

Presented and Adopted: July 3, 2013

**SUBJECT: Approval to Execute Supplemental Agreement No. 4 of
Contract No. DCFA #417, Brown & Caldwell**

**#13-68
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on July 3, 2013 upon consideration of a joint use matter decided by a vote of eleven (11) in favor and none (0) opposed to execute Supplemental Agreement No. 4 of Contract No. DCFA #417, Brown & Caldwell.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Supplemental Agreement No. 4 of Contract No. DCFA #417, Brown & Caldwell. The purpose of the supplemental agreement is to continue design related assistance during construction and assistance with commissioning and start up of the MPT, CHP and Final Dewatering contracts. The supplemental agreement amount is \$7,840,659.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: July 3, 2013

**SUBJECT: Approval to Execute Supplemental Agreement No. 2 of
Contract No. DCFA #420, Greeley and Hansen, LLC**

**#13-69
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on July 3, 2013 upon consideration of a joint use matter decided by a vote of eleven (11) in favor and none (0) opposed to execute Supplemental Agreement No. 2 of Contract No. DCFA #420, Greeley and Hansen, LLC

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Supplemental Agreement No. 2 of Contract No. DCFA #420, Greeley and Hansen, LLC. The purpose of the supplemental agreement is to facilitate startup of the Anacostia River Projects by Consent Decree milestone and facility planning for CSO control projects in the Potomac River and Rock Creek watersheds. The supplemental agreement amount is \$67,600,000.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: July 3, 2013

**SUBJECT: Approval to Execute Supplemental Agreement No. 2 of
Contract No. DCFA #421, JA Underground: Professional
Corporation**

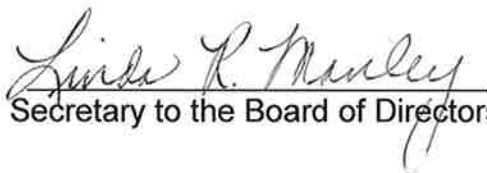
**#13-70
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on July 3, 2013 upon consideration of a joint use matter decided by a vote of eleven (11) in favor and none (0) opposed to execute Supplemental Agreement No. 2 of Contract No. DCFA #421, JA Underground: Professional Corporation

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Supplemental Agreement No. 2 of Contract No. DCFA #421, JA Underground: Professional Corporation. The purpose of the supplemental agreement is to provide additional tunnel and geotechnical engineering services to ensure attainment of all Consent Decree milestones. The supplemental agreement amount is \$68,761,000.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: July 3, 2013

SUBJECT: Approval to Execute Change Order No. 02 of Contract No. 090220, Corinthian Contractors, Inc.

**#13-71
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on July 3, 2013 upon consideration of a joint use matter decided by a vote of eleven (11) in favor and none (0) opposed to execute Change Order No. 02 of Contract No. 090220, Corinthian Contractors, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Change Order No. 02 of Contract No. 090220, Corinthian Contractors, Inc. The purpose of the change order is to provide support for the inspection of the Odd and Even sides of the Nitrification Return Activated Sludge pipeline, perform selected repairs to assure continuous operation of the pipeline and modify existing substation USS-5. The change order amount is \$2,500,000.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: July 3, 2013

**SUBJECT: Approval to Execute Supplemental Agreement No. 2 of
Contract No. DCFA #431, Samaha Associates**

**#13-72
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on July 3, 2013 upon consideration of a joint use matter decided by a vote of eleven (11) in favor and none (0) opposed to execute Supplemental Agreement No. 2 of Contract No. DCFA #431, Samaha Associates.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Supplemental Agreement No. 2 of Contract No. DCFA #431, Samaha Associates. The purpose of the supplemental agreement is to provide the bridge-design work to allow DC Water to undertake a design-build for the new Administrative Headquarters facility at "O" Street site. The supplemental agreement amount is \$3,600,000.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: July 3, 2013
SUBJECT: FY 2013 Transfer to the Rate Stabilization Fund

#13-73
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 July 3, 2013, decided by a vote of eleven (11) in favor and none (0) opposed, to approve the following action with respect to the transfer of an additional three million and four hundred thousand dollars (\$3,400,000) from operating funds to the Rate Stabilization Fund no later than September 1, 2013.

WHEREAS, on November 1, 2007, the Board adopted Resolution #07-87, which approved a Rate Stabilization Fund Policy and authorized the General Manager to implement the policy; and

WHEREAS, on July 1, 2010, the Board Resolution #10-76, which approved revisions to the “Rate Stabilization Fund Policy” establishing deadlines for the General Manager to analyze the Authority’s financial performance and make recommendations to the Finance and Budget Committee for transfers to the Rate Stabilization Fund no later than July; and

WHEREAS, on January 6, 2011, the Board Resolution #11-10, which approved a revised Rate Setting Policy, which states “to the extent annual revenues exceed costs, the Board’s policy will continue to utilize all available options to mitigate future customer impacts and annual rate increases, including transferring some or all excess funds to the Rate Stabilization Fund”; and

WHEREAS, on January 3, 2013, the Board approved a ten-year financial plan that provided for the transfer of four million and one hundred thousand dollars (\$4,100,000) to the Rate Stabilization Fund from estimated excess FY 2012 year-end cash balance; and

WHEREAS, upon consideration on June 27, 2013, the Finance and Budget Committee recommended the transfer of an additional three million and four hundred thousand dollars (\$3,400,000) from the Authority’s estimated excess FY 2013 year-end cash balance to the Rate Stabilization Fund no later than September 1, 2013.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board approves the transfer of an additional three million and four hundred thousand dollars (\$3,400,000) from the Authority's estimated excess FY 2013 year-end cash balance to the Rate Stabilization Fund no later than September 1, 2013. This brings the sum total of transfers to the Rate Stabilization Fund for FY 2013 to seven million and five hundred thousand dollars (\$7,500,000), and the total balance in the Rate Stabilization Fund to twenty-eight million nine hundred and fifty thousand dollars (\$28,950,000).
2. This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: July 3, 2013
SUBJECT: FY 2013 Transfer to Pay-As-You-GO Capital Financing

#13-74
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 July 3, 2013, decided by a vote of eleven (11) in favor and none (0) opposed, to approve the following action with respect to transfer of an additional ten million dollars (\$10,000,000) from excess operating funds to Pay-As-You-Go (PAYGO) capital projects financing no later than September 1, 2013.

