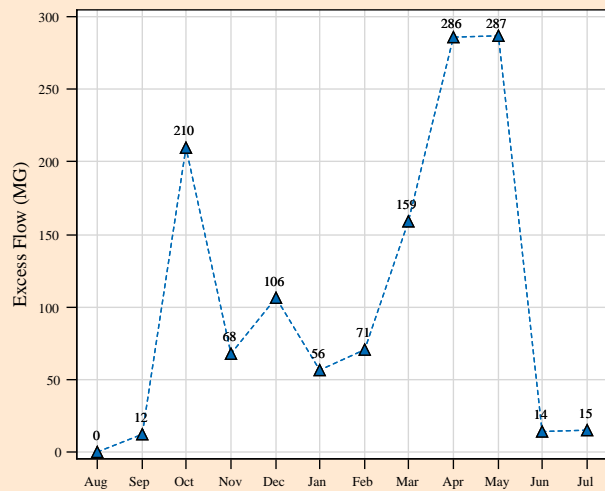
△ Influent Flow
 - - - Design Average (370 mgd)



In July, influent flow was below design by 82 MGD

EXCESS FLOW

△ Excess Flow

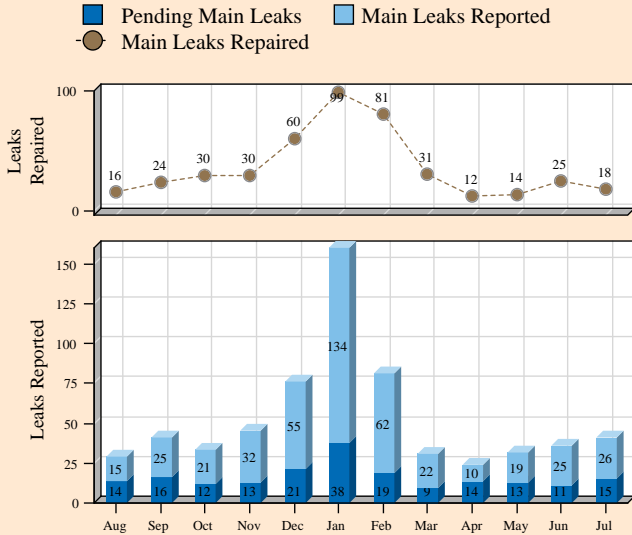


15 Million Gallons per day excess flow were recorded in July 2014

OPERATIONAL HIGHLIGHTS

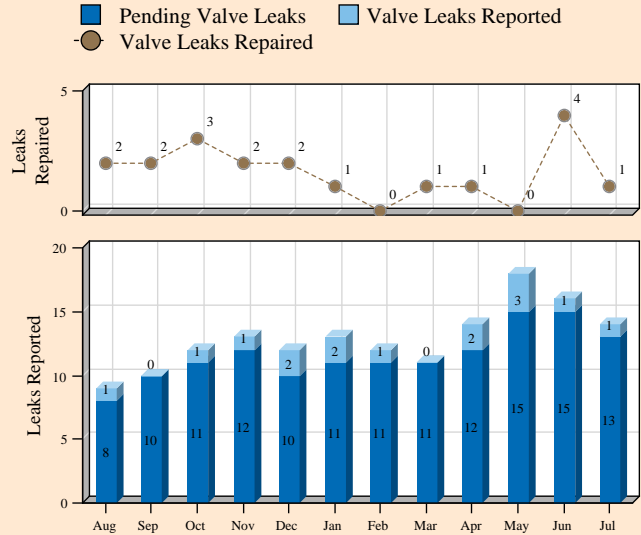
WATER DISTRIBUTION OPERATIONS

WATER MAIN LEAKS



There were 26 main leaks reported in July

WATER VALVE LEAKS



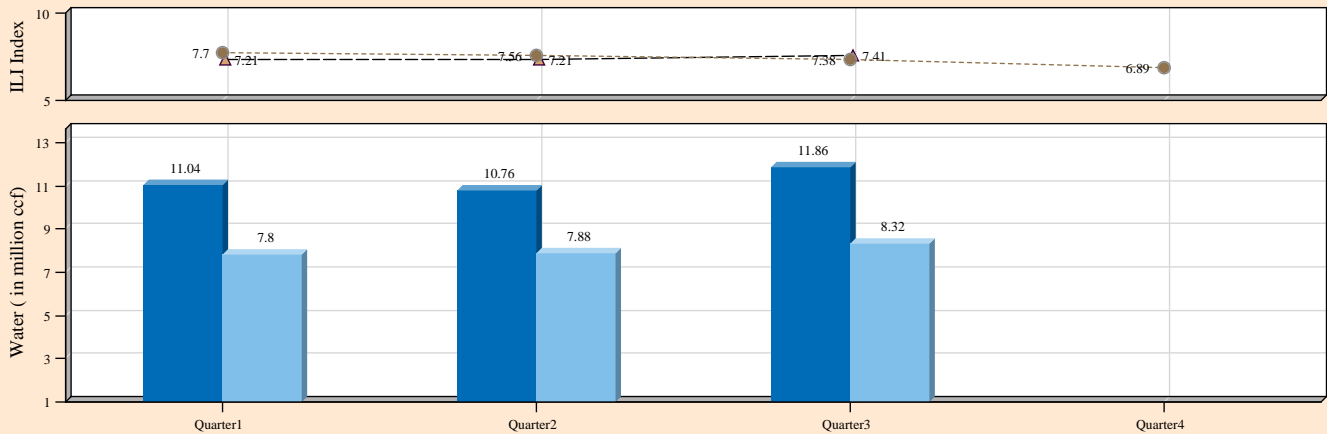
1 leak was resolved in July

WATER BALANCE

NON-REVENUE WATER

Volume of Water Purchased and Sold per Quarter

- FY-2014: Water Purchased
- FY-2014: Water Sold
- FY-2013: Infrastructure Leakage Index
- ▲ FY-2014: Infrastructure Leakage Index



