

Presented and Adopted: February 4, 2010
SUBJECT: Approval to Execute Contract No. 090240
Ulliman Schutte Construction LLC

#10-15
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on February 4, 2010 upon consideration of a joint-use matter decided by a vote of eleven (11) in favor and none (0) oppose to approve Contract No. 090240, Ulliman Schutte Construction LLC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 090240, Ulliman Schutte Construction LLC. The purpose of the contract is to prepare the six-acre digester site for the mining operations to construct the Blue Plains Tunnel, the tunnel dewatering pumping station, and an Enhanced Clarification Facility. The contract amount is \$6,556,000.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: February 4, 2010
SUBJECT: Approval to Execute Change Order No. 3 of Contract No.
090040 Ulliman Schutte Construction LLC

#10-16
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on February 4, 2010 upon consideration of a joint-use matter decided by a vote of eleven (11) in favor and none (0) oppose to approve Change Order No. 3 of Contract No. 090040, Ulliman Schutte Construction LLC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Change Order No. 3 of Contract No. 090040, Ulliman Schutte Construction LLC. The purpose of the contract is to provide construction work to rehabilitate the Influent Sewers from the Main Pump Station to Blue Plains Wastewater Treatment Plant. The change amount is \$560,000.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: February 4, 2010
SUBJECT: Approval to Execute Change Order No. 6 of Contract No.
060090 Ulliman Schutte Construction LLC

#10-17
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on February 4, 2010 upon consideration of a joint-use matter decided by a vote of eleven (11) in favor and none (0) oppose to approve Change Order No. 6 of Contract No. 060090, Ulliman Schutte Construction LLC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Change Order No. 6 of Contract No. 060090, Ulliman Schutte Construction LLC. The purpose of the contract is to relocate existing utility conflicts with new structural steel at El. 5 and relocate five new electric motor-operated pinch valves from the DAF distribution boxes. The change amount is \$208,288.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: February 4, 2010
SUBJECT: Approval to Execute Contract No. 080010
Singleton Electric Co., Inc.

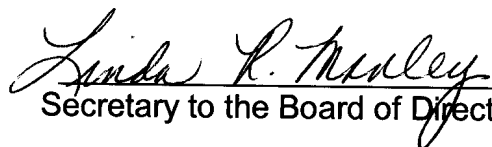
#10-18
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on February 4, 2010 upon consideration of a joint-use matter decided by a vote of eleven (11) in favor and none (0) oppose to approve Contract No. 080010, Singleton Electric Co., Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 080010, Singleton Electric Co., Inc. The purpose of the contract is to replace old equipment, improve reliability, and increase electrical energy available at Blue Plains. The contract amount is \$14,909,300.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: February 4, 2010
SUBJECT: Approval to Execute Contract No. WAS-10-009-AA-CE
Tricon Chemical Corporation

#10-19
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on February 4, 2010 upon consideration of a joint-use matter decided by a vote of eleven (11) in favor and none (0) oppose to approve Contract No. WAS-10-009-AA-CE, Tricon Chemical Corporation.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. WAS-10-009-AA-CE, Tricon Chemical Corporation. The purpose of the contract is to provide granular high-calcium quicklime to Blue Plains Wastewater Treatment Plant, which is used in conditioning, and dewatering cake solids. This process stabilizes biosolids to meet permit requirements. The contract amount is \$2,976,000.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: February 4, 2010
SUBJECT: Approval to Execute Change Order No. 20 of Contract No. 030210, Ulliman Schutte Construction, LLC

**#10-20
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on February 4, 2010 upon consideration of a joint-use matter decided by a vote of eleven (11) in favor and none (0) oppose to approve Contract No. 030210, Ulliman Schutte Construction, LLC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 030210, Ulliman Schutte Construction, LLC. The purpose of the contract is to provide additional conduit and wiring for dewatering pump power and control systems, perform modifications to the scum pump control panels and modify the Nitrification Sedimentation Basins washwater standpipes. The change amount is \$480,106.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: February 4, 2010
Subject: Approval of Revised Fiscal Year 2010 Operating Budget

#10-21
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors (the "Board") of the District of Columbia Water and Sewer Authority, (the "Authority") at its meeting on February 4, 2010, upon consideration of a joint-use matter decided by a vote of eleven (11) in favor and none (0) opposed, to take the following action with respect to the Revised Fiscal Year 2010 Operating Budget.

WHEREAS, on October 15, 2009 the Interim General Manager submitted a Revised Fiscal Year 2010 Operating Budget to the Board that totaled \$382,280,000, which is below the FY 2010 budget approved by the Board in January 2009. The budget submission included the deferral of certain operating and capital costs in order to minimize customer rate impact; and

WHEREAS, on November 19, 2009, December 3, 2009 and December 17, 2009 the General Manager presented to various committees of the board, an alternative FY 2010 Operating budget proposal based on strategic budget choices, operational and other risk factors, and customer impacts; and

WHEREAS, the alternative to the Revised Fiscal Year 2010 Operating Budget, Alternative 1, fully funds the operational and capital organizational needs required to meet all strategic initiatives totals \$385,426,000; and

WHEREAS, the Revised Fiscal Year 2010 Operating Budget, Alternative 2, does not fully fund the operational and capital organizational needs required to meet all strategic initiatives and requires deferral of certain costs ; and

WHEREAS, during the months of October, November and December 2009 the various committees of the Board, including: Environmental Quality and Operations, Retail Services, Finance and Budget and Retail Rates, reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts; and

WHEREAS, on December 17, 2009, the Environmental Quality and Operations Committee, and Retail Services Committees at their respective meetings recommended that the Board adopt a Capital Improvement Budget that is supported by the Revised FY 2010 Operating Budget that totaled \$385,426,000 (Alternative 1); and

WHEREAS, on December 18, 2009, the Finance and Budget Committee recommended that the Board adopt a Revised FY 2010 Operating Budget that totals \$382,280,000 (Alternative 2); and

WHEREAS, after extensive discussion at the January 7, 2010 meeting of the Board, the Chairman of the Board remanded certain budget issues to the Environmental Quality and Operations, Retail Services, Retail Rates and Finance and Budget Committees (jointly referred to as the "Committees") for further review and to give the General Manager an opportunity to analyze the budget based on the Board discussions; and

WHEREAS, during the January 2010 meetings of the Committees, the General Manager presented a revised FY 2010 Operating Budget totaling \$382,280,000 that incorporated feedback and input from the Board; and


WHEREAS, at the January meetings of the Committees the revised FY 2010 Operating Budget was reviewed and discussed; and

WHEREAS, the Committees recommended that the revised FY 2010 Operating Budget be adopted by the Board.