WHEREAS, on February 3, 2011, the Board of Directors in Resolution #11-22 approved the PAYGO Capital Financing Policy, which provides "more specific guidance on the critical decision making and use of excess cash for the capital program (PAYGO)"; and

WHEREAS, on January 3, 2013, the Board approved a ten-year financial plan that provided for the estimated utilization of twenty-three million eight hundred and fifty-seven thousand dollars (\$23,857,000) in PAYGO capital projects financing; and

WHEREAS, on June 27, 2013, the Finance and Budget Committee received management's recommendation of amounts to consider for transfer to the PAYGO capital projects financing from FY 2013 estimated operating surplus (cash in excess of operating reserve requirement); and

WHEREAS, upon consideration on June 27, 2013, the Finance and Budget Committee recommended the transfer of an additional ten million dollars (\$10,000,000) from the Authority's Operating Fund for PAYGO capital project financing no later than September 1, 2013.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board approves the transfer of an additional ten million dollars (\$10,000,000) from the Authority's Operating Fund for Pay-As-You-Go capital projects financing no later than September 1, 2013. This brings the estimated total PAYGO utilization for FY 2013 to thirty-three million eight hundred and fifty-seven thousand dollars (\$33,857,000).

2. This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: July 3, 2013
SUBJECT: FY 2013 Transfer to the DC PILOT Reserve Fund

#13-75
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 July 3, 2013, decided by a vote of eleven (11) in favor and none (0) opposed, to approve the following action with respect to the transfer of seven million and nine hundred thousand dollars (\$7,900,000) from excess operating funds to the DC PILOT Reserve Fund no later than September 1, 2013.

WHEREAS, the Authority and the District have previously entered into previous Memorandum of Understanding and amendments (MOUs) regarding the Payment in Lieu of Taxes (PILOT), which is intended to compensate the District for various municipal services (including public safety, administrative, and financial services) provided to DC Water with specific limitations; and

WHEREAS, the Authority and the District have disputed certain changes in the bill and support for each of the payments/receipts referenced by the various MOUs; and

WHEREAS, the Authority has remitted PILOT payments to the District at the FY 2007 level since October 2007 at the direction of the Board of Directors, pending resolution of disputed elements in the billing structure; and

WHEREAS, the Authority and the District have agreed that they will continue negotiations on permanent changes to the current methodology and approach for assessing the DC PILOT; and

WHEREAS, In September 2011, the Authority established a DC PILOT Reserve Fund with ten million dollars (\$10,000,000) to accommodate unanticipated shortfalls, pending resolution of the billing issues and ratification of the MOUs; and

WHEREAS, In September 2012, the Authority transferred additional four million four hundred and sixty-eight thousand dollars (\$4,468,000) to the DC PILOT Reserve Fund to accommodate unanticipated shortfalls, pending resolution of the billing issues and ratification of the MOUs; and

WHEREAS, on June 27, 2013, the Finance and Budget Committee received management's recommendation of amounts to consider for transfer to the DC PILOT Reserve Fund from FY 2013 estimated operating surplus (cash in excess of operating reserve requirement); and

WHEREAS, upon consideration on June 27, 2013, the Finance and Budget Committee recommended the transfer of seven million and nine hundred thousand dollars (\$7,900,000) from the Authority's Operating Fund to the DC PILOT Reserve Fund no later than September 1, 2013.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board approves the transfer of seven million and nine hundred thousand dollars (\$7,900,000) from the Authority's Operating Fund to the DC PILOT Reserve Fund no later than September 1, 2013. This brings the total balance in the DC PILOT Reserve Fund to twenty-two million three hundred and sixty eight thousand dollars (\$22,368,000).
2. This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: July 3, 2013
Subject: Approval of Revised Fiscal Year 2014 Operating Budget

#13-76
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 July 3, 2013, 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 2014 Operating Budget.

WHEREAS, on January 3, 2013, the Board approved and adopted the District of Columbia Water and Sewer Authority's Fiscal Year 2014 Operating Budget totaling four hundred and seventy-nine million five hundred and forty-three thousand dollars (\$479,543,000) as further detailed in materials presented by the General Manager; and

WHEREAS, on June 27, 2013, management recommended to the DC Retail Rates Committee, a Revised FY 2014 Operating Budget that totals four hundred and forty-one million seven hundred and seventeen thousand dollars (\$441,717,000), which is thirty-seven million eight hundred and twenty-six thousand dollars (\$37,826,000) less than the approved budget, as shown in Attachment 2-B Detail; and

WHEREAS, on June 27, 2013, after a detailed review and discussion of the budget drivers, budget assumptions, customer and operational impact, the Finance and Budget Committee recommended that the Board adopt a Revised FY 2014 Operating Budget that totals four hundred and forty-one million seven hundred and seventeen thousand dollars (\$441,717,000) as shown in Attachment 2-B Detail.

NOW THEREFORE BE IT RESOLVED THAT:

The Board hereby approves and adopts the District of Columbia Water and Sewer Authority's Revised Fiscal Year 2014 Operating Budget totaling four hundred and forty-one million seven hundred and seventeen thousand dollars (\$441,717,000) as further detailed in materials presented by the General Manager.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: July 3, 2013

Subject: Approving the Final Form of Certain Documents,
Authorizing the Sale and Setting Terms and Details of the
Series 2013 Subordinate Bonds

#13-77
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 ("Authority"), at its meeting on July 3, 2013, by a vote of eleven (11) in favor and none (0) opposed, decided to approve the following:

WHEREAS, the Authority is authorized pursuant to the *Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996*, as amended, D.C. Code Section 34-2201.01 et seq. (the "WASA Act"), and the *District of Columbia Water and Sewer Authority Act of 1996*, Public Law 104-184; 110 Stat. 1696, to issue revenue bonds for undertakings authorized by the WASA Act, including to finance or refinance any cost, as defined in the WASA Act, D.C. Code Section 34-2202.01(2); and