In the third quarter 8.3 out of 11.9 million cubic feet of water was sold

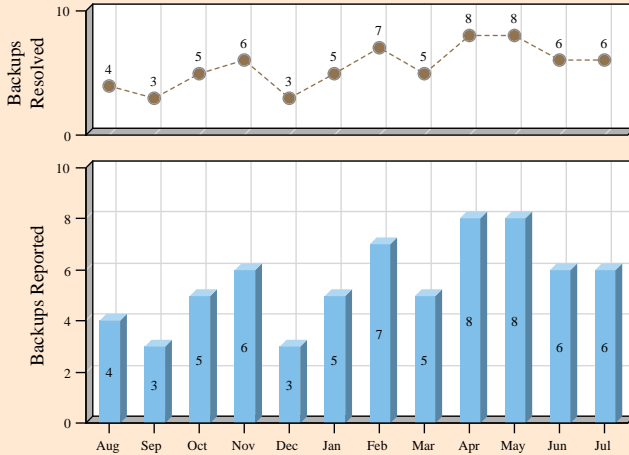
OPERATIONAL HIGHLIGHTS

SEWER SYSTEM OPERATIONS

SEWER MAIN BACKUPS

Sewer Mains Backed Up and Relieved per Month

- Pending Main Backups
- Main Backups Reported
- Main Backups Resolved

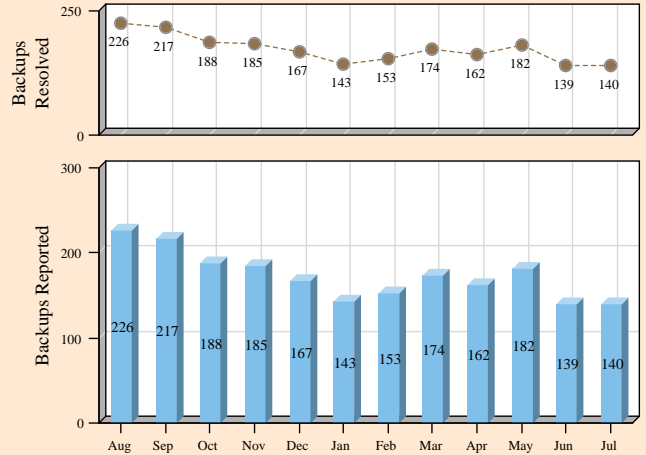


No pending main backups reported

SEWER LATERAL BACKUPS

Sewer Laterals Backed Up and Relieved per Month

- Pending Lateral Backups
- Lateral Backups Reported
- Lateral Backups Resolved



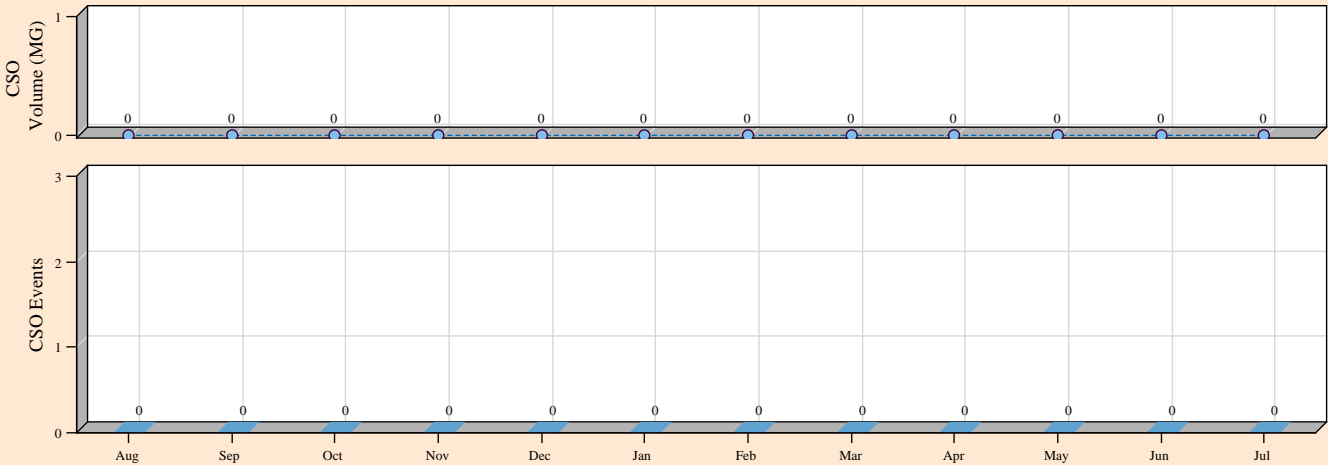
No pending lateral backups reported

COMBINED SEWER SYSTEM

DRY WEATHER CSO EVENTS

Combined Sewer Overflow Volume and No of Events per Month

- Number of CSO Events
- Overflow Volume (MG)



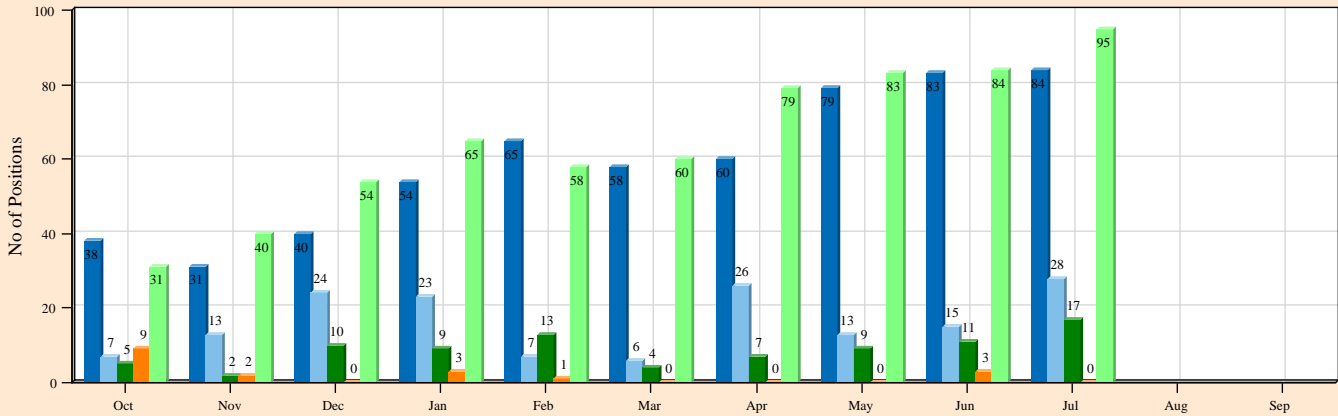
No dry weather Combined Sewer Overflow event was recorded in July 2014

OPERATIONAL HIGHLIGHTS

HUMAN RESOURCES

RECRUITMENT ACTIVITY

- FY-2014:Rolled Over Open Positions
- FY-2014:New Positions Added
- FY-2014:Positions Filled
- FY-2014:Positions Canceled
- FY-2014:Net Remaining Open Positions



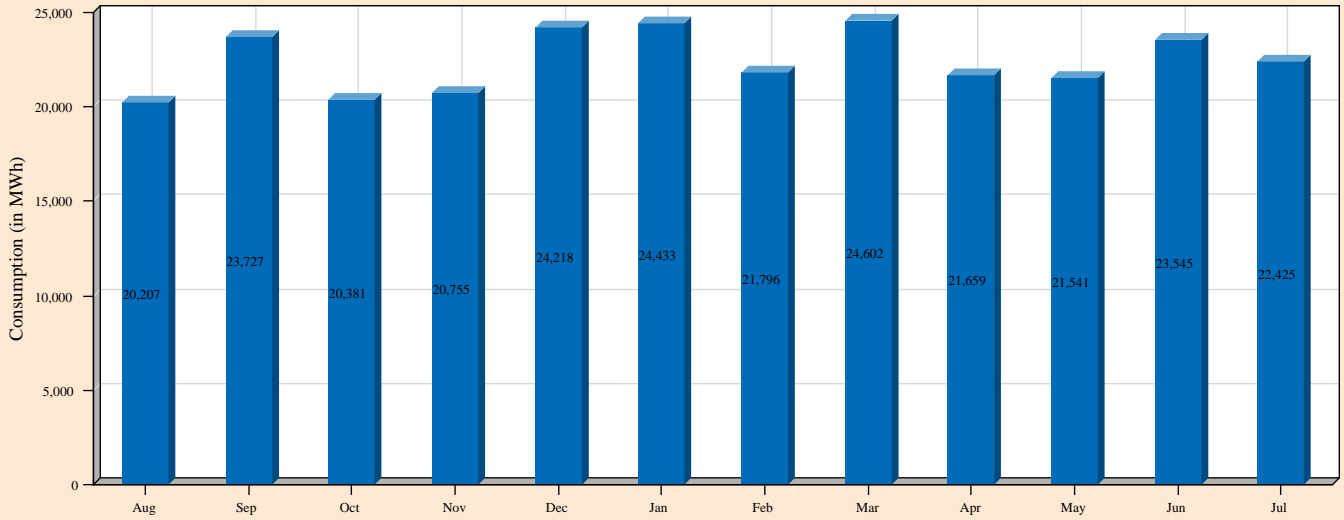
In July, we began the month with 84 positions, received 28 new positions, filled 17, No cancellations and ended the month with 95 positions

OPERATIONAL HIGHLIGHTS

ENERGY

ELECTRICITY USAGE SUMMARY

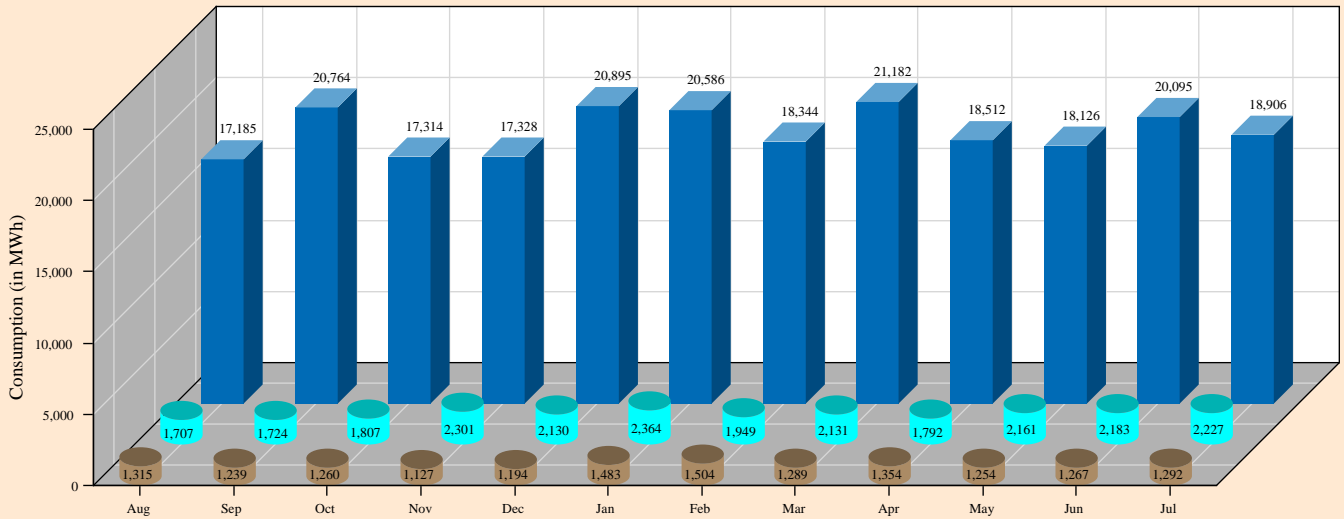
Total Consumption (MWh)