NOW THEREFORE BE IT RESOLVED THAT:

The Board hereby approves and adopts the District of Columbia Water and Sewer Authority's Fiscal Year 2010 Revised Operating Budget totaling \$382,280,000 and as further detailed in materials presented by the General Manager.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: February 4, 2010
Subject: Approval of Fiscal Year 2011 Proposed Operating Budget

#10-22
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors (the "Board") of the District of Columbia Water and Sewer Authority, (the "Authority") at its meeting on February 4, 2010, upon consideration of a joint-use matter decided by a vote of eleven (11) in favor and none (0) opposed, to take the following action with respect to the Proposed Fiscal Year 2011 Operating Budget.

WHEREAS, on October 15, 2009 the Interim General Manager submitted a Proposed Fiscal Year 2011 Operating Budget to the Board that totaled \$412,239,000. The budget submission included the deferral of certain operating and capital costs in order to minimize customer rate impact; and

WHEREAS, on November 19, 2009, December 3, 2009 and December 17, 2009 the General Manager presented to the various committees of the board, an alternative FY 2011 Operating budget proposal based on strategic budget choices, operational and other risk factors, and customer impacts; and

WHEREAS, the alternative to the Proposed FY 2011 Operating Budget, Alternative 1 fully funds the operational and capital organizational needs required to meet all strategic initiatives, proposal totals \$420,518,000; and

WHEREAS, the Proposed FY 2011 Operating Budget, Alternative 2, required deferral of certain costs and does not fully fund the operational and capital organizational needs required to meet all strategic initiatives; and

WHEREAS, during the months of October, November and December 2009 the various committees of the Board, including: Environmental Quality and Operations, Retail Services, Finance and Budget and Retail Rates, reviewed budget proposal alternatives and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts; and

WHEREAS, after extensive discussion at the January 7, 2010 meeting of the Board, the Chairman of the Board remanded certain budget issues to the Environmental Quality and Operations, Retail Services, Retail Rates and Finance and Budget Committees (jointly referred to as the "Committees") for further review and to give the General Manager an opportunity to analyze the budget based on the Board discussions; and

WHEREAS, during the January 2010 meetings of the Committees, the General Manager presented a proposed FY 2011 Operating Budget totaling \$408,094,000 that incorporated feedback and input from the Board; and

WHEREAS, at the January meetings of the Committees the proposed FY 2011 Operating Budget was reviewed and discussed; and

WHEREAS, the Committees recommended that the proposed FY 2011 Operating Budget be adopted by the Board.

NOW THEREFORE BE IT RESOLVED THAT:

The Board hereby approves and adopts the District of Columbia Water and Sewer Authority's Fiscal Year 2011 Proposed Operating Budget totaling \$408,094,000 as further detailed in materials presented by the General Manager.

NOW THEREFORE BE IT FURTHER RESOLVED THAT:

The Board directs the General Manager to seek to reopen contracts with the labor unions to renegotiate compensation for 2011.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: February 4, 2010
SUBJECT: Approval of Fiscal Year 2009-2018 Ten Year Financial Plan

#10-23
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting held on February 4, 2010 upon consideration of a joint-use matter decided by a vote of ___ () in favor and ___ () opposed, to take the following action with respect to the Fiscal Year 2009 – 2018 Financial Plan.

WHEREAS, prudent utility financial management requires a long-term financial plan that integrates common elements of the ten-year capital improvement program, future capital financing plans, projected operating and maintenance budgets, revenue requirements and projected rate increases to support long-term capital and operating needs; and

WHEREAS, the Board in Resolutions 09-86 and 97-124 has adopted a series of financial policies in the areas of capital financing, long-term financial planning, and rate-setting to assure the short-term and long-term financial health of the Authority; and

WHEREAS, these financial policies have allowed the Authority to receive strong bond ratings that will reduce debt service costs over the ten-year planning period; and

WHEREAS, on October 15, 2009 the Interim General Manager submitted a Revised FY 2010 and Proposed Fiscal Year 2011 Operating Budget to the Board. The budget submission included the deferral of certain operating and capital costs in order to minimize customer rate impact; and

WHEREAS, on November 19, 2009, December 3, 2009 and December 17, 2009 the General Manager presented to the various committees of the board, an alternative Revised FY 2010 and Proposed Fiscal Year 2011 Operating Budget proposal, Alternative 1, based on strategic budget choices, operational and other risk factors, and customer impacts; and

WHEREAS, after extensive discussion at the January 7, 2010 meeting of the Board the Chairman of the Board remanded certain budget issues to the Environmental Quality and Operations, Retail Services, Retail Rates and Finance

and Budget Committees (jointly referred to as the "Committees") for further review and to give the General Manager an opportunity to analyze the budget based on the Board discussions; and

WHEREAS, during the January 2010 meetings of the Retail Rates and Finance and Budget Committees, the General Manager presented a proposed ten year financial plan that incorporated feedback and input from the Board; and

WHEREAS, at the January meetings of the Retail Rates and Finance and Budget Committees an updated proposed ten year financial plan was reviewed and discussed; and

WHEREAS, the updated proposed ten-year financial plan included the following major assumptions:

1. Deferring debt service payments on the Digester Project costs during period of construction;
2. Limited use of Pay-Go financing in FY 2010 and 2011;
3. Reimbursement from the District for on-going Fire-hydrant Upgrade and maintenance costs; and

WHEREAS, the Committees recommended proposed ten year financial plan be adopted by the Board; and

WHEREAS, on January 26, 2010, both the Retail Rates and Finance and Budget committees at their respective meetings, reviewed and discussed the updated proposed ten-year financial plan and recommended that the Board adopt the plan as recommended by the General Manager.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board of Directors hereby approve and adopt the General Manager's proposed Fiscal Year 2009 – 2018 Financial Plan that is supported by the attached General Manager's Proposed Schedule and expressed in the proposed Fiscal Year 2011 Operating and Capital Budgets.
2. The Board further directs the General Manager to employ best efforts to achieve the results projected in the attached General Manager Proposed Schedule

This resolution is effective immediately.