WHEREAS, in accordance with the WASA Act, the Authority and Wells Fargo Bank, N.A., as trustee (the "Trustee") (its predecessors in that capacity having been Norwest Bank Minnesota, N.A. and Wells Fargo Bank Minnesota, N.A.), entered into the Master Indenture of Trust, dated as of April 1, 1998 (the "Master Indenture" and, as supplemented and amended, the "Indenture"), to provide for financing or refinancing the acquisition, construction, operation, maintenance and extension of the System (as defined in the Master Indenture) by the issuance of bonds, notes and other obligations payable solely from Net Revenues (as defined in the Master Indenture); and

WHEREAS, the Authority has heretofore entered into thirteen (13) supplemental indentures of trust with the Trustee in connection with the issuance of Senior Debt and Subordinate Debt (as defined in the Indenture) or to amend or clarify provisions of the Master Indenture; and

WHEREAS, the Authority now intends (i) to issue Public Utility Subordinate Lien Revenue Bonds, Series 2013A (the "Series 2013 Subordinate Bonds") to finance certain Costs of the System, retire Series C Notes, fund a Series 2013 Debt Service Reserve Requirement (as defined herein) if any, and pay certain costs of issuance, (ii) to designate the Series 2013 Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) to secure the Series 2013 Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including,

without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, the General Manager, the Chief Financial Officer, the Chief Engineer and the General Counsel of the Authority have informed the Board that their offices have established "due diligence" procedures for reviewing the documents authorized by this Resolution with the Authority's bond counsel, disclosure counsel, financial advisors, underwriters and other consultants and advisors, with a view to ensuring the accuracy of disclosure; and

WHEREAS, the Finance and Budget Committee met on June 27, 2013, to review the issuance of the Series 2013 Subordinate Bonds and has recommended approval of this Resolution by the Board.

NOW, THEREFORE, BE IT RESOLVED, that:

Section 1. Definitions and Interpretations. Unless otherwise defined herein and unless the context indicates otherwise, the terms used herein and defined in the Indenture (including the Fourteenth Supplemental Indenture as hereby approved) shall have the meanings assigned to them therein. In addition, the following terms used as defined terms in this Resolution shall have the meaning ascribed to them in this Section:

"Authorized Officials" means the Chairman and Vice Chairman of the Board, the General Manager, Chief Financial Officer, Acting Director of Budget and Finance, Controller and Treasury & Debt Manager of the Authority, provided that any official other than the Chairman shall be designated by the Chairman as his designee for the purpose of executing and delivering any document authorized hereunder.

"Bond Purchase Agreement" means the Bond Purchase Agreement between the Authority and the Series 2013 Original Purchasers, dated as of the same date as the Certificate of Award.

"Certificate of Award" means the certificate of an Authorized Official awarding the Series 2013 Subordinate Bonds to the Series 2013 Original Purchasers and specifying terms of the Series 2013 Subordinate Bonds, as provided for in Section 4 of this Resolution.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement executed by the Authority and the Trustee, dated as of the same date as the date of issuance and delivery of the Series 2013 Subordinate Bonds, as originally executed and as it may be amended from time to time in accordance with its terms.

"Financial Advisor" means Public Financial Management, Inc. and G-Entry Principle, P.C.

“Fourteenth Supplemental Indenture” means the Fourteenth Supplemental Indenture of Trust by and between the Authority and the Trustee, dated as of the same date as and relating to the Series 2013 Subordinate Bonds.

“Interest Payment Dates” for the Series 2013 Subordinate Bonds means each April 1 and October 1, commencing on the April 1 or October 1 specified in the Certificate of Award as the first Interest Payment Date, and thereafter during the time the Series 2013 Subordinate Bonds are outstanding.

“Series 2013 Debt Service Reserve Requirement” means a required fund balance, if any, in the Series 2013 Debt Service Reserve Account or Accounts established under the Fourteenth Supplemental Indenture, the amount of which shall be specified in the Certificate of Award, but which shall not exceed the maximum amount permitted to constitute a “reasonably required reserve or replacement fund” under Section 1.148-2(f)(2) of the Code (taking into account any moneys in any other fund or account that may be required to be included in such computation) unless the Authority furnishes to the Trustee the opinion of nationally recognized bond counsel to the effect that the existence of a balance in the Series 2013 Debt Service Reserve Account greater than such maximum amount will not cause the interest on any Series 2013 Subordinate Bonds that had been excluded from gross income for federal income tax purposes to cease to be so.

“Series 2013 Original Purchasers” for the Series 2013 Subordinate Bonds means the purchasers identified as such in the Bond Purchase Agreement for the Series 2013 Subordinate Bonds.

Any reference to the Authority or the Board, or to their members or officers, or to other public officers, boards, commissions, departments, institutions, agencies, bodies or entities, shall include those which succeed to their functions, duties or responsibilities by operation of law and also those who at the time may legally act in their place.

Section 2. Authorization, Designation and Purposes of Series 2013 Subordinate Bonds. The Authority is authorized to issue, sell and deliver, as provided in this Resolution and the Certificate of Award, not to exceed (except as provided below) Four Hundred Million Dollars (\$400,000,000) principal amount of bonds of the Authority, which shall be designated “Public Utility Subordinate Lien Revenue Bonds, Series 2013A,” and constituting Subordinate Debt for purposes of the Indenture, for the purpose of: (i) financing certain Costs of the System,; (ii) retiring such portion of the Series C Notes as may be specified in the Certificate of Award; (iii) funding a Series 2013 Debt Service Reserve Requirement, if any; and (iv) paying issuance costs of the Series 2013 Subordinate Bonds. For those purposes the proceeds from the sale of the Series 2013 Subordinate Bonds shall be allocated and deposited, as provided in the Fourteenth Supplemental Indenture. If and to the extent that any Series 2013 Subordinate Bonds are issued for the purpose of funding a Series 2013 Debt Service Reserve Requirement, then the aggregate principal amount of Series 2013 Subordinate Bonds hereby

authorized may exceed \$400,000,000 by the aggregate principal amount of the Series 2013 Subordinate Bonds to be issued for that purpose.

Section 3. Terms and Provisions Applicable to Series 2013 Subordinate Bonds.

(a) Form, Numbering, Transfer and Exchange. The Series 2013 Subordinate Bonds: (i) shall initially be issued only in fully registered form and substantially in the form or forms attached as Exhibits to the Fourteenth Supplemental Indenture; (ii) shall initially be issued only to a Depository for holding in a book entry system, and shall be registered in the name of the Depository or its nominee, as Holder, and immobilized in the custody of the Depository, and (iii) shall not be transferable or exchangeable except as provided in the Fourteenth Supplemental Indenture.