Electricity Consumption in July was 22,425 MWh

ELECTRICITY USAGE BY SERVICE AREA

Sewer Pumping Water Pumping Waste Water Treatment



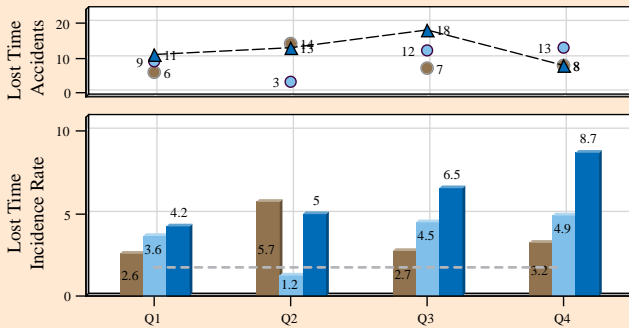
Wastewater treatment had the highest electricity consumption in July at 18,906 MWh

OPERATIONAL HIGHLIGHTS

SAFETY

EMPLOYEE LOST TIME INCIDENCE RATE

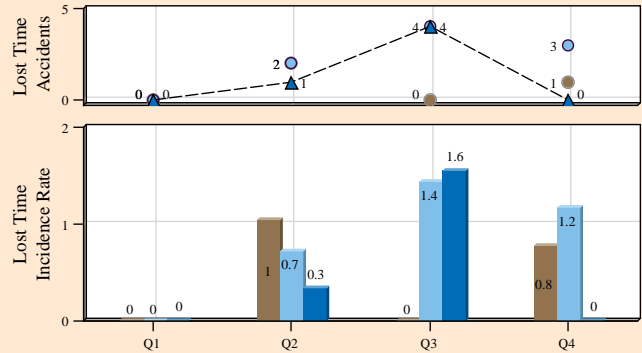
- FY-2012: LT Incidence Rate
- FY-2013: LT Incidence Rate
- FY-2014: LT Incidence Rate
- FY-2012: No of LT Accidents
- FY-2013: No of LT Accidents
- ▲ FY-2014: No of LT Accidents
- Target/National: LT Incidence Rate



In the 1st Month of Fourth quarter, 8 lost time accidents were reported

CONTRACTOR LOST TIME INCIDENCE RATE

- FY-2012: LT Incidence Rate
- FY-2013: LT Incidence Rate
- FY-2014: LT Incidence Rate
- FY-2012: No of LT Accidents
- FY-2013: No of LT Accidents
- ▲ FY-2014: No of LT Accidents

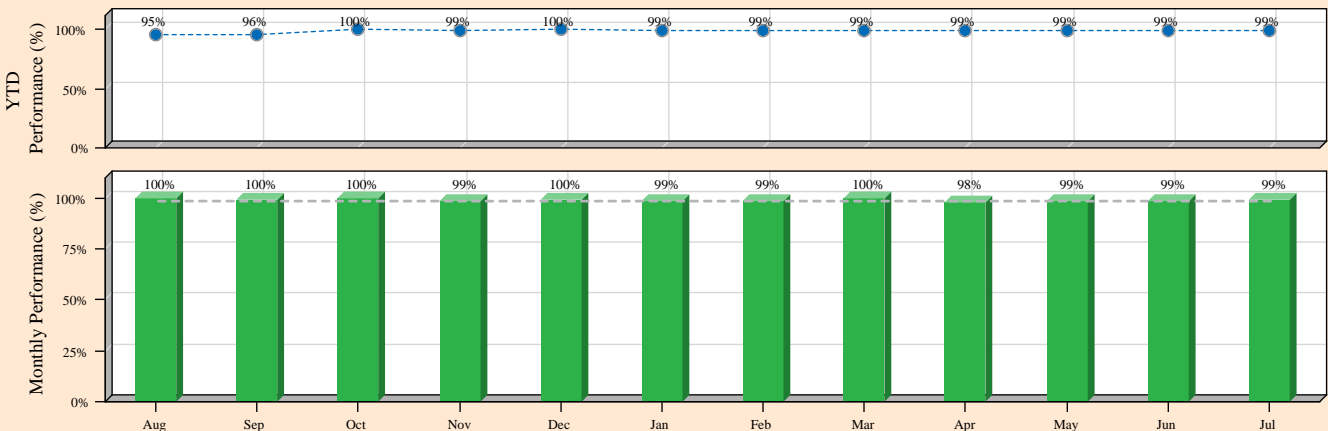


In the 1st Month of Fourth quarter, No lost time accidents were reported

VENDOR PAYMENTS

VENDOR PAYMENT PERFORMANCE
Percentage of Invoices Paid within 30 days

- Monthly Performance (%)
- YTD Performance (%)
- Monthly Target - (97%)



Monthly performance for July was above target by 2%

INTERPRETATION OF CHARTS:

FINANCIAL HIGHLIGHTS

Revenue, Expenditure, Capital Disbursement

- Bulls eye shows the variance for YTD budget against actual for revenues, expenditures and capital disbursements
- Bar graph shows **total** for the fiscal year budgeted(grey)-revenues, expenditures and capital disbursements against YTD actual(blue)
- Horizontal line graph shows a YTD progress analysis as compared to the previous year

Net Operating Cash

- Bar graph shows monthly net operating cash provided/used
- Line graph denoted by (Δ) compares YTD actual against budget (O). This element is dynamically color coded*

Operating Revenues

- Bar graph shows monthly operating revenues
- Line graph denoted by (Δ) compares YTD revenue against budget (O). This element is dynamically color coded*

Operating Expenses

- Bar graph shows monthly operating expenses
- Line graph denoted by (Δ) compares YTD expenditure against budget (O). This element is dynamically color coded**

Capital Disbursements

- Bar graph shows monthly capital disbursements
- Line graph denoted by (Δ) compares YTD disbursements against budget (O). This element is dynamically color coded**

Operating Cash Balance

- Bar graph shows monthly average cash balance compared to the target of \$125 million; indicated by grey dotted line

Delinquent Account Receivables

- Bar graph shows monthly Receivables to Revenue ratio against target of 3%; indicated by grey dotted line. This element is dynamically color coded**
- Line graph denoted by (Δ) shows delinquency in actual dollars

Investment Cash Earnings

- Bar graph shows monthly investment cash earnings
- Line graph denoted by (Δ) compares the YTD earnings against budget (O). This element is dynamically color coded*

Core Investments Yield

- Bar graph shows the monthly investment yield compared to the monthly target (grey) benchmark as set by the US Treasury Bill. This element is dynamically color coded*

Short Term Investment Yield

- Bar graph shows the monthly short term investment yield compared to the monthly short term target (grey) benchmark as set by the US Treasury Bill. This element is dynamically color coded*

Dynamic Color Coding Legend

*	**
<p>Red - when the actual is lower than 3% of budget or target</p> <p>Yellow - when the actual is within 3% of budget or target</p> <p>Green - when the actual is equal to or higher than budget or target</p>	<p>Red - when the actual is higher than 3% of budget or target</p> <p>Yellow - when the actual is within 3% of budget or target</p> <p>Green - when the actual is equal to or lower than budget or target</p>

Symbols where the color code applies- (Δ, □)

A

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

Call Center Performance

- Bar graph shows monthly percentage of calls answered within 40 seconds against target of 85%; indicated by grey dotted line. This element is dynamically color coded***
- Line graph denoted by (O) shows the number of calls received by the call center every month