Secretary to the Board of Directors

FY 2009 - 2018 FINANCIAL PLAN
(In 000's)

OPERATING	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Retail *	236,625	260,904	300,340	332,937	367,491	403,829	431,480	460,773	490,083	508,411
Wholesale *	65,680	68,577	70,634	72,047	73,488	61,194	62,892	64,682	66,474	68,365
Other	<u>39,132</u>	<u>48,701</u>	<u>24,986</u>	<u>22,159</u>	<u>24,922</u>	<u>26,620</u>	<u>28,079</u>	<u>29,236</u>	<u>30,570</u>	<u>31,957</u>
Operating Receipts (1)	\$ 341,437	\$ 378,182	\$ 395,960	\$ 427,143	\$ 465,901	\$ 491,643	\$ 522,451	\$ 554,691	\$ 587,127	\$ 608,733
Operating Expenses	\$ (252,574)	\$ (288,481)	\$ (294,739)	\$ (304,250)	\$ (313,426)	\$ (296,380)	\$ (305,190)	\$ (314,589)	\$ (324,092)	\$ (327,747)
Debt Service	\$ (74,777)	\$ (88,494)	\$ (101,044)	\$ (115,238)	\$ (148,538)	\$ (185,381)	\$ (203,885)	\$ (223,923)	\$ (244,357)	\$ (257,457)
Net Revenues After Debt Service	\$ 14,086	\$ 1,207	\$ 177	\$ 7,655	\$ 3,937	\$ 9,882	\$ 13,376	\$ 16,179	\$ 18,678	\$ 23,529
Operating Reserve-Beg Balance	139,050	131,298	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500
Other Misc (Disbursements)/Receipts										
Wholesale/Federal True Up	3,500	(4,350)	1,616	\$ (1,065)						
Transfers To RSF	\$ (10,000)	(2,000)	-	(2,000)						
Pay-Go Financing	\$ (15,338)	\$ (655)	\$ (1,793)	\$ (4,590)	\$ (3,937)	\$ (9,882)	\$ (13,376)	\$ (16,179)	\$ (18,678)	\$ (23,529)
Operating Reserve - Ending Balance	\$ 131,298	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500
Rate Stabilization Fund(RSF) (2)	\$ (28,600)	\$ (2,600)	\$ -	\$ (2,000)	\$ (500)	\$ -	\$ -	\$ -	\$ -	\$ -
Senior Debt Service Coverage	297%	253%	238%	230%	191%	173%	165%	156%	150%	148%
Combined Debt Service Coverage	134%	120%	124%	125%	120%	120%	120%	120%	120%	121%
Proposed Water/Sewer Rate Increases	7.5%	9.0%	12.5%	8.0%	8.0%	5.5%	5.0%	6.0%	5.5%	3.0%
Operating Receipts % Increase/Decrease *										
Retail	9.2%	10.3%	15.1%	10.9%	10.4%	9.9%	6.8%	6.8%	6.4%	3.7%
Wholesale	4.5%	4.4%	3.0%	2.0%	2.0%	-16.7%	2.8%	2.8%	2.8%	2.8%

(1) Includes interest earnings on senior lien revenue bonds' debt service reserve fund

(2) FY2009 utilization of \$25 million of Rate Stabilization Fund brought the total fund balance to \$28.6 million

Capital Improvement Plan

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
BEGINNING BALANCE	\$ 7,323,907	\$ 138,584,073	\$ 629,350	\$ 120,786,839	\$ 286,476	\$ 3,598,224	\$ 3,154,808	\$ 2,869,525	\$ 3,462,132	\$ 3,464,113
SOURCES OF FUNDS:										
Proceeds from Rev. Bonds *	\$ 283,233,760	\$ 17,873,865	\$ 244,918,899	\$ 28,647,557	\$ 359,822,421	\$ 252,384,755	\$ 229,561,969	\$ 276,970,591	\$ 277,129,028	\$ 180,686,916
Proceeds from Treasury Notes/Digesters Financing Option *	-	-	50,264,000	99,500,000	-	-	-	-	-	-
Capital Equipment Financing (for 5 yrs @ 7.5%) *	-	15,618,000	13,288,000	12,638,000	8,097,000	6,795,000	-	-	-	-
Transfer from Operations	15,338,274	654,062	1,793,183	4,589,604	3,937,103	9,882,021	13,375,223	16,178,884	18,678,840	23,529,972
EPA Grants /DC Reimbursement	17,655,958	19,040,000	31,040,000	32,040,000	15,040,000	11,040,000	14,690,000	15,962,000	19,171,000	15,491,000
CSO Grants	7,379,249	22,735,000	17,488,000	38,455,000	15,022,000	-	-	-	-	-
Wholesale Customer Capital Contributions	62,138,147	88,003,000	143,610,000	228,888,000	210,688,000	83,752,000	55,035,000	74,490,000	58,293,000	27,625,000
Interest Income	151,699	629,350	1,414,407	286,476	3,598,224	3,154,809	2,869,525	3,462,132	3,464,113	2,258,586
Total Sources	\$ 385,897,087	\$ 164,553,277	\$ 503,816,489	\$ 445,044,637	\$ 616,204,748	\$ 367,008,585	\$ 315,531,717	\$ 387,063,607	\$ 376,735,981	\$ 249,591,474
USES OF FUNDS:										
Water Projects	\$ 63,518,000	\$ 63,812,000	\$ 50,562,000	\$ 46,282,000	\$ 49,342,000	\$ 56,836,000	\$ 48,672,000	\$ 43,566,000	\$ 57,607,000	\$ 57,803,000
Blue Plains Projects	102,253,000	115,486,000	204,079,000	365,530,000	335,213,000	128,115,000	80,253,000	113,264,000	85,430,000	43,124,000
Sanitary Sewer Projects	21,541,000	18,593,000	47,584,000	36,654,000	44,260,000	55,631,000	44,288,000	39,904,000	43,587,000	43,513,000
Combined Sewer	20,509,000	52,390,000	25,375,000	17,521,000	17,724,000	10,743,000	15,192,000	32,410,000	24,179,000	16,690,000
Combined Sewer LTCP	10,402,000	21,977,000	27,753,000	74,638,000	146,131,000	97,909,000	109,500,000	139,586,000	148,117,000	71,370,000
Stormwater Projects	1,378,000	2,122,000	3,600,000	3,488,000	2,770,000	2,091,000	1,420,000	1,487,000	1,527,000	1,658,000
Washington Aqueduct Division Projects	18,596,921	10,634,000	7,920,000	7,500,000	8,055,000	8,023,000	8,000,000	8,000,000	8,000,000	8,000,000
Capital Equipment	13,883,000	15,618,000	13,288,000	12,638,000	8,097,000	6,795,000	7,175,000	6,928,000	6,953,000	7,172,000
Meter Replacement / AMR	2,556,000	1,876,000	3,498,000	1,294,000	1,301,000	1,309,000	1,317,000	1,326,000	1,334,000	1,467,000
Reimbursement for Prior Capital Expend.	-	-	-	-	-	-	-	-	-	-
Total Uses	\$ 254,636,921	\$ 302,508,000	\$ 383,659,000	\$ 565,545,000	\$ 612,893,000	\$ 367,452,000	\$ 315,817,000	\$ 386,471,000	\$ 376,734,000	\$ 250,797,000
SOURCES MINUS USES	131,260,166	(137,954,723)	120,157,489	(120,500,363)	3,311,748	(443,415)	(285,283)	592,607	1,981	(1,205,526)
ENDING BALANCE	\$ 138,584,073	\$ 629,350	\$ 120,786,839	\$ 286,476	\$ 3,598,224	\$ 3,154,809	\$ 2,869,525	\$ 3,462,132	\$ 3,464,113	\$ 2,258,586