(b) Denominations and Dates. The Series 2013 Subordinate Bonds shall be dated as of the date of issuance and delivery, but in no event later than December 31, 2013, and there shall be a single Series 2013 Bond representing each interest rate for each maturity of the Series 2013 Subordinate Bonds bearing the same series or subseries designation.

(c) Principal Maturities and Interest Rates. The Series 2013 Subordinate Bonds shall bear interest on their unpaid principal amount payable on each Interest Payment Date, commencing on the first Interest Payment Date specified in the Certificate of Award, at such fixed rates per annum as set forth in the Certificate of Award as provided in Section 4(c) hereof, provided, however, that the "true interest cost" (i.e., interest cost on bonds defined as the rate, compounded semiannually, necessary to discount the amounts payable on the respective interest and principal payment dates to the purchase price received for the bonds) on the Series 2013 Subordinate Bonds shall not exceed six and one half percent (6.50%) per annum. The principal of the Series 2013 Subordinate Bonds shall be paid in such amounts on each principal retirement date (whether at stated maturity date or a mandatory redemption date) as set forth in the Certificate of Award, provided that the final principal retirement date shall be no later than December 31, 2048.

(d) Optional and Mandatory Redemption.

(i) *Optional Redemption* - The Series 2013 Subordinate Bonds, maturing on or before any date specified in the Certificate of Award as the Earliest Optional Redemption Date (which shall be no later than April 1, 2024), are not subject to prior optional redemption. Any Series 2013 Subordinate Bond maturing after the Earliest Optional Redemption Date shall be subject to redemption at the option of the Authority, prior to their stated maturities on or after the Earliest Optional Redemption Date in whole or in part (in whole multiples of \$5,000) on any date, at redemption prices specified in the Certificate of Award, provided that no such redemption price (not including accrued interest) shall exceed 102% of the principal amount of the Series 2013 Subordinate Bonds to be redeemed.

(ii) Mandatory Sinking Fund Redemption - The Series 2013 Subordinate Bonds may be designated in the Certificate of Award as Term Bonds and be subject to mandatory sinking fund redemption by lot on specified principal retirement dates at a price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption.

(e) Redemption Provisions. Redemption of Series 2013 Subordinate Bonds shall be effected in accordance with Article IV of the Master Indenture, provided, however, that notices of redemption of Series 2013 Subordinate Bonds sent pursuant to Section 402 of the Master Indenture may specify that the redemption is conditional upon the Authority's obtaining the funds needed to effect that redemption prior to the specified redemption date.

(f) Places and Manner of Payment, and Paying Agents. The principal of and the interest and any redemption premium on the Series 2013 Subordinate Bonds shall be payable as specified in the Fourteenth Supplemental Indenture.

(g) Execution. The Authorized Officials are, and each of them is, authorized and directed to execute the Series 2013 Subordinate Bonds, and the Secretary of the Board is authorized and directed to affix the seal of the Authority to the Series 2013 Subordinate Bonds and to deliver them to the Trustee for authentication in accordance with the Indenture.

Section 4. Sale of Series 2013 Subordinate Bonds.

(a) General. The Series 2013 Subordinate Bonds shall be awarded and sold to the Series 2013 Original Purchasers in accordance with the Bond Purchase Agreement and the Certificate of Award, at a purchase price of not less than ninety-five percent (95%) of the aggregate of the products from multiplying the principal amount of each Series 2013 Bond times the percentage of such principal amount at which such Series 2013 Bond shall be initially offered to the public.

(b) Bond Purchase Agreement. The Authorized Officials are, and each of them is, authorized and directed to execute and deliver the Bond Purchase Agreement between the Authority and the Series 2013 Original Purchasers, substantially in the form presented to this Authority, but with such changes not inconsistent with the Indenture and this Resolution and not substantially adverse to the Authority as may be approved by the Authorized Official executing the same on behalf of the Authority. The approval of any such changes by such Authorized Official and the determination by such Authorized Official that no such change is substantially adverse to the Authority shall be conclusively evidenced by the execution of the Bond Purchase Agreement by such Authorized Official. The price for and terms of the Series 2013 Subordinate Bonds and the sale thereof, all as provided in this Resolution, the Bond Purchase Agreement, the Certificate of Award, and the Fourteenth Supplemental Indenture, are hereby approved and determined to be in the best interests of the Authority.

(c) Certificate of Award. Such sale and award shall be further evidenced by the Certificate of Award executed by an Authorized Official. The terms of the Series 2013 Subordinate Bonds approved in the Certificate of Award shall be incorporated into the Fourteenth Supplemental Indenture. The Certificate of Award, subject to the restrictions set forth herein, shall: (i) state, with respect each series and subseries of the Series 2013 Subordinate Bonds, the aggregate principal amount, the purchase price, the Interest Payment Dates, the interest rates, the principal retirement dates, the mandatory sinking fund requirements (if any), the redemption dates, and the redemption prices thereof; (ii) specify what, if any, portion of the Series C Notes are to be retired; (iii) specify the amount, if any, of the Series 2013 Debt Service Reserve Requirement and determine whether it shall be met entirely with (X) cash and Permitted Investments; (Y) a Qualified Reserve Credit Facility (as defined in the Fourteenth Supplemental Indenture); or (Z) a specified combination of (X) and (Y); and (iv) include any additional information that may be required or permitted to be stated therein by the terms of this Resolution and the Bond Purchase Agreement.

(d) Certificates. The Authorized Officials are, and each of them is, authorized and directed, in their official capacities, and only in those capacities, to execute and deliver to the Series 2013 Original Purchasers the certificates required by the Bond Purchase Agreement to be executed on behalf of the Authority.

(e) Delivery of Bonds. The Authorized Officials are, and each of them is, authorized and directed to make the necessary arrangements with the Series 2013 Original Purchasers to establish the date, location, procedure and conditions for the delivery of the Series 2013 Subordinate Bonds to the Series 2013 Original Purchasers. The Authorized Officials are, and each of them is, further authorized and directed to make the necessary arrangements for the printing of the Series 2013 Subordinate Bonds, and the execution, authentication and delivery of the Series 2013 Subordinate Bonds to DTC for the accounts of the Series 2013 Original Purchasers in accordance with this Resolution and the Indenture, and upon the receipt of payment of the purchase price, to cause such amount to be applied in accordance with the terms and provisions of this Resolution and the Indenture.