Command Center Performance

- Bar graph shows monthly percentage of calls answered within 40 seconds against target of 85%; indicated by grey dotted line. This element is dynamically color coded***
- Line graph denoted by (O) shows the number of calls received by the command center every month

First Call Resolution (FCR)

- Bar graph shows monthly percentage of calls resolved on first contact against target of 75%; indicated by grey dotted line. This element is color dynamically coded***

Emergency Response Time

- Bar graph shows the percentage of emergency calls responded to within 45 minutes against target of 90%; indicated by grey dotted line. This element is dynamically color coded***
- Line graph denoted by (O) shows the total calls dispatched per month

Fire Hydrants Out of Service (OOS)

- Bar graph shows total hydrants not available for use against target of 91; indicated by grey dotted line. This element is dynamically color coded****
- The bar graph is stacked (blue) to show hydrants that are inaccessible. Inaccessible hydrants are not measured against the target of 91

Fire Hydrant Inspection

- Bar graph shows the total number of Fire and EMS hydrant inspections per month

Fire Hydrant Repairs

- Bar graph shows the total number of fire hydrants repaired per month

Fire Hydrant Replacements

- Bar graph shows the total number of hydrants replaced per month against target of 21; indicated by grey dotted line. This element is dynamically color coded***

Total Applications Processed within Service Level Agreement (SLA)

- Bar graph shows
 - the number of permits processed per month(dark blue)
 - the number of permits processed within SLA per month(light blue)
- Line graph denoted by (O) shows the percentage of permits processed vs. processed within SLA

Dynamic Color Coding Legend

***	****
Red- when the actual is lower than 5% of budget or target Yellow- when the actual is within 5% of budget or target Green- when the actual is equal to or higher than budget or target	Red- when the actual is higher than 5% of budget or target Yellow- when the actual is within 5% of budget or target Green- when the actual is equal to or lower than budget or target

Symbols where the color code applies- (Δ, □)

LOW INCOME ASSISTANCE PROGRAM

SPLASH Contributions

- Bar graph shows monthly SPLASH contributions
- Line graph denoted by (Δ) shows the YTD contributions against target (O). This element is color coded***

Customer Assistance Program (CAP)

- Bar graph shows monthly CAP assistance
- Line graph denoted by (Δ) shows the YTD contributions against budget (O). This element is color coded***

OPERATIONAL HIGHLIGHTS

Lead and Copper Rule (LCR) Compliance

- Line graph denoted by (Δ, O) shows semi-annual LCR monitoring results against target of 15ppb; indicated by grey dotted line. This element is color coded****

Total Coliform Rule (TCR)

- Line graph denoted by (Δ) shows total coliform positives against the EPA maximum contaminant level of 5%. This element is color coded****

Biosolids Production

- Bar graph shows monthly average daily biosolids production

Total Nitrogen

- Line graph denoted by (Δ) shows monthly total nitrogen level against the current permit (dark grey) and 2015 permit (light grey) levels. This element is color coded****

Plant Influent Flow

- Line graph denoted by (Δ) shows monthly influent flow against the plant design average limit of 370MGD. This element is color coded****

Excess Flow

- Line graph denoted by (Δ) shows monthly excess flow

Water Main Leaks

- Bar graph shows the water main leaks reported
- The bar graph is stacked(dark blue) to show the pending leaks carried over from the previous month if any; bar graph(light blue) shows new water main leaks reported for the given month
- Line graph denoted by (O) shows the number of main leaks repaired per month

Water Valve Leaks

- Bar graph shows the water valve leaks reported
- The bar graph is stacked(dark blue) to show the pending leaks carried over from the previous month if any; bar graph(light blue) shows new water valve leaks reported for the given month
- Line graph denoted by (O) shows the number of valve leaks repaired per month

Dynamic Color Coding Legend

***	****
Red- when the actual is lower than 5% of budget or target Yellow- when the actual is within 5% of budget or target Green- when the actual is equal to or higher than budget or target	Red- when the actual is higher than 5% of budget or target Yellow- when the actual is within 5% of budget or target Green- when the actual is equal to or lower than budget or target

Symbols where the color code applies- (Δ, □)

Non Revenue Water

- Bar graph shows the volume of water purchased(dark blue) and water sold(light blue) per quarter
- Line graph denoted by (Δ, O) shows the Infrastructure Leakage Index(ILI) for the current and previous year

Sewer Main Backups

- Bar graph shows the sewer main backups reported
- The bar graph is stacked(dark blue) to show the pending backups carried over from the previous month if any; bar graph(light blue) shows new sewer main backups reported for the given month
- Line graph denoted by (O) shows the number of main backups resolved per month

Sewer Lateral Backups

- Bar graph shows the sewer lateral backups reported
- The bar graph is stacked(dark blue) to show the pending backups carried over from the previous month if any; bar graph(light blue) shows new sewer laterals backups reported for the given month
- Line graph denoted by (O) shows the number of lateral backups resolved per month

Combined Sewer dry weather Overflow (CSO) Events

- Bar graph shows dry weather CSO events per month
- Line graph denoted by (O) shows the volume in Million Gallons(MG) per dry weather CSO event

Open Positions

- Bar graph (dark blue) shows open positions carried over from the previous month.
- Bar graph (light blue) shows new positions added in the given month.
- Bar graph (olive green) shows positions filled in the given month.
- Bar graph (orange) shows positions cancelled in the given month.
- Bar graph (light green) shows net remaining open positions at the end of the given month.

Electricity Usage Summary

- Bar graph shows total electricity consumption per month

Electricity Usage by Service Area

- Shows a monthly breakdown by service area of electricity usage
- Dark blue shows for Waste Water Treatment Service Area
- Light blue shows Water Pumping Service Area
- Brown shows Sewer Pumping Service Area

Employee Lost Time Incidence Rate

- Bar graph shows quarterly Employee Lost Time (LT) incidence rate as compared to the National average LT rate of 2.0; indicated by grey dotted line. Light blue represents the previous year, brown represents the year before previous and dark blue the current fiscal year.
- Scatter graph denoted by (Δ, O) shows the number of Lost Time accidents and comparison is also made between the current year and the previous years.

Contractor Lost Time Incidence Rate

- Bar graph shows quarterly Contractor Lost Time (LT) incidence rate. Light blue represents the previous year, brown represents the year before previous and dark blue the current fiscal year.
- Scatter graph denoted by (Δ, O) shows the number of Lost Time accidents and comparison is also made between the current year and the previous years.

Dynamic Color Coding Legend

***	****
<p>Red- when the actual is lower than 5% of budget or target</p> <p>Yellow- when the actual is within 5% of budget or target</p> <p>Green- when the actual is equal to or higher than budget or target</p>	<p>Red- when the actual is higher than 5% of budget or target</p> <p>Yellow- when the actual is within 5% of budget or target</p> <p>Green- when the actual is equal to or lower than budget or target</p>

Symbols where the color code applies- (Δ, □)

Vendor Payment Performance

- Bar graph shows monthly Vendor Payment Performance percentage against monthly target of 97%; indicated by grey dotted line. This element is dynamically color coded**
- Line graph denoted by (O) shows the YTD vendor payment performance %.

Dynamic Color Coding Legend

<p>***</p> <p>Red- when the actual is lower than 5% of budget or target</p> <p>Yellow- when the actual is within 5% of budget or target</p> <p>Green- when the actual is equal to or higher than budget or target</p>	<p>****</p> <p>Red- when the actual is higher than 5% of budget or target</p> <p>Yellow- when the actual is within 5% of budget or target</p> <p>Green- when the actual is equal to or lower than budget or target</p>
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Symbols where the color code applies- (Δ, □)



District of Columbia Water and Sewer Authority

Summary of Contracts on Consent Agenda

201st Meeting of the DC Water Board of Directors

Thursday, September 4, 2014

Joint-Use Contract

1. Resolution No. 14-51– Execute Contract No. 130080, Corman Construction, Inc. The purpose of the contract is to provide the final design and construction of Division D – JBAB Overflow and Diversion Structures in support of the DC Clean Rivers Project. The contract amount is \$39,829.227. (Recommended by the Environmental Quality and Sewerage Services Committee 07/17/14)
2. Resolution No. 14-52 - Execute Contract No. 130060, American Contracting and Environmental Services. The purpose of the contract is to rehabilitate the Potomac Pumping Station to further improve its reliability and functionality. The contract amount is \$9,450,00. (Recommended by the Environmental Quality and Sewerage Services Committee 07/17/14)