* Sourced thru retail customer rates

Presented and Adopted: February 4, 2010
Subject: Approval of Fiscal Year 2009-2018 Capital Improvement Program

#10-24
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors, (the "Board") of the District of Columbia Water and Sewer Authority, (the "Authority") at its meeting on February 4, 2010, upon consideration of a joint use matter, decided by a vote of eleven (11) in favor and none (0) opposed, to take the following action with respect to the Fiscal Year 2009–2018 Ten-Year Capital Improvement Program.

WHEREAS, the Board's financial policies require an annually updated Ten-Year Financial Plan, which includes a Ten-Year Capital Improvement Program; and

WHEREAS, on October 15, 2009 the Interim General Manager submitted a FY 2009–2018 Capital Improvement Program (CIP) that included the deferral of certain capital projects from FY 2010 and FY 2011 to later years in the CIP; and

WHEREAS, on November 19, 2009, December 3, 2009 and December 17, 2009 the General Manager presented to the various committees of the board, an alternative FY 2009–2018 Capital Improvement Program, Alternative 1, based on strategic budget choices, operational and other risk factors, and customer impacts; and

WHEREAS, Alternative 1 proposal recommended that the Board adopt a FY 2009–2018 Capital Improvement Program that projects disbursements totaling \$313,747,000 and \$459,987,000 in FY 2010 and FY 2011 respectively, which fully funds all regulatory and strategic capital program requirements, and limits operational and organizational risks associated with infrastructure failure; and

WHEREAS, the FY 2009–2018 Capital Improvement Program, Alternative 2, proposal totaling \$292,760,000 and \$387,145,000 in FY 2010 and FY 2011 respectively, requires deferral of certain costs and does not fully fund the operational and capital organizational needs required to meet all strategic initiatives; and

WHEREAS, during the months of October, November and December 2009 the various committees of the Board, including: Environmental Quality and Operations, Retail Services, Finance and Budget and Retail Rates, reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts; and

WHEREAS, on December 17, 2009, the Environmental Quality and Operations, and Retail Services Committees met and recommended that the Board adopt the Alternative 1 FY 2009–2018 Capital Improvement Program; and

WHEREAS, on December 18, 2009, the Finance and Budget Committee met and recommended that the Board adopt the Alternative 2 FY 2009–2018 Capital Improvement Program; and

WHEREAS, after extensive discussion at the January 7, 2010 meeting of the Board the Chairman of the Board remanded certain budget issues to the Environmental Quality and Operations, Retail Services, Retail Rates and Finance and Budget Committees (jointly referred to as the “Committees”) for further review and to give the General Manager an opportunity to analyze the budget based on the Board discussions; and

WHEREAS, during the January 2010 meetings of the Environmental Quality and Operations and Finance and Budget Committees, the General Manager presented a revised FY 2009-2018 Capital Improvement Program that projects disbursements totaling \$302,508,000 and \$383,659,000 in FY 2010 and FY 2011 respectively, that incorporated feedback and input from the Board; and

WHEREAS, at the January meetings of the Committees the revised FY 2009–2018 Capital Improvement Program was reviewed and discussed; and

WHEREAS, the Committees recommended that the revised FY 2009–2018 Capital Improvement Program be adopted by the Board.

NOW THEREFORE, BE IT RESOLVED THAT:

The Board of Directors hereby approves and adopts the District of Columbia Water and Sewer Authority’s Fiscal Year 2009–2018 Capital Improvement Plan as reflected in the January 2010 General Manager’s Recommended Plan with a lifetime budget totaling \$ 7,538,367,000 (Attachment A) and related ten-year disbursements budget of \$3,816,511,000 (Attachment B) as further detailed in Attachment B presented by the General Manager.

This resolution is effective immediately.


Secretary to the Board of Directors

FY 2009 - FY 2018 Capital Improvement Plan

Project Lifetime Budgets by Program Area (\$ 000's)

	FY 2010 Approved	FY 2010 Revised / FY 2011 Proposed	Variance
<u>Wastewater Treatment</u>			
Liquid Processing Projects	573,746	588,541	14,795
Plantwide Projects	259,325	339,356	80,031
Solids Processing Projects	664,612	689,665	25,053
Blue Plains Total Nitrogen Removal (BTN)	950,000	977,333	27,333
Sub-total	2,447,683	2,594,895	147,212
<u>Sanitary Sewer</u>			
Sanitary Collection Sewers	10,966	115,686	104,720
Sanitary On-Going Projects	89,295	129,867	40,572
Sanitary Pumping Facilities	22,999	25,898	2,899
Sanitary Sewer Projects Program Management	39,045	100,235	61,190
Sanitary Interceptor/Trunk Force Sewers	125,666	328,671	203,005
Sub-total	287,971	700,357	412,386
<u>Combined Sewer Overflow</u>			
CSO Program Management	24,199	55,239	31,040
Combined Sewer Projects	383,097	478,663	95,566
Long-Term Control Plan- Total			
Anacostia Tunnel	1,372,545	1,673,325	300,780
Potomac Tunnel	418,700	418,700	-
Rock Creek Tunnel	70,342	70,342	-
Sub-total	2,268,883	2,696,269	427,386
<u>Stormwater</u>			
Stormwater Extensions/Local Drainage	4,026	15,799	11,773
Stormwater On-Going Program	8,093	8,863	770
Stormwater Pumping Facilities	1,173	0	(1,173)
DDOT Stormwater Program	4,631	4,846	215
Stormwater Projects Program Management	7,630	10,630	3,000
Stormwater Trunk/Force Sewers	18,405	18,605	200
Sub-total	43,958	58,743	14,785
<u>Water</u>			
Water Distribution Systems	369,634	618,425	248,791
Water Lead Program	297,000	200,000	(97,000)
Water On-Going Projects	74,158	68,432	(5,726)
Water Pumping Facilities	116,143	133,342	17,199
DDOT Water Projects	37,111	39,222	2,111
Water Storage Facilities	33,999	49,562	15,563
Water Projects Program Management	23,342	51,107	27,765
Meter Replacement /AMR Installation	59,638	42,833	(16,805)
Sub-total	1,011,025	1,202,923	191,898
Washington Aqueduct	196,474	186,634	(9,840)
Capital Equipment	104,633	98,546	(6,087)
Total WASA CIP Lifetime (see notes)	6,360,627	7,538,367	1,177,740