Section 5. Allocation of Proceeds of the Series 20130 Subordinate Bonds; Tax Covenants.

(a) Allocation of Proceeds of the Series 2013 Subordinate Bonds. The proceeds from the sale of the Series 2013 Subordinate Bonds, including any accrued interest, shall be allocated, deposited and credited for the purposes approved in this Resolution and as specified in the Fourteenth Supplemental Indenture.

(b) Tax Covenants. The Board authorizes the Authorized Officials to approve the tax covenants, authorizations and agreements necessary to achieve and maintain the tax-exempt status of the Series 2013 Subordinate Bonds.

Section 6. Fourteenth Supplemental Indenture and Other Documents. The Authorized Officials are, and each of them is, authorized in connection with the

issuance of the Series 2013 Subordinate Bonds, to execute, acknowledge and deliver in the name of and on behalf of the Authority, the Fourteenth Supplemental Indenture, substantially in the form thereof submitted to the Authority at or prior to this meeting, but with such changes therein as may be permitted by the Indenture and approved by the Authorized Officer executing the document on behalf of the Authority. The approval of those changes shall be conclusively evidenced by the execution of the document by an Authorized Official.

The Authorized Officials and any other member, officer or employee of the Authority are each authorized to execute and deliver, on behalf of the Authority, such other certificates, documents and instruments related to the Series 2013 Subordinate Bonds as are necessary in connection with the transactions authorized in this Resolution, and to do all other things required of them or the Authority pursuant to the Indenture, the Fourteenth Supplemental Indenture, the Bond Purchase Agreement and this Resolution.

No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future member of the Board or officer, employee or agent of the Authority in his or her individual capacity, and neither the members of the Board nor any officer of the Authority executing the Series 2013 Subordinate Bonds shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof. No member of the Board or officer, employee, agent or advisor of the Authority shall incur any personal liability with respect to any other action taken by him pursuant to this Resolution or the Indenture or any other document authorized by this Resolution, provided such member, officer, employee, agent or advisor acts in good faith.

Section 7. Official Statement; Continuing Disclosure. The Authorized Officials shall cause to be prepared and issued on behalf of the Authority, an official statement (the "Official Statement") relating to the original issuance of the Series 2013 Subordinate Bonds. The Authorized Officials are, and each of them is, authorized to execute the Official Statement on behalf of the Authority, which shall be in substantially the form of the Official Statement submitted to the Authority at this meeting, with such changes as the Authorized Official who executes it may approve, the execution thereof on behalf of the Authority by an Authorized Official to be conclusive evidence of such authorization and approval (including approval of any such changes), and copies thereof are hereby authorized to be prepared and furnished to the Series 2013 Original Purchasers for distribution to prospective purchasers of the Series 2013 Subordinate Bonds and other interested persons. The preliminary Official Statement shall be "deemed substantially final" by the Authority within the meaning of Rule 15c2-12 of the Securities Exchange Commission, subject to completion as provided below.

The distribution by the Authority and by the Series 2013 Original Purchasers of the preliminary Official Statement and the Official Statement, in such form and with any changes as may be approved in writing by an Authorized Official, is hereby authorized and approved.

The Authority shall make sufficient copies of the Official Statement, with any supplements, available to the Series 2013 Original Purchasers to sell book-entry interests in the Series 2013 Subordinate Bonds, and will provide copies as appropriate to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access.

The Authorized Officials are each hereby authorized to furnish such information, to execute such instruments and to take such other action in cooperation with the Series 2013 Original Purchasers as may be reasonably requested to qualify the Series 2013 Subordinate Bonds for offer and sale under the Blue Sky or other securities laws and regulations and to determine their eligibility for investment under the laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the Series 2013 Original Purchasers; provided, however, that the Authority shall not be required to register as a dealer or broker in any such state or jurisdiction or become subject to the service of process in any jurisdiction in which the Authority is not now subject to such service.

The Authorized Officials are each hereby further authorized: (i) to supplement and complete the "deemed substantially final" preliminary Official Statement by affixing thereto or inserting therein information to identify the Series 2013 Original Purchasers, and to specify the final principal amount, interest rates and redemption provisions of the Series 2013 Subordinate Bonds, the price of the Series 2013 Subordinate Bonds to the general public and such other information as is necessary to supplement and complete the Official Statement with the approved and agreed upon terms of Series 2013 Subordinate Bonds, and (ii) to make such other changes to the preliminary Official Statement or the Official Statement as are, in the judgment of an Authorized Official, necessary and appropriate in order to make the preliminary Official Statement or the Official Statement not materially misleading, and to comply with applicable securities laws or otherwise to enable the Authority to fulfill its obligations regarding the preliminary Official Statement or the Official Statement under the Bond Purchase Agreement.

The Authority hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Resolution or the Indenture, failure of the Authority to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, any Holder of Series 2013 Subordinate Bonds may, and the Trustee may (and, at the request of the Holders of at least 25% in aggregate principal amount of Outstanding Series 2013 Subordinate Bonds, shall) take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Authority to comply with its obligations under this paragraph. The Authorized Officials are, and each of them is, hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement in substantially the form submitted to the Authority at or prior to this meeting with such changes therein as may be approved by the officer executing the Continuing Disclosure Agreement. The approval of those changes shall be conclusively evidenced by the execution of the Continuing Disclosure Agreement by an Authorized Official.

Section 8. General. The appropriate officers and employees of the Authority will do all things necessary and proper to implement and carry out the orders and agreements set forth or approved in this Resolution for the proper fulfillment of the purposes thereof. The Authority shall furnish to the Series 2013 Original Purchasers of the Series 2013 Subordinate Bonds a true and certified transcript of all proceedings relating to the authorization and issuance of the Series 2013 Subordinate Bonds along with other information as is necessary or proper with respect to the Series 2013 Subordinate Bonds.