Non-Joint Use Contracts

1. Resolution No. 14-53 - Execute Contract No. 130150, CPP Construction Company, Inc. The purpose of the contract is to perform reservoir rehabilitation and make EPA sanitary survey recommending improvements. The contract amount is \$2,365,480. (Recommended by the Water Quality and Water Services Committee 07/17/14)
2. Resolution No. 14-54 - Execute Contract No. 130190, Layne Inliner, LLC. The purpose of the contract is to rehabilitate existing infrastructure and increase service life of the sewer system. (Recommended by the Environmental Quality and Sewerage Services Committee 07/17/14)
3. Resolution No. 14-55 – Execute Contract No. 130070, Sagres Construction Corporation. The purpose of the contract is to install a twenty inch watermain and pressure reducing valve that will improve the reliability of the distribution system. The contract amount is \$8,575,650. (Recommended by the Water Quality and Water Services Committee 07/17/14)

Presented and Adopted:

SUBJECT: Adoption of Collective Bargaining Agreement on Working Conditions between DC Water and AFGE Local 631

**#14-50
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority, (“the Authority”) at its meeting on September 4, 2014, upon consideration of a joint-use matter, decided by a vote of ___() in favor and ___() opposed, to take the following action with respect to approval of the proposed Collective Bargaining Agreement on Working Conditions between DC Water and the American Federation of Government Employee Local 631.

WHEREAS, the District of Columbia Public Employee Relations Board (PERB) has certified the American Federation of Government Employees (“AFGE”) Local 631, as the exclusive collective bargaining agent for matters concerning working conditions; and

WHEREAS, representatives of the Authority and the Union have bargained in good faith pursuant to law to achieve a successor Agreement on Working Conditions; and

WHEREAS, the Human Resources and Labor Relations Committee met on July 9, 2014, and has recommended that the Board approve execution of this Master Agreement on Compensation; and

WHEREAS, the proposed working conditions agreement constitutes a joint effort by the Union and the Authority to assure fairness to employees and efficient management by the Authority.

NOW THEREFORE BE IT RESOLVED:

1. The Board approves the Collective Bargaining Agreement on Working Conditions between DC Water and the American Federation of Government Employees Local 631.

2. This Working Conditions Agreement shall be effective, in accordance with its terms, for the period commencing on the date of full execution and ending on September 30, 2017.
3. The Chairman of the Board, the Chairman of the Human Resources and Labor Relations Committee and the General Manager are authorized to execute this Working Conditions Agreement.
4. The General Manager is authorized to take all actions necessary to fully implement this Working Conditions Agreement.

Secretary to the Board of Directors

Presented and Adopted: September 4, 2014
SUBJECT: Approval to Execute Contract No. 130080
Corman Construction, Inc.

#14-51
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on September 4, 2014, upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Contract No. 130080, Corman Construction, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 130080, Corman Construction, Inc. The purpose of the contract is to provide the final design and construction of Division D – JBAB Overflow and Diversion Structures in support of the DC Clean Rivers Project. The contract amount is \$39,829.227.

This Resolution is effective immediately.

Secretary to the Board of Directors

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Best Value
Commodity:	Design and Construction	Contract Number:	130080
Contractor Market:	Open Market		

BUDGET INFORMATION

Funding:	Capital	Department:	DC Clean Rivers Project
Service Area:	Combined Sewer Overflow	Department Head:	Carlton Ray
Project:	CY,FS		

ESTIMATED USER SHARE INFORMATION

FS – Wastewater Treatment Allocation

User	Share %	Dollar Amount
District of Columbia	41.22%	\$15,016,127.00
Federal Funds	0.00%*	\$0.00
Washington Suburban Sanitary Commission	8.38%	\$3,052,769.00
Fairfax County	45.84%	\$16,699,158.00
Loudoun County & Potomac Interceptor	4.56%	\$1,661,173.00
Total Estimated Dollar Amount	100.00%	\$36,429,227.00

CY – Anacostia LTCP Allocation

User	Share %	Dollar Amount
District of Columbia	92.90%	\$3,158,600.00
Federal Funds	0.00%*	\$0.00
Washington Suburban Sanitary Commission	5.54%	\$188,360.00
Fairfax County	1.01%	\$34,340.00
Loudoun County & Potomac Interceptor	0.55%	\$18,700.00
Total Estimated Dollar Amount	100.00%	\$3,400,000.00

Combined Allocation


User	Share %	Dollar Amount
District of Columbia	45.63%	\$18,174,727.00
Federal Funds	0.00%*	\$0.00
Washington Suburban Sanitary Commission	8.14%	\$3,241,129.00
Fairfax County	42.01%	\$16,733,498.00
Loudoun County & Potomac Interceptor	4.22%	\$1,679,873.00
Total Estimated Dollar Amount	100.00%	\$39,829,227.00

* Eligible for Federal Appropriation Funding. Appropriation funding is insufficient to fund all eligible contracts. Federal Appropriation Funding may be used if additional funding becomes available or if other eligible projects are postponed.


 Gail Alexander-Reeves Date 7/15/14
 Director of Budget


 Leonard R. Benson Date 7/16/14
 Chief Engineer


 Katy Chang Date 7-16-14
 Acting Director of Procurement


 George S. Hawkins Date 7/29/14
 General Manager

DESIGN-BUILD CONTRACT 130080
ANACOSTIA RIVER COMBINED SEWER OVERFLOW CONTROL PROJECTS
DIVISION D – JBAB OVERFLOW AND DIVERSION STRUCTURES

ATTACHMENT A
SUBCONTRACTOR LISTING

DESIGN CONSULTANTS

SUBS:	MBE/WBE	AMOUNT:	PARTICIPATION:
Albrecht Engineering Baltimore, MD 21224	WBE	\$112,000	4.5%
WBE Total Design	WBE	\$112,000	4.5%
Hope Furrer Associates, Inc. Towson, MD 21286	MBE	\$348,565	14.0%
HB Permit Services, Inc. Fort Washington, MD 20744	MBE	\$100,000	4.0%
Sheladia Associates, Inc. Rockville, MD 20850	MBE	\$257,600	10.3%
MBE Total Design	MBE	\$706,165	28.3%

CONSTRUCTION SUBCONTRONTRACTORS/SUPPLIERS

SUBS:	MBE/WBE	AMOUNT:	PARTICIPATION:
Bayview Landscaping Aberdeen, MD 21001	WBE	\$84,140	0.2%
Century Fence Upper Marlboro, MD 20772	WBE	\$149,200	0.4%
Keys Materials and Utilities, Inc. Mount Airy, MD	WBE	\$1,781,261	5.2%
Seeram Enterprises, LLC Lanham, MD 20706	WBE	\$230,000	0.7%
WBE Total Construction	WBE	\$2,244,601	6.6%
Bulldog Distribution, LLC Silver Spring, MD 20904	MBE	\$1,936,296	5.7%
Columbia Park Contractors Cheverly, MD 20785	MBE	\$169,528	0.5%

DC Water Board of Directors - VIII. Consent Items (Joint Use)

Dulles Geotechnical & Material Testing Services, Inc. Ashburn, VA 20147	MBE	\$345,000	1.0%
G.E. Frisco Company, Inc. Upper Marlboro, MD 20774	MBE	\$4,882,892	14.4%
Green Petroleum, Inc. Clinton, MD 20735	MBE	\$532,234	1.6%
Horton Mechanical Contractors, Inc. Baltimore, MD 21237	MBE	\$434,000	1.3%
Lorton Stone, LLC Springfield, VA 22153	MBE	\$165,600	0.5%
Metro Paving Corporation Hyattsville, MD 20781	MBE	\$670,240	2.0%
Monumental Concrete, LLC Washington, DC 20032	MBE	\$1,919,514	5.6%
Prince Construction Co. Washington, DC 20020	MBE	\$670,546	2.0%
Reviera Enterprises, Inc. DBA REI/Drayco Forestville, MD 20747	MBE	\$200,000	0.6%
MBE Total Construction	MBE	\$11,925,850	35.1%

US EPA Fair Share objective for Design: MBE 28%/WBE 4%
 US EPA Fair Share objective for Construction: MBE 32%/WBE 6%

This is a design-build contract. As the design progresses and the scope of work is better defined, additional and alternate subcontractors and suppliers will be solicited by the Contractor to perform the work. The Contractor has committed to exercising its best efforts to meet or exceed the MBE/WBE Fair Share Objectives as the final construction needs are identified.