Notes:

1 Lifetime budgets shown here represent total budgets for projects that are active during the current 10-year CIP. Lifetime budgets include historical spending prior to the beginning of the current 10-year plan, spending during the 10-year plan, and projected spending beyond the current 10-year plan. Projects completed in FY 2009 will be dropped from the CIP next year.

2 These budgets do not include inhouse labor costs, which historically have averaged \$7 to \$8 million annually and are applicable to, primarily, the time charged to capital projects by employees in the Departments of Engineering, Sewer Services, and Water Services.

FY 2009 - FY 2018 PROJECTED CAPITAL IMPROVEMENT PLAN - DISBURSEMENTS BASIS (\$ in 000's)

	FY 2009 Actuals	FY 2010 Revised	FY 2011 Proposed	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Total FY '09 -'18
Wastewater Treatment											
Liquid Processing Projects	\$67,598	\$43,970	\$22,774	\$37,428	\$12,820	\$7,241	\$1,623	\$1,755	\$1,540	\$1,594	\$198,342
Plantwide Projects	12,344	18,932	25,702	17,102	16,970	11,084	3,073	6,668	4,914	10,326	127,116
Solids Processing Projects	11,694	33,153	67,674	174,020	144,672	31,926	6,226	6,536	1,248	161	477,310
BTN - Total Nitrogen Program	10,617	19,431	87,929	136,980	160,751	77,864	69,331	98,306	77,728	31,043	769,978
Sub-total	102,253	115,486	204,079	365,530	335,213	128,115	80,253	113,264	85,430	43,124	1,572,746
Sanitary Sewer											
Sanitary Collection Sewers	61	441	3,265	4,883	11,217	10,345	3,792	4,733	6,867	8,754	54,357
Sanitary On-Going Projects	9,222	7,369	10,508	9,226	7,429	7,566	7,814	8,032	8,242	8,512	83,920
Sanitary Pumping Facilities	7,759	3,371	1,012	813	530	530	-	-	-	-	14,014
Sanitary Sewer Projects Program Management	2,541	3,698	4,083	3,627	4,299	5,353	5,171	5,312	5,968	6,911	46,964
Sanitary Interceptor/Trunk Force Sewers	1,958	3,714	28,717	18,105	20,786	31,837	27,511	21,828	22,510	19,336	196,302
Sub-total	21,541	18,593	47,584	36,654	44,260	55,631	44,288	39,904	43,587	43,513	395,557
Combined Sewer Overflow / Long Term Control Plan											
CSO Program Management	1,164	3,067	3,333	2,348	2,026	2,464	1,976	1,666	1,787	2,441	22,272
Combined Sewer Projects:Nine Minimum Controls	19,007	46,986	14,444	4,544	1,521	482	8	-	-	-	86,992
Combined Sewer Projects:Others	338	2,337	7,598	10,629	14,177	7,797	13,208	30,744	22,392	14,249	123,469
Long-Term Control Plan-											
Anacostia Tunnel	10,402	21,977	27,753	74,638	146,131	97,909	107,881	133,962	141,825	61,346	823,824
Potomac Tunnel	-	-	-	-	-	-	1,619	5,381	5,484	9,187	21,671
Rock Creek Tunnel	-	-	-	-	-	-	-	243	808	837	1,888
Sub-total	30,911	74,367	53,128	92,159	163,855	108,652	124,692	171,996	172,296	88,060	1,080,116
Stormwater											
Stormwater Local Drainage	-	64	1,047	401	309	494	692	830	916	955	5,708
Stormwater On-Going Program	207	506	445	278	283	297	308	359	326	338	3,347
Stormwater Pumping Facilities	-	-	-	-	-	-	-	-	-	-	-
DDOT Stormwater Program	-	49	140	86	88	92	193	110	90	99	946
Stormwater Research and Program Management	1,105	1,023	793	257	229	278	223	187	196	267	4,558
Stormwater Trunk/Force Sewers	66	479	1,174	2,467	1,860	930	5	-	-	-	6,980
Sub-total	1,378	2,122	3,600	3,488	2,770	2,091	1,420	1,487	1,527	1,658	21,539
Water											
Water Distribution Systems	33,065	33,574	25,185	24,193	26,558	31,177	27,345	26,497	34,110	35,886	297,590
Water On-Going Projects	10,394	6,301	5,183	2,876	3,211	3,552	3,635	3,833	4,950	4,109	48,043
Water Pumping Facilities	5,505	7,293	8,952	8,755	3,981	1,018	237	1,776	5,107	3,805	46,430
DDOT Water Projects	705	2,381	2,243	1,189	1,188	1,248	1,290	1,284	1,323	1,386	14,238
Water Storage Facilities	716	144	1,611	1,425	5,830	10,915	6,609	814	2,616	3,165	33,845
Water Projects Program Management	2,663	2,657	3,248	3,092	3,080	3,109	3,953	3,851	3,845	3,897	33,394
Water Lead Program	10,470	11,461	4,141	4,751	5,494	5,816	5,603	5,511	5,658	5,555	64,461
Meter Replacement /AMR Installation	2,556	1,876	3,498	1,294	1,301	1,309	1,317	1,326	1,334	1,467	17,278
Sub-total	66,074	65,688	54,060	47,576	50,643	58,145	49,989	44,892	58,941	59,270	555,279
Washington Aqueduct	18,596	10,634	7,920	7,500	8,055	8,023	8,000	8,000	8,000	8,000	92,728
Capital Equipment	13,883	15,618	13,288	12,638	8,097	6,795	7,175	6,928	6,953	7,172	98,546
Total FY 2011 WASA Capital Improvement Program	\$254,636	\$302,508	\$383,659	\$565,545	\$612,893	\$367,452	\$315,817	\$386,471	\$376,734	\$250,797	\$3,816,511

Presented and Adopted: February 4, 2010
Subject: Approval of Fiscal Year 2011 Capital Authority Request

#10-25
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors, (the "Board") of the District of Columbia Water and Sewer Authority, (the "Authority") at its meeting on February 4, 2010, upon consideration of a joint-use matter, decided by a vote of eleven (11) in favor and none (0) opposed, to take the following action with respect to the Fiscal Year 2011 Capital Authority request which is to be submitted to the United States Congress.