Section 9. Multiple Series. Notwithstanding anything herein to the contrary, the Series 2013 Subordinate Bonds may be issued in one or more separate series, each bearing a distinctive designation, provided that each Series 2013 Subordinate Bonds of each series, and the Series 2013 Subordinate Bonds of all series in the aggregate, must satisfy the requirements and comply with the restrictions of this Resolution and the Indenture. Separate series of Series 2013 Subordinate Bonds may be issued at the same or different times and so may have different dates of issuance. The Series 2013 Subordinate Bonds of each series shall be designated as provided in the applicable Certificate of Award. A separate Certificate of Award may be delivered for each series, and each reference in this Resolution to the Certificate of Award shall refer to each and all such Certificates of Award. A separate Supplemental Trust Indenture may be entered into for each series, and each reference in this Resolution to the Fourteenth Supplemental Indenture shall refer to each and all such Supplemental Trust Indentures, but any Supplemental Trust Indenture subsequent to the Fourteenth Supplemental Indenture may bear a different designation. A separate Bond Purchase Agreement and Continuing Disclosure Agreement may be entered into for each series, and each reference in this Resolution to the Bond Purchase Agreement or to the Continuing Disclosure Agreement shall refer to each and all such Bond Purchase Agreements or Continuing Disclosure Agreements, respectively. A separate Official Statement may be prepared for each series, and each reference in this Resolution to the Official Statement shall refer to each and all such Official Statements.

Section 10. Effective Date. This Resolution shall take effect immediately.

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Secretary to the Board of Directors

Presented and Adopted: July 3, 2013

**SUBJECT: Approval to Execute Contract No. 130040, Fort Myer
Construction Corp.**

**#13-78
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on July 3, 2013 upon consideration of a non-joint use matter decided by a vote of six (6) in favor and none (0) opposed to execute Contract No. 130040, Fort Myer Construction Corp.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 130040, Fort Myer Construction Corp. The purpose of the contract is to provide multiple crews to respond and perform emergency and routine distribution system repairs and replacement work along with the timely implementation of labor, materials and equipment in coordination with DC Water crews and/or contractors. The contract amount is \$15,778,427.50.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: July 3, 2013

SUBJECT: Approval of Proposed Water and Sewer Service Rates, Clean Rivers Impervious Area Charge (IAC), Payment in Lieu of Taxes (PILOT) Fee, Right-of-Way (ROW) Fee, and New Customer Classification Residential Multi-Family for DC Water and Sewer Rates Beginning in Fiscal Year 2014

**#13-79
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 July 3, 2013, upon consideration of a non-joint use matter, decided by a vote of six (6) in favor and none (0) 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), Right-of-Way Occupancy Fee Pass Through Charge (ROW), and New Customer Classification Residential Multi-Family.

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 March 1, 2013, DC Water published notice of proposed rulemaking in the *D.C. Register* (DCR) at 60 DCR 2415, which, if adopted, would increase the rate for retail metered water service from \$3.42 per One Hundred Cubic Feet of water used to \$3.61 per One Hundred Cubic Feet of water used, effective October 1, 2013; and

WHEREAS, in the same notice, DC Water published notice of proposed rulemaking at 60 DCR 2415, which, if adopted, would increase the rate for retail metered sewer service from \$4.18 per One Hundred Cubic Feet of water used to \$4.41 per One Hundred Cubic Feet of water used, effective October 1, 2013; and

WHEREAS, in the same notice, DC Water published notice of proposed rulemaking at 60 DCR 2415, which, if adopted, would increase the annual Clean Rivers Impervious Surface Area Charge (IAC) from \$114.84 to \$153.24 per Equivalent Residential Unit

(ERU). The charge per ERU would be billed monthly at \$12.77 per ERU, effective October 1, 2013; and

WHEREAS, in the same notice, DC Water published notice of proposed rulemaking at, 60 DCR 2415, 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 \$0.66 per One Hundred Cubic Feet of water to \$0.70 per One Hundred Cubic Feet of water used, effective October 1, 2013; and

WHEREAS, in the same notice and on March 15, 2013, DC Water published notice of proposed rulemaking at 60 DCR 2415 and 60 DCR 3796, respectively, which, if adopted, would add a new customer classification Residential Multi-Family, effective October 1, 2013; and

WHEREAS, on March 22, 2013, DC Water published a public hearing notice in the *D.C. Register* at 60 DCR 4194, for the proposed rulemakings referred to above; and

WHEREAS, a notice of public hearing on the rate and fee proposals was published on DC Water's website and also in The Washington Post on May 2, 2013; and

WHEREAS, on May 8, 2013, a public hearing was held to receive comments on the rate and fee proposals; and

WHEREAS, the record of the May 8, 2013, public hearing was left open to receive written comments for a period of 30 days through June 8, 2013; and

WHEREAS, comments were received during the May 8, 2013, public hearing; and

WHEREAS, DC Water also conducted eight (8) town hall and three (3) community meetings from March 1, 2013, through April 30, 2013, to receive comments on the rate and fee proposals; and

WHEREAS, the DC Retail Water and Sewer Rates Committee met on June 25, 2013, to consider the comments offered at the May 8, 2013, public hearing, comments received during the record period, and 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, given the revenue requirements of DC Water, anticipated capital and operating expenditures and the various funding sources the General Manager recommended revised rate and fee increases on June 25, 2013; 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 8, 2013, public hearing and during the comment period of the proposed rulemaking and open record period, the District members of the Board of Directors, upon further consideration and discussion, recommended increases to the

metered water and sewer volumetric rates, increase to the Clean Rivers IAC, increases to the ROW Occupancy and PILOT Fees, and add new customer classification Residential Multi-Family 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 \$5.36 per month or \$64.32 per year; and

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

1. Provide for a revised Fiscal Year 2014 increased revenue requirement of approximately \$11.3 million; and
2. Add new customer classification Residential Multi-Family for water and sewer rates; and
3. Implement a combined water and sewer retail rate of \$8.02/Ccf; an increase of \$0.42/Ccf from the current combined rate of \$7.60/Ccf for Fiscal Year 2014 effective, October 1, 2013; and
4. Implement an increase for the Clean Rivers IAC from \$9.57 to \$11.85/ERU per month for Fiscal Year 2014 effective, October 1, 2013.