Presented and Adopted: September 4, 2014

SUBJECT: Approval to Execute Contract No. 130060

American Contracting and Environmental Services

**#14-52
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on September 4, 2014, upon consideration of a joint use matter, decided by a vote of __() in favor and __() opposed to execute Contract No. 130060, American Contracting and Environmental Services.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 130060, American Contracting and Environmental Services. The purpose of the contract is to rehabilitate the Potomac Pumping Station to further improve its reliability and functionality. The project also includes upgrading the instrument controls to fully automate the pumping station. The contract amount is \$9,450,000.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

CONSTRUCTION CONTRACT:

**Potomac Pumping Station Rehabilitation Phase III
(Joint Use)**

Approval to execute a construction contract for \$9,450,000.00

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
American Contracting and Environmental Services 1002 West Street Laurel, MD 20707		

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed:	\$9,450,000.00
Contract Time:	730 Days (2 Years, 0 Months)
Anticipated Contract Start Date:	09-20-2014
Anticipated Contract Completion Date:	09-20-2016
Bid Opening Date:	07-02-2014
Bids Received:	7
Other Bids Received	
Ulliman Schutte	\$ 9,767,000.00
Cianbro Construction	\$ 9,832,468.00
Clark Construction	\$ 9,837,000.00
CPP Construction	\$11,080,000.00
Norair Engineering Corp.	\$11,549,000.00
WM Schlosser	\$12,866,000.00

Purpose of the Contract:

Additional rehabilitation of the Potomac Pumping Station to further improve its reliability and functionality. Project also includes upgrading the instrument controls to fully automate the pumping station.

Contract Scope:

- Replacement of four (4) bar screens
- Rehabilitation of eight (8) gate valves
- Replacements of fourteen (14) sluice gates
- Modifications of the motor control center (MCC)
- Complete automation of the pumping station to achieve unmanned operation

Federal Grant Status:

- Construction Contract is not funded in part by Federal grant.

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Lowest responsive, responsible bidder
Commodity:	Construction	Contract Number:	130060
Contractor Market:	Open Market with preference		

BUDGET INFORMATION

Funding:	Capital	Department:	Engineering and Technical Services
Service Area:	Sanitary Sewer	Department Head:	David McLaughlin
Project:	EJ		

***ESTIMATED USER SHARE INFORMATION**

User	Share %	Dollar Amount
District of Columbia	49.78%	\$4,704,210
Federal Funds	00.00%	\$0
Washington Suburban Sanitary Commission	29.37%	\$ 2,775,465
Fairfax County	14.72%	\$ 1,391,040
Loudoun County & Potomac Interceptor	6.13%	\$ 579,285
Total Estimated Dollar Amount	100.00%	\$ 9,450,000


 Gail Alexander-Reeves Date
 Director of Budget


 Katy Chang Date
 Acting Director of Procurement


 Leonard R. Benson Date
 Chief Engineer


 George S. Hawkins Date
 General Manager

Presented and Adopted: September 4, 2014
SUBJECT: Approval to Execute Contract No. 130150
CPP Construction Company, Inc.

#14-53
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on September 4, 2014, upon consideration of a non-joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Contract No. 130150, CPP Construction Company, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 130150, CPP Construction Company, Inc. The purpose of the contract is to perform reservoir rehabilitation and make EPA sanitary survey recommending improvements. The contract amount is \$2,365,480.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

CONSTRUCTION CONTRACT:

**REHABILITATION OF FORT STANTON NO. 1 RESERVOIR CONTRACT 3A
(Non-Joint Use)**

Approval to execute a construction contract for \$ 2,365,480.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
CPP Construction Company, Inc. 362B Christopher Avenue Gaithersburg, MD 20879	Handon Services, Inc. Washington, DC MBE	0.8%
	Arriba Mechanical, Inc. Baltimore, MD MBE	31.9%
	Ideal Electric Supply Corporation Washington, DC WBE	6.3%

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed:	\$2,365,480	
Contract Time:	210 Calendar Days	(0 Years, 7 Months)
Anticipated Contract Start Date:	10-09-2014	
Anticipated Contract Completion Date:	05-07-2015	
Bid Opening Date:	06-25-2014	
Bids Received:	2	
Other Bids Received		
Norair Engineering	\$2,494,150	

Purpose of the Contract:

Perform reservoir rehabilitation and make EPA sanitary survey recommending improvements.

Contract Scope:

- Reservoir impervious membrane improvements and construction of new perimeter drain.
- Repairs of internal reservoir concrete including crack repair, spall repair, and construction joint repair.
- Construct and install new piping, valves, flap gates, sump pumps, screens, ladders, access hatches, and mechanical mixers.
- Electrical and communication improvements.
- Elimination of cross connections.

Federal Grant Status:

- Construction contract is funded in part by Federal grant.

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Lowest responsive, responsible bidder
Commodity:	Construction	Contract Number:	130150
Contractor Market:	Open Market		

BUDGET INFORMATION

Funding:	Capital	Department:	Engineering and Technical Services
Service Area:	Water	Department Head:	David McLaughlin
Project:	FA		


ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	26.09%	\$617,096.00
Federal Funds	73.91%	\$1,748,384.00
Washington Suburban Sanitary Commission	0.00%	\$0.00
Fairfax County	0.00%	\$0.00
Loudoun County & Potomac Interceptor	0.00%	\$0.00
Total Estimated Dollar Amount	100.00%	\$2,365,480.00


 Gail Alexander-Reeves
 Director of Budget
 Date: 7/10/14


 Katy Chang
 Acting Director of Procurement
 Date: 7.11.14


 Leonard R. Benson
 Chief Engineer
 Date: 7-11-14


 George S. Hawkins
 General Manager
 Date: 7-24-14

Presented and Adopted: September 4, 2014
SUBJECT: Approval to Execute Contract No. 130190
Layne Inliner, LLC

#14-54
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on September 4, 2014, upon consideration of a non-joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Contract No. 130190, Layne Inliner, LLC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 130190, Layne Inliner, LLC. The purpose of the contract is to rehabilitate existing infrastructure and increase service life of sewer system. The contract amount is \$2,149,451.80.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

CONSTRUCTION CONTRACT:

**G800 - Small Local Sewer Rehabilitation - 2
(Non-Joint Use)**

Approval to execute a construction contract for \$ 2,149,451.80

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Layne Inliner, LLC 6303 Macaw Court Elkridge, MD 21075		

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed:	\$ 2,149,451.80
Contract Time:	420 Days (1 Year, 2 Months)
Anticipated Contract Start Date:	10-06-2014
Anticipated Contract Completion Date:	11-30-2015
Bid Opening Date:	07-09-2014
Bids Received:	2
Other Bids Received	
Anchor Construction	\$ 2,278,105.30

Purpose of the Contract:

To rehabilitate existing infrastructure and increase service life of sewer system

Contract Scope:

- To rehabilitate existing small diameter sewer mains and existing sewer manholes located in Downtown/Foggy Bottom area of Ward 2 in Washington, DC.
- Cured-in-Place Pipe lining (CIPP) of 29 pipe segments totaling approximately 3,300 linear feet of small diameter sewer main. See below for breakdown of pipe segments.
 - CIPP of approximately 1,094 LF of existing 12-inch sewer main.
 - CIPP of approximately 1,010 LF of existing 15-inch sewer main.
 - CIPP of approximately 860 LF of existing 18-inch sewer main.
 - CIPP of approximately 360 LF of existing 24-inch sewer main.
- Rehabilitate lateral connections.
- Rehabilitate approximately 50 manholes.

Federal Grant Status:

- Construction Contract is not eligible for Federal grant funding assistance.