WHEREAS, in October 2009, the Interim General Manager presented the FY 2011 Proposed Capital Authority request of \$310,117,000; and

WHEREAS, on December 17, 2009 the Environmental Quality and Operations and Retail Services Committees recommended that the Board adopt the Capital Authority request of \$310,117,000; and

WHEREAS, on December 18, 2009, the Finance and Budget Committee met and recommended that the Board adopt the Proposed Capital Authority request of \$310,117,000; and

WHEREAS, after extensive discussion at the January 7, 2010 meeting of the Board the Chairman of the Board remanded certain budget issues to the Environmental Quality and Operations, Retail Services, Retail Rates and Finance and Budget Committees (jointly referred to as the "Committees") for further review and to give the General Manager an opportunity to analyze the budget based on the Board discussions; and

WHEREAS, during the January 2010 meetings of the Committees, the General Manager presented a proposed FY 2011 Capital Authority request totaling \$382,267,000 that incorporated feedback and input from the Board; and

WHEREAS, at the January meetings of the Committees a proposed FY 2011 Capital Authority request was reviewed and discussed; and

WHEREAS, the Committees recommended a proposed FY 2011 Capital Authority request be adopted by the Board; and

WHEREAS, the request is to be submitted to the United States Congress.

NOW THEREFORE BE IT RESOLVED THAT:

The Board of Directors hereby approves and adopts the District of Columbia Water and Sewer Authority's Fiscal Year 2011 Capital Authority request totaling \$382,267,000 which is to be submitted to the United States Congress as shown in Attachment A to this resolution.

This resolution is effective immediately.


Secretary to the Board of Directors

**Fiscal Year 2011 Capital Authority Request
(\$ 000's)**

<u>Service Areas</u>	<u>Fiscal Year 2011 Capital Authority Request</u>
Blue Plains Wastewater Treatment	\$22,968
Sanitary Sewer System	142,591
Combined Sewer Overflow	201,666
Stormwater	4,328
Water System ¹	0
Washington Aqueduct (WASA share)	5,108
Capital Equipment	<u>5,606</u>
Total	<u>\$382,267</u>

¹ The authority request is zero, as, existing (currently available) capital authority in this service area is in excess of projected commitments in FY 2010, FY 2011, FY 2012 and FY 2013.

Presented and Adopted: February 4, 2010
Subject: Publishing of Proposed Notice of Rulemaking to
Amend the District of Columbia Fire Protection Service
Fee

#10-26
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The District members of the Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority (“the Authority”) at the Board meeting held on February 4, 2010 decided, in a non-joint use matter, by a vote of six (6) in favor and none (0) opposed, to take the following action with respect to the proposed Fire Protection Service Fee.

WHEREAS, the Retail Rates Committee met on November 24, 2009 to consider the proposed Fire Protection Service Fee increase; and

WHEREAS, the Retail Rates Committee took this fee increase under review as a result of the escalation in costs resulting from the Memorandum of Understanding between the Authority and the District of Columbia Fire and Emergency Services Department dated October 25, 2007 covering fire protection services, and the independent cost of service study entitled “Report Regarding Fire Service Charges”, undertaken by the Authority dated January 22, 2009; and

WHEREAS, the Retail Rates Committee recommended that the Board consider for public comment an increase in the Fire Protection Service Fee from Two Hundred Seventeen Dollars (\$217.00) to Six Hundred Eighty Dollars and Forty–Eight Cents (\$680.48) per fire hydrant, per year; and

WHEREAS, the Board wishes to proceed with this amendment to Title 21 DCMR, Chapter 41 Retail Water and Sewer Rates, Section 4103, Fire Protection Service Fee.

NOW THEREFORE BE IT RESOLVED THAT:

1. The General Manager is authorized to publish the attached Notice of Proposed Rulemaking, in conformance with the requirements of the Office of Documents, in order to amend Title 21 DCMR, Chapter 41, Section 4103 as set out therein.
2. The General Manager is further authorized to publish notice of a public hearing to receive comments on the attached Notice of Proposed Rulemaking.

3. This resolution shall be effective immediately.


Secretary to the Board of Directors

Attachment

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

NOTICE OF PROPOSED RULEMAKING

The Board of Directors of the District of Columbia Water and Sewer Authority ("the Board"), pursuant to the authority set forth in Section 216 of the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996, effective April 18, 1996 (D.C. Law 11-111, §§ 203(3), (11) and 216; D.C. Code §§ 34-2202.03(3), (11) and 34-2202.16, Section 6(a) of the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat. 1206; D.C. Code § 2-505(a), and in accordance with 21 District of Columbia Municipal Regulations (DCMR) Chapter 40, hereby gives notice of its intention to amend Title 21 DCMR Water and Sanitation Regulations, Chapter 41, Retail Water and Sewer Rates, Section 4103, Fire Protection Service Fee.

The Board expressed its intention to amend the DCMR at its regularly scheduled Board meeting held February 4, 2010 pursuant to Board Resolution # 10-26. Final rulemaking action shall be taken in not less than thirty (30) days from the date of publication of this notice in the *D.C. Register*.

Comments on these proposed rules should be submitted, in writing, no later than thirty (30) days after the date of publication of this notice in the *D.C. Register* to, Linda R. Manley, Secretary to the Board, District of Columbia Water and Sewer Authority, 5000 Overlook Ave., S.W., Washington, D.C. 20032, or email Lmanley@dcwasa.com. Copies of these proposed rules may be obtained from the Authority at the same address.

In addition, the Board will also receive comments on these proposed rates at a public hearing at a later date. The public hearing notice will be published in subsequent edition of the District of Columbia Register.

I. Timing of Final Action on Proposed Rulemaking

No final action will be taken on the Rulemaking Proposal described in this notice until after each of the following events has occurred:

1. A public hearing is held to receive comments on the proposed rulemaking.
2. The public comment period on this rulemaking expires; and
3. The Board of Directors takes final action after public comments are considered.