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 Right of Way Occupancy (ROW) Fee to the District terminates on September 30, 2013; and

WHEREAS, pursuant to D.C. Official Code § 34-22-2.07, 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, pursuant to the Memorandum of Understanding (1998 MOU) between DC Water and the District, effective January 29, 1998, as amended, DC Water agreed to transfer the Payment-In-Lieu-of Taxes (PILOT) Fees to the District in four equal installment payments due November 15, February 15, May 15, and August 15 of each year; and

WHEREAS, the 2003 MOU did not affect the PILOT payment schedule; and DC Water shall continue to collect and make PILOT payments to the District consistent with current DC Water practice until a new agreement has been reached with the District on the terms of payment.

NOW THEREFORE BE IT RESOLVED THAT:

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

Customer Classification for Water and Sewer Rates

- a. **Section 4104, CUSTOMER CLASSIFICATION FOR WATER AND SEWER RATES, of Chapter 41, RETAIL WATER AND SEWER RATES, of Title 21, WATER AND SANITATION, of the DCMR is amended as follows:**

Subsection 4104.1 is amended to read as follows:

4104.1 The customer classifications for water and sewer rates shall consist of a residential class, multi-family, and a non-residential class:

- (a) Residential – a single-family dwelling used for domestic purposes; a condominium or apartment unit where each unit is served by a separate service line and is individually metered and the unit is used for domestic purposes; or a multifamily structure of less than four apartment units where all the units are served by a single service line that is master metered.
- (b) Multi-Family – a multifamily structure (such as a condominium or apartment dwelling) used for domestic purposes, with four or more units.
- (c) Non-residential – all customers not within either the residential or multi-family class.

- b. **Section 402, INITIATING A CHALLENGE of Chapter 4, CONTESTED WATER AND SEWER BILLS, of Title 21, WATER AND SANITATION, of the DCMR is amended as follows:**

Subsections 402.7 and 402.8 are amended to read as follows:

402.7 Non-residential and multi-family owners or their agents may seek an impervious surface area charge adjustment if the owner or agent can establish that the property has been assigned to the wrong rate class, the impervious service area used in the computation of the charge is incorrect or if the ownership information is incorrect.

402.8 Non-residential and multi-family owners or their agents shall submit a site survey, prepared by a registered professional land surveyor, showing impervious surfaces on the site and other information that may be requested by DC Water.

- c. **Section 4101, RATES FOR SEWER SERVICE, of Chapter 41, RETAIL WATER AND SEWER RATES, of Title 21 WATER AND SANITATION, of the DCMR is amended as follows:**

Paragraphs 4101.1 (d) and (e) are amended to read as follows:

- (d) The retail cooling water sewer charge shall be the retail sanitary sewer service rate set forth in section 4101.1(a) for cooling water discharged into the District's wastewater sewer system; and
- (e) The retail non-potable water source sewer charge shall be the retail sanitary sewer service rate set forth in section 4101.1(a) for non-potable water discharged into the District's wastewater sewer system.

Subsection 4101.4 is amended to read as follows:

4101.4 All non-residential and multi-family customers shall be assessed ERU(s) based upon the total amount of impervious surface area on each lot. This total amount of impervious surface shall be converted into ERU(s), truncated to the nearest one-hundred (100) square feet.

Retail Water Service Rates

- d. An increase in the rate for retail metered water service from \$3.42 per One Hundred Cubic Feet ("Ccf"), (\$4.57 per 1,000 gallons) to:
- Residential customers: \$3.61 per Ccf (\$4.83 per 1,000 gallons), effective October 1, 2013
 - Multi-Family customers: \$3.61 per Ccf (\$4.83 per 1,000 gallons), effective October 1, 2013
 - Non – residential customers: \$3.61 per Ccf (\$4.83 per 1,000 gallons), effective October 1, 2013

Retail Sewer Service Rates

- e. An increase in the rate for retail sanitary sewer service from \$4.18 per One Hundred Cubic Feet ("Ccf"), (\$5.59 per 1,000 gallons) to:
- Residential customers: \$4.41 per Ccf (\$5.89 per 1,000 gallons), effective October 1, 2013
 - Multi-Family customers: \$4.41 per Ccf (\$5.89 per 1,000 gallons), effective October 1, 2013
 - Non-residential customers: \$4.41 per Ccf (\$5.89 per 1,000 gallons), effective October 1, 2013
- f. An increase in the annual Clean Rivers Impervious Area Charge (IAC) from \$114.84 to \$142.20 per Equivalent Residential Unit (ERU). The charge per ERU will be billed monthly at:

- Residential customers: \$11.85 for each ERU, effective October 1, 2013
- Multi-Family customers: \$11.85 for each ERU, effective October 1, 2013
- Non – residential customers: \$11.85 for each ERU, effective October 1, 2013

Right of Way Occupancy Fee Pass Through Charge / PILOT Fee

g. An increase in the District of Columbia Right of Way fee from \$0.16 per Ccf or (\$0.21 per 1,000 gallons) to:

- Residential customers: \$0.17 per Ccf or (\$0.22 per 1,000 gallons), effective October 1, 2013.
- Multi-Family customers: \$0.17 per Ccf or (\$0.22 per 1,000 gallons), effective October 1, 2013.
- Non – residential customers: \$0.17 per Ccf or (\$0.22 per 1,000 gallons), effective October 1, 2013.

h. An increase in the Payment in Lieu of Taxes paid to the Office of the Chief Financial Officer (OCFO) of the District of Columbia from \$0.50 per Ccf or (\$0.67 per 1,000 gallons) to:

- Residential customers: \$0.53 per Ccf or (\$0.71 per 1,000 gallons), effective October 1, 2013.
- Multi-Family customers: \$0.53 per Ccf or (\$0.71 per 1,000 gallons), effective October 1, 2013.
- Non – residential customers: \$0.53 per Ccf or (\$0.71 per 1,000 gallons), effective October 1, 2013.

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

Presented and Adopted: July 3, 2013

**SUBJECT: Approval of Proposed District of Columbia Clean Rivers
Impervious Surface Area Charge Incentive Program
Beginning Fiscal Year 2014**

**#13-80
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 July 3, 2013, upon consideration of a non-joint use matter, decided by a vote of six (6) in favor and none (0) opposed, to approve the following action with respect to amending Title 21 of the District of Columbia Municipal Regulations (DCMR), Chapter 41, Retail Water and Sewer Rate, in order to implement the proposed District of Columbia Clean Rivers Impervious Surface Area Charge Incentive Program (the "DC Clean Rivers IAC Incentive Program").