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Lowest responsive, responsible bidder
Commodity:	Construction	Contract Number:	130190
Contractor Market:	Open Market with preference		

BUDGET INFORMATION


Funding:	Capital	Department:	Engineering and Technical Services
Service Area:	Sewer	Department Head:	David McLaughlin
Project:	G8		

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	100.00%	\$ 2,149,451.80
Federal Funds	0%	\$
Washington Suburban Sanitary Commission	0%	\$
Fairfax County	0%	\$
Loudoun County & Potomac Interceptor	0%	\$
Total Estimated Dollar Amount	100.00%	\$ 2,149,451.80


 Gail Alexander-Reeves
 Director of Budget
 Date: 7/10/14


 Katy Chang
 Acting Director of Procurement
 Date: 7.11.14


 Leonard R. Benson
 Chief Engineer
 Date: 7-11-14


 George S. Hawkins
 General Manager
 Date: 7-24-14

Presented and Adopted: September 4, 2014
SUBJECT: Approval to Execute Contract No. 130070
Sagres Construction Corporation

#14-55
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on September 4, 2014, upon consideration of a non-joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Contract No. 130070, Sagres Construction Corporation.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 130070, Sagres Construction Corporation. The purpose of the contract is to install a twenty inch watermain and pressure reducing valve that will improve the reliability of the distribution system. The contract amount is \$8,575,650.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

CONSTRUCTION CONTRACT:

**20 Inch Watermain, SDWMR and Pressure Reducing Valves
(Non-Joint Use)**

Approval to execute a construction contract for \$8,575,650

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Sagres Construction Corporation 8350 Terminal Road, Suite A Lorton, VA 22079	Acorn Supply and Distribution White Marsh, MD 21162 WBE	6.0%
	Metro Paving Corp Hyattsville, MD 20781 MBE	32%

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed:	\$8,575,650
Contract Time:	550 Days (1 Year, 6 Months)
Anticipated Contract Start Date:	09-20-2014
Anticipated Contract Completion Date:	03-23-2016
Bid Opening Date:	07-09-2014
Bids Received:	4
Other Bids Received	
Capitol Paving of DC, Inc.	\$ 8,925,690.00
Fort Myer Construction Corp	\$ 9,957,548.00
Shorley Construction Corp	\$ 12,882,850.00

Purpose of the Contract:

To install 20 inch watermain and pressure reducing valves that will improve the reliability of the distribution system. Project also includes replacement of large valves and small diameter watermain.

Contract Scope:

- Installation of new 20 inch watermain (approximately 4,800 feet)
- Installation of new pressure reducing valve connecting existing 30 inch First High and new 20 inch Low Service watermain.
- Replacements of small diameter watermain (SDWMR) and associated appurtenances (approximately 4,800 feet).
- Replacement of 20 and 30 inch large valves at 11 locations.

Federal Grant Status:

- Construction Contract is eligible for Federal grant funding assistance; inclusion in grant is pending availability of grant funds.

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Lowest responsive, responsible bidder
Commodity:	Construction	Contract Number:	130070
Contractor Market:	Open Market - Prequalified Bidders		

BUDGET INFORMATION

Funding:	Capital	Department:	Engineering and Technical Services
Service Area:	Water	Department Head:	David McLaughlin
Project:	FE,O1		

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	100%	\$8,575,650
Federal Funds	0.00%	\$ 0.00
Washington Suburban Sanitary Commission	0.00%	\$ 0.00
Fairfax County	0.00%	\$ 0.00
Loudoun County & Potomac Interceptor	0.00%	\$ 0.00
Total Estimated Dollar Amount	100.00%	\$8,575,650


 _____ Date
 Gail Alexander-Reeves
 Director of Budget


 _____ Date
 Katy Chang
 Acting Director of Procurement


 _____ Date
 Leonard R. Benson
 Chief Engineer


 _____ Date
 George S. Hawkins
 General Manager

Subject: Approval of General Principles of Affordability for Low-Income Customers

**#14-56
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The District members of the Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority (“DC Water”), at the Board meeting held on September 4, 2014, upon consideration of a non-joint use matter, decided by a vote of () in favor and () opposed, to approve the following action with respect to the General Principles of Affordability for Low-Income Customers:

WHEREAS, on December 4, 1997, the Board approved Resolution #97-124 establishing DC Water’s rate setting policies; and

WHEREAS, on January 6, 2011, the Board approved Resolution #11-10, replacing the previous Resolution # 97-124 with a revised rate setting policy that identified and prioritized major objectives, and strived to achieve a reasonable balance between costs, cost allocations, customer impacts, and other considerations in reaching rate decisions; and

WHEREAS, on January 28, 2014, the DC Retail Water and Sewer Rates Committee (Committee) explored the existing Customer Assistance Program (“CAP”) and Serving People by Lending a Supporting Hand (“SPLASH”) programs to evaluate the feasibility of potential conservation programs within the CAP and SPLASH programs; and

WHEREAS, on March 25 ,2014, the Committee reviewed an Affordability Analysis of DC Water’s Capital Improvement Program, which included both a traditional affordability analysis as well as alternative measures of affordability; and

WHEREAS, on March 25, 2014 the Committee was also updated on the objectives for the 2015 Cost of Service Study, which includes: (i) detailed analysis of customer usage; (ii) revenue sufficiency assurance; (iii) adherence to cost of service principles and DC Water policies; (iv) evaluation of alternative rate structures; (v) evaluation of affordability alternatives; and (vi) identification of alternative charges to relieve pressure on rates; and

WHEREAS, on July 22, 2014, the Committee met to consider and make a recommendation to the Board on DC Water’s FY 2015 retail rates; and

WHEREAS, in the course of said consideration, the Committee agreed that it was important to recommend that several general principles of affordability for low-income customers are also considered during this and future ratemaking processes;

NOW, THEREFORE, BE IT RESOLVED THAT:

It is the policy of the Board of Directors of DC Water in setting retail rates, to follow the General Principles of Affordability for Low-Income Customers articulated herein:

1. Consideration of rate impacts on low-income customers;
2. Exploration of affordability alternatives for low-income customers; and
3. Development of a more innovative rate structure, the goal of which is to reduce the economic burden on low-income customers at the earliest practicable date consistent with the Board's need to gather sufficient data to support any rate structure chosen.

This resolution shall be effective immediately.

Secretary to the Board of Directors

Presented and Adopted: September 4, 2014
Subject: Approval to Execute the Terms and Conditions for a 2014 PILOT MOU with the District of Columbia

#14-57
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The District members of the Board of Directors (the "Board") of the District of Columbia Water and Sewer Authority ("DC Water"), at the Board meeting held on September 4, 2014, upon consideration of a non-joint use matter, decided by a vote of () in favor and () opposed to take the following action with respect to the terms and conditions of a 2014 Payment-in-Lieu of Taxes ("PILOT") Memorandum of Understanding ("MOU") with the District of Columbia (the District).

WHEREAS, DC Water and the District of Columbia ("District") have entered into previous MOUs and amendments regarding the PILOT, which describe the purposes and mutual agreement for payment for services; and

WHEREAS, DC Water has remitted PILOT payments to the District at the FY 2007 level since October 2007 at the direction of the Board of Directors pending receipt of the annual cost certificate from the District Chief Financial Officer ("DC CFO"); and

WHEREAS, since 2007 DC Water and the DC CFO were unable to agree on the form and substance of the annual cost certificate under the 1998 PILOT MOU; and

WHEREAS, since 2007 DC Water has continued to increase the PILOT Fee charged to its customers and has held all funds in excess of the Fiscal Year 2007 PILOT payment level in a separate PILOT fund pending an agreement with the District, which is projected to total \$30,044,338.00 as of September 30, 2014; and

WHEREAS, DC Water and the District have engaged in numerous discussions and negotiations since 2009 to the present and have reached agreement on alternative terms for DC Water's PILOT payment at \$15,337,410.00 for Fiscal Year 2015 and an increase in the amount of the PILOT payment by 2.0% per annum based on the amount of the prior year's annual PILOT payment; and

WHEREAS, DC Water and the District have also agreed to transfer to the District \$15,022,169.00 from the separate Pilot fund and retain the balance of the funds to be used for the exclusive benefit of District ratepayers; and

WHEREAS, DC Water and the District have agreed to reduced the terms of the agreement into a 2014 PILOT MOU for DC Water's payment of the amount of the

PILOT payment for Fiscal Year 2015, an escalation amount for subsequent Fiscal Years, and the release of the PILOT fees held in a separate fund.

NOW THEREFORE BE IT RESOLVED THAT:

The Board authorizes the General Manager to take all actions necessary to execute and implement the intentions expressed in this Resolution in a 2014 PILOT MOU.

This resolution is effective immediately.