II. Rulemaking Proposal

The following rulemaking action is proposed:

Title 21 DCMR, Chapter 41 RETAIL WATER AND SEWER RATES, Section 4103 FIRE PROTECTION SERVICE FEE, Subsection 4103.1 is amended to read as follows:

4103 FIRE PROTECTION SERVICE FEE

4103.1 The Charge to the District of Columbia (District) for fire protection service, including, but not limited to the delivery of water flows for firefighting as well as maintaining and upgrading public fire hydrants in the District of Columbia, (plus the cost of fire hydrant inspections performed by the DC Fire and Emergency Medical Services) shall be Six Hundred and Eighty Dollars and Forty Eight Cents (\$680.48) per fire hydrant, per year, effective April 12, 2010. The fee may be examined every three years to determine if the fee is sufficient to recoup the actual costs for providing this service. In the event the costs are not being recouped, the District shall pay the difference and the fee will be appropriately adjusted pursuant to the rulemaking process.

Presented and Adopted: February 4, 2010
Subject: Approval of “Plan for WASA Board’s Low Impact Development Grant Initiative”

#10-27
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors (the “Board”) of the District of Columbia Water and Sewer Authority, (the “Authority”) at its meeting on February 4, 2010, upon consideration of a non-joint-use matter, decided by a vote of six (6) in favor and none (0) opposed, to take the following action with respect to the “Plan for WASA Board’s Low Impact Development Grant Initiative”.

WHEREAS, the Board, in Resolution #07-17, directed management to include funding of one million dollars (\$1,000,000) to accommodate the Board’s Low Impact Development Grant initiative said sum to remain available for expenditure beyond FY 2007 unless rescinded by action of the Board; and

WHEREAS, the Board required management to provide the Board, for approval, a comprehensive plan for the Low Impact Development Grant initiative; and

WHEREAS, management has presented the “Plan for WASA Board’s Low Impact Development Grant Initiative” to the Retail Services Committee at its meeting on December 17, 2009; and

WHEREAS, the Retail Services Committee recommended that the Board approve the “Plan for WASA Board’s Low Impact Development Grant Initiative”.

NOW THEREFORE BE IT RESOLVED THAT:

The Board hereby adopts and approves the implementation of the “Plan for WASA Board’s Low Impact Development Grant Initiative” submitted by the management as set forth in Attachment 1.

This resolution is effective immediately.


Secretary to the Board of Directors

Plan for WASA Board's Low Impact Development Grant Initiative

I. Introduction:

At its meeting of February 8, 2007, the Board of Directors (BOD) of the District of Columbia Water and Sewer Authority (DCWASA) adopted Resolution #07-17 approving the FY 2007 Operating Budget for DCWASA, and set aside funds to "... accommodate the Board's Low Impact Development Grant initiative (\$1 million)..." Also included in the resolution was the following: "... the Finance and Budget Committee also recommended that management provide to the Board for approval, a comprehensive plan for the Low Impact Development Grant initiative:"

The Office of the General Counsel has reviewed the issue of WASA providing Low Impact Development (LID) grants, and has advised that WASA would need to seek legislative authority to issue grants. Further, if WASA intends to provide grant funds to private persons or entities, revisions to the enabling legislation will be required.

In light of the above finding, it is recommended that the Board's LID initiative be aimed toward increasing the use of LID approaches in public space, through cooperative agreements with other District Agencies, such as the Departments of Environment and Transportation.

II. Plan for use of Board Approved LID Funds:

- (1) Purpose of these funds would be to encourage LID projects to demonstrate effectiveness of LID technologies in reducing combined sewer overflow (CSO).
- (2) Use of the Board approved LID funds will be confined to projects and related activities located in public space in the District of Columbia.
- (3) Before any portion of the funds is committed, WASA General Manager shall enter into a memorandum of understanding (MOU) with the appropriate District agencies initiating the undertaking (planning, design, construction, operation and maintenance) of the LID specifying the purpose, project description and scope of WASA's participation.
- (4) Under the MOU, WASA may undertake implementation of some or all of the proposed LID and related activities with its own staff or its contractors. In such cases, related costs of WASA activities shall be funded from the Board approved LID funds.
- (5) If the project requires transfer of funds to the District agency responsible for implementation of the proposed LID project and related activities, an Inter-Agency Memorandum of Understanding (MOU) shall be executed for this purpose.

III. Potential Projects

On June 17, 2009, WASA General Manager received a request from the Director, D.C. Department of Environment to provide funding for proposed inter-agency LID projects and related activities in public space at several locations in the Rock Creek watershed. It is proposed that WASA participate in this project and use the Board approved LID funds for this purpose.

The General Manager may participate in other such projects initiated by public agencies until the allocated funds are depleted.

IV. Report to the Board:

The General Manager shall report on the use of the Board Approved LID funds.

Presented and Adopted: February 4, 2010
Subject: Publishing of Proposed Notice of Rulemaking to
Expand the Customer Assistance Program (CAP)

#10-28
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The District members of the Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at the Board meeting held on February 4, 2010 decided, in a non-joint use matter, by a vote of six (6) in favor and none (0) opposed, to take the following action with respect to expansion of the Customer Assistance Program (CAP).

WHEREAS, the Retail Rates Committee met on December 18, 2009 and January 26, 2010 to consider the proposed FY 2011 rate and fee changes and cost drivers; and

WHEREAS, the Retail Rates Committee recommended that the Board initiate rulemaking to expand the Customer Assistance Program (CAP) discount for qualifying low-income customers to exempt up to 4 Ccf per month from volumetric Payment in Lieu of Taxes (PILOT) and Right of Way (ROW) fees starting in FY 2011.

NOW THEREFORE BE IT RESOLVED THAT:

1. The General Manager shall amend the Customer Assistance Program (CAP) regulations to expand the CAP to qualifying low-income customers to exempt Payment in Lieu of Taxes (PILOT) and Right of Way (ROW) fees in the manner as the CAP is applied to water and sewer service charges, which shall contain the following revisions.

4102 CUSTOMER ASSISTANCE PROGRAM

4102.1 LIFELINE PROGRAM FOR HOUSEHOLDS AND TENANTS

- (a) Eligible households and tenants will receive an exemption from water service charges, sewer service charges, and Payment in Lieu of Taxes (PILOT) and Right of Way (ROW)

fees of the first Four Hundred Cubic Feet (4 Ccf) per month, of water consumption.