Secretary to the Board

Presented and Adopted: September 4, 2014
SUBJECT: Approval of Proposed Water and Sewer Service Rates, Clean Rivers Impervious Area Charge (IAC), Payment-in-Lieu of Taxes (PILOT) Fee, and Right-of-Way (ROW) Fee for DC Water and Sewer Rates Beginning in Fiscal Year 2015

#14-58
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The District members of the Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority (“DC Water”) at the Board meeting held on September 4, 2014, upon consideration of a non-joint use matter, decided by a vote of () in favor and () opposed, to approve the following action with respect to the proposed Metered Retail Rates for Water and Sewer Service, Clean Rivers Impervious Area Charge (IAC), Payment-In-Lieu of Taxes Fee (PILOT) and Right-of-Way Occupancy Fee Pass Through Charge (ROW).

WHEREAS, the Board has adopted a revised rate setting policy that calls for rates that, together with other revenue sources, yield reliable and predictable stream of revenues and will generate sufficient revenues to pay for DC Water’s projected operating and capital expenses; and

WHEREAS, the Board has adopted various financial policies that require revenues to ensure compliance with Board policies regarding maintenance of senior debt coverage and cash reserves; and

WHEREAS, on January 17, 2014, DC Water published Notice of Proposed Rulemaking (NOPR) in the *D.C. Register* (DCR) at 61 DCR 438, which, if adopted, would increase the rate for retail metered water service from \$3.61 per One Hundred Cubic Feet (“Ccf”) of water used to \$3.88 per One Hundred Cubic Feet of water used, effective October 1, 2014; and

WHEREAS, in the same NOPR, which, if adopted, would increase the rate for retail metered sewer service from \$4.41 per Ccf of water used to \$4.74 per Ccf of water used, effective October 1, 2014; and

WHEREAS, in the same NOPR, which, if adopted, would increase the annual Clean Rivers Impervious Surface Area Charge (IAC) from \$142.20 to \$201.00 per Equivalent Residential Unit (ERU). The charge per ERU would be billed monthly at \$16.75 per ERU, effective October 1, 2014; and

WHEREAS, in the same NOPR, which, if adopted, would increase the Right-of-Way (ROW) Occupancy Fee/PILOT Fee (Pass Through Charges assessed by the District of Columbia Government) from \$0.70 per Ccf of water to \$0.78 per Ccf of water used, effective October 1, 2014; and

WHEREAS, on April 4, 2014, DC Water published a Notice of Public Hearing in the *D.C. Register* at 61 DCR 3543, for the public hearing on May 14, 2014 on the proposed rulemakings referred to above; and

WHEREAS, a notice of the public hearing on the rate and fee proposals was also published on DC Water's website and in *The Washington Post* on April 17, 2014; and

WHEREAS, on May 14, 2014, a public hearing was held to receive comments on the rate and fee proposals; and

WHEREAS, comments were received during the May 14, 2014 public hearing; and

WHEREAS, the record of the May 14, 2014 public hearing was left open to receive written comments for a period of 30 days through June 14, 2014; and

WHEREAS, DC Water also conducted eight (8) town hall meetings from April 1, 2014, through April 30, 2014, to receive comments on the rate and fee proposals; and

WHEREAS, on July 22, 2014, the DC Retail Water and Sewer Rates Committee met to consider the comments offered at the May 14, 2014 public hearing, comments received during the record period, comments received during the comment period of the proposed rulemaking, and recommendations from the General Manager regarding action on the proposed rate and fee changes; and

WHEREAS, on September 3, 2014, the DC Retail Water and Sewer Rates Committee met to consider the General Manager's recommendation to decrease the PILOT Fee based on DC Water's agreement with the District on the terms of the PILOT payment to the District in a new PILOT MOU; and

WHEREAS, on July 22, 2014 and September 3, 2014, given the revenue requirements of DC Water, anticipated capital and operating expenditures and the various funding sources, public comments, and the recommendations of the General Manager, the DC Retail Water and Sewer Rates Committee recommended to the Board of Directors an increase to the water and sewer rate and Clean Rivers Impervious Surface Area Charge (IAC), and a decrease to the PILOT fee; and

WHEREAS, after consideration of the recommendation of the DC Retail Water and Sewer Rates Committee, the report of the General Manager on this subject and public comments at the May 14, 2014 public hearing and during the comment period and open record period for the proposed rulemaking, the District members of the Board of Directors, upon further consideration and discussion, recommended an increase to the

metered water and sewer volumetric rates, and Clean Rivers IAC, and a decrease to the PILOT Fee in accordance with the General Manager's recommendation; and

WHEREAS, adoption of these rate and fee changes would increase the average residential customer's monthly bill (using 6.69 Ccf per month) by approximately \$8.45 per month or \$101.40 per year; and

WHEREAS, the final rules and rates adopted by the Board would:

1. Provide for a revised Fiscal Year 2015 increased revenue requirement of approximately \$17.0 million;
2. Implement a combined water and sewer retail rate of \$8.62/Ccf; an increase of \$0.60/Ccf from the current combined rate of \$8.02/Ccf for Fiscal Year 2015 effective, October 1, 2014; and
3. Implement an increase for the Clean Rivers Impervious Surface Area Charge (IAC) from \$11.85 to \$16.75/ERU per month for Fiscal Year 2015 effective, October 1, 2014.

WHEREAS, pursuant to the Memorandum of Understanding (2003 MOU) between DC Water, DC CFO and the District, effective September 12, 2003, DC Water's obligation to transfer the ROW Fee to the District terminated on September 30, 2013; and

WHEREAS, pursuant to D.C. Official Code § 34-2202.07, DC Water is prohibited from transferring ROW Fees to the District unless subject to a contract for goods or services; and DC Water shall continue to collect and retain the ROW Fees pending the execution of a new MOU with the District; and

WHEREAS, DC Water and the District have reached agreement on the terms of the PILOT payment to the District, which shall be executed in a new PILOT MOU.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board adopts for final rulemaking the following rates and fees:

Retail Water Service Rates

- a. Effective October 1, 2014, increase the rate for retail metered water service from \$3.61 per One Hundred Cubic Feet ("Ccf"), (\$4.83 per 1,000 gallons) to:
 - Residential customers: \$3.88 per Ccf (\$5.19 per 1,000 gallons);
 - Multi-Family customers: \$3.88 per Ccf (\$5.19 per 1,000 gallons); and
 - Non – residential customers: \$3.88 per Ccf (\$5.19 per 1,000 gallons).

Retail Sewer Service Rates

- b. Effective October 1, 2014, increase the rate for retail sanitary sewer service from \$4.41 per One Hundred Cubic Feet ("Ccf"), (\$5.89 per 1,000 gallons) to:
 - Residential customers: \$4.74 per Ccf (\$6.33 per 1,000 gallons);
 - Multi-Family customers: \$4.74 per Ccf (\$6.33 per 1,000 gallons); and
 - Non-residential customers: \$4.74 per Ccf (\$6.33 per 1,000 gallons).

- c. Effective October 1, 2014, increase the annual Clean Rivers Impervious Area Charge (IAC) from \$142.20 to \$201.00 per Equivalent Residential Unit (ERU). The charge per ERU will be billed monthly at:
 - Residential customers: \$16.75 for each ERU;
 - Multi-Family customers: \$16.75 for each ERU; and
 - Non – residential customers: \$16.75 for each ERU.

Right-of-Way Occupancy Fee Pass Through Charge / PILOT Fee

- d. Effective October 1, 2014, there is no increase in the District of Columbia Right-of-Way fee:
 - Residential customers: \$0.17 per Ccf or (\$0.22 per 1,000 gallons);
 - Multi-Family customers: \$0.17 per Ccf or (\$0.22 per 1,000 gallons); and
 - Non – residential customers: \$0.17 per Ccf or (\$0.22 per 1,000 gallons).

 - e. Effective October 1, 2014, decrease the Payment-in-Lieu of Taxes paid to the District of Columbia Office of the Chief Financial Officer from \$0.53 per Ccf or (\$0.71 per 1,000 gallons) to:
 - Residential customers: \$0.46 per Ccf or (\$0.62 per 1,000 gallons);
 - Multi-Family customers: \$0.46 per Ccf or (\$0.62 per 1,000 gallons); and
 - Non – residential customers: \$0.46 per Ccf or (\$0.62 per 1,000 gallons).
2. The General Manager is authorized to take all steps necessary in his judgment and as otherwise required, to provide notice of the final rate adjustment in the manner provided by 21 DCMR Chapter 40 and the District of Columbia's Administrative Procedures.

This resolution shall be effective immediately.

Secretary to the Board of Directors