2. The General Manager is authorized to take all steps necessary in his judgment and as otherwise required, to publish a Notice of Proposed Rulemaking in the District of Columbia Register for the amendments to the Customer Assistance Program regulations and initiate the public process 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

Presented and Adopted: February 4, 2010
SUBJECT: Proposed Water and Sewer Service Rates, Right-of-Way (ROW) and Payment in Lieu of Taxes (PILOT) Fee, Impervious Area Charge (IAC) and Customer Metering Fee for Fiscal Year 2011

#10-29
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The District members of the Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at the Board meeting held on February 4, 2010 in a non-joint use matter, decided by a vote of six (6) in favor and none (0) opposed, to take the following action with respect to the proposed retail rates for water and sewer service, impervious area charge (IAC), the right of way occupancy fee pass through charge (ROW) and payment in lieu of taxes (PILOT) fee and customer metering fee.

WHEREAS, the Board has adopted a rate-setting policy that calls for implementation of retail rate increases in a gradual and predictable manner, avoiding large one-time rate increases; and

WHEREAS, the Board has adopted a ten year financial plan that requires annual rate increases to generate sufficient revenues to pay for the Authority's projected operating and capital expenses and will assure compliance with Board policies regarding maintenance of senior debt coverage and cash reserves; and

WHEREAS, the Retail Rates Committee met on December 18, 2009 to consider the proposed rate and fee changes and cost drivers; and

WHEREAS, after extensive discussion at the January 7, 2010 meeting of the Board the Chairman of the Board remanded certain budget issues to the Environmental Quality and Operations, Retail Services, Retail Rates and Finance and Budget Committees (jointly referred to as the "Committees") for further review and to give the General Manager an opportunity to analyze the budget based on the Board discussions; and

WHEREAS, the Retail Rates Committee met on January 26, 2010 to consider the January 2010 General Manager's proposed rate and fee changes; and

WHEREAS, the Retail Rates Committee recommended that the Board consider for public comment a combined retail water and sewer rate increase of \$0.77 per Ccf; and

WHEREAS, the increase in water and sewer rates would result in a combined water and sewer rate that approximates \$6.89 per One Hundred Cubic Feet (“Ccf”) or \$0.92 per 100 gallons of metered water and sewer use; and

WHEREAS, the Retail Rates Committee recommended that the Board consider for public comment an increase in the impervious area charge of \$1.25 per Equivalent Residential Unit (ERU) to recover the \$2.7 billion costs of the Combined Sewer Overflow Long-Term Control Plan (CSO LTCP); and

WHEREAS, the Retail Rates Committee recommended that the Board in order to reduce the Authority’s continued exposure to consumption fluctuation consider for public comment an increase in the fixed metering charge which previously only recovered costs for replacing meters, to now include costs for installing, operating and maintaining meters; and

WHEREAS, the Retail Rates Committee recommended that the Board consider for public comment an increase in the fixed customer metering charge based on meter size ranging from \$1.85 per month for a 5/8 inch meter (typical size for a residential customer meter) to \$167.69 per month for a 16 inch meter, to recover the costs of installing, operating, maintaining and replacing meters; and

WHEREAS, the Retail Rates Committee recommended that the Board consider for public comment an increase in the ROW / PILOT fee of \$0.06 per Ccf to recover the full cost of this District of Columbia government charges, pending approval of a PILOT certification of cost from the District of Columbia Chief Financial Officer (DC CFO); and

WHEREAS, the public comment and notification process of the proposed rate and fee increases will occur over the next several months and it is the intent of the Board to take final action on the proposed rate and fee increases at the conclusion of the notification and comment period; and

WHEREAS, adoption of these rates and fee changes would increase the monthly bill of the average residential customer using 6.69 Ccf approximately \$8.66 per month or \$103.92 per year; and

WHEREAS, the Authority’s retail revenue projections for Fiscal Year 2011 reflect an approximate \$37.17 million increase due to the proposed \$24.67 million increase in retail water and sewer rates, an approximate \$1.9 million increase due to the proposed ROW / PILOT fee increase, and an approximate \$5.4 million increase due to the proposed IAC increase, and an approximate \$5.2 million increase due to the proposed customer metering fee increase.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board finds that the Authority's projected expenditures require that it propose, for public comment, the approximate rate and fee increases described below:

Water Service Rates

- a. An increase in the rate for retail metered water service from \$2.51 per One Hundred Cubic Feet ("Ccf"), to \$3.10 per Ccf, effective October 1, 2010

Sewer Service Rates

- b. An increase in the rate for retail sanitary sewer service from \$3.61 per One Hundred Cubic Feet ("Ccf") to \$3.79 per Ccf, effective October 1, 2010
- c. An increase in the annual Impervious Area Charge (IAC) from \$26.40 to \$41.40 per Equivalent Residential Unit (ERU). The charge per ERU will be billed monthly at \$3.45 for each ERU, effective October 1, 2010

Right of Way Occupancy Fee Pass Through Charge / PILOT Fee

- d. An increase in the ROW / PILOT fee from \$0.57 per Ccf to \$0.63 per Ccf, effective October 1, 2010 divided as follows:
 - i. District of Columbia Right of Way fee - \$0.14 per Ccf.
 - ii. Payment in Lieu of Taxes to the Office of the Chief Financial Officer (OCFO) of the District of Columbia - \$0.49 per Ccf; and

Customer Metering Fee

- e. An increase in the customer metering fee, based on meter size from, \$2.01 to \$3.86 for a 5/8 inch meter (typical residential customer meter.), Increases for other meter sizes as shown in the table of fees below, effective October 1, 2010

Meter Size:	5/8"	3/4"	1	1x1.25	1x1.5	2	2x1/2	3	3x5/8	3x3/4	4	4x3/4	4x1	4x2	4x2 5/8	6	6 X 1	6 X 1 X 1/2	6x1.5	6x3 3/4	8	8x2	8x4x1	10	10x6	10x2	12	16	
Proposed Customer Metering Fee	\$ 3.86	\$ 4.06	\$ 4.56	\$ 4.83	\$ 6.68	\$ 7.54	\$ 8.00	\$ 76.98	\$ 77.94	\$ 77.94	\$ 137.37	\$ 138.15	\$ 138.15	\$ 138.15	\$ 181.04	\$ 288.14	\$ 272.70	\$ 323.09	\$ 323.09	\$ 323.09	\$ 323.29	\$ 323.29	\$ 323.29	\$ 358.26	\$ 317.91	\$ 403.62	\$ 403.62	\$ 329.66	\$ 349.45

2. The General Manager is authorized to take all steps necessary in his judgment and as otherwise required, to initiate the public comment process and shall provide notice of the proposed rate adjustments in the manner provided by 21 DCMR, Chapter 40 and the District of Columbia's Administrative Procedures.

This resolution is effective immediately.


Secretary to the Board of Directors