WHEREAS, on March 6, 2008, the Board adopted Resolution # 08-34 which authorized the General Manager to consider developing a credit and incentive policy for certain eligible stormwater management practices that reduce the amount of stormwater runoff generated from a property; and

WHEREAS, the "Water and Sewer Authority Equitable Ratemaking Act of 2008" (the "Act") signed by the Mayor of the District of Columbia on January 23, 2009, and subsequently transmitted to the United States Congress for the legislative review period states that within one year of the effective date of the Act, DC Water will establish, together with the District Department of Environment ("DDOE"), an incentive program to install certain eligible stormwater management practices that reduce the amount of stormwater runoff generated from a property; and

WHEREAS, DDOE has proposed regulations to establish a credit program for the DC Stormwater Fee as shown on the DC Water bill; and

WHEREAS, DDOE's responsibilities for the administration of the credit program include: accepting and reviewing applications for eligibility; inspecting, determining, and approving eligibility for credits; approving credits amounts; and providing an administrative dispute process for any challenges resulting from the application/approval process; and

WHEREAS, on March 22, 2013, DC Water published a public hearing notice in the *D.C. Register* on (DCR), at 60 DCR 4194, for the proposed rulemakings referred to above; and

WHEREAS, the DC Retail Water and Sewer Rates Committee met on March 26, 2013, to review and consider a proposed DC Clean Rivers IAC Incentive Program in compliance with the "Water and Sewer Authority Equitable Ratemaking Act of 2008" that would utilize the proposed DDOE program for determination of eligibility; and

WHEREAS, a notice of public hearing on the rate and fee proposals was published on DC Water's website and also in *The Washington Post* on May 2, 2013; and

WHEREAS, on May 3, 2013, DC Water published notice of proposed rulemaking (60 DCR 6513) which, if adopted, would establish a three year pilot, District of Columbia Clean Rivers Impervious Surface Area Charge Incentive Program for the DC Clean Rivers Impervious Surface Area Charge (IAC); and

WHEREAS, on May 8, 2013, a public hearing was held to receive comments on the rate and fee proposals; and

WHEREAS, the record of the May 8, 2013, public hearing was left open to receive written comments for a period of 30 days through June 8, 2013; and

WHEREAS, comments were received during the May 8, 2013, public hearing; and

WHEREAS, DC Water also conducted eight (8) town hall and three (3) community meetings from March 1, 2013, through April 30, 2013, to receive comments on the rate and fee proposals; and

WHEREAS, the DC Retail Water and Sewer Rates Committee met on June 25, 2013, to consider the comments offered at the May 8, 2013, public hearing, comments received during the record period, and during the comment period of the proposed rulemaking and recommendations from the General Manager regarding action on the proposed DC Clean Rivers Impervious Surface Area Charge Incentive Program; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommend a three year pilot credit/discount program for the DC Clean Rivers Impervious Surface Area Charge (IAC) with a 4% maximum incentive credit/discount, not to exceed an annual established budget allowance.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board adopts for final rulemaking the following DC Clean Rivers Impervious Surface Area Charge Incentive Program, effective October 1, 2013:

Title 21, WATER AND SANITATION, Chapter 41, Retail Water and Sewer Rates of the DCMR is amended by adding Sections 4105 through 4109, as follows:

4105 DISTRICT OF COLUMBIA CLEAN RIVERS IMPERVIOUS SURFACE AREA CHARGE INCENTIVE DISCOUNT PROGRAM: PURPOSE

4105.1 The purposes of Sections 4105 through 4109 are to:

- (a) Implement the District of Columbia Clean Rivers Impervious Surface Area Charge Incentive Discount Program;
- (b) Provide an incentive for the installation of eligible best management practices that reduce the amount of stormwater runoff from a property, as determined by District Department of the Environment (DDOE); and
- (c) Comply with the requirements of the Water and Sewer Authority Equitable Ratemaking Amendment Act of 2008, effective March 25, 2009 (D.C. Law 17-370; D.C. Official Code § 34-2202.16a. (2010 Repl.).

4106 DISTRICT OF COLUMBIA CLEAN RIVERS IMPERVIOUS SURFACE AREA CHARGE INCENTIVE DISCOUNT PROGRAM: ELIGIBILITY

4106.1 Each DC Water customer that is billed for the Clean Rivers Impervious Surface Area Charge (IAC) pursuant to section 4101 of this chapter, shall be eligible to receive a DC Clean Rivers Impervious Surface Area Charge Incentive (IAC Incentive) Discount as provided in Sections 4105 through 4109 of this chapter.

4106.2 The IAC Incentive Discounts are subject to the availability of funds and maximum budget limits established by DC Water's budget appropriations.

4106.3 DC Water shall apply an IAC Incentive Discount towards a customer's bill based on DDOE's approval of a stormwater fee discount for the customer's property.

4106.4 A customer shall receive an IAC Incentive Discount beginning on the effective date of this section after DC Water receives DDOE's storm water fee discount approval for that property, subject to the availability of funds and maximum budget limits established by DC Water's budget appropriations.

4106.5 The IAC Incentive Discount shall be retroactive to the effective date of these rules, or the date from which DDOE calculates a stormwater fee discount, whichever is later.

- 4106.6 The IAC Incentive Discount shall not be retroactive to the original installation date of the DDOE approved stormwater Best Management Practice (BMP).
- 4106.7 DC Water shall calculate the IAC Incentive Discount to be applied towards a customer's IAC:
- (a) As a recurring discount to the IAC billed pursuant to § 4101 of this chapter;
 - (b) Beginning, the billing period that follows DC Water receipt and processing of DDOE's stormwater fee discount approval. For customers billed on a semi-annual basis, the discount will appear on their next bill normally in March and September; and
 - (c) Ending, under the criteria provided in § 4106.9 of this chapter.
- 4106.8 Discount: A DC Water customer shall, in order to receive an IAC Incentive Discount:
- (a) Be current on all DC Water billed payments; and
 - (b) Satisfy all DDOE requirements to receive a stormwater fee discount.
- 4106.9 The IAC Incentive Discount shall expire on the first of:
- (a) The expiration of DDOE's approved stormwater fee discount period provided in Chapter 5 of this title;
 - (b) DDOE's revocation of the stormwater fee discount;
 - (c) The sale or transfer of the property to a new owner; or
 - (d) Three (3) years after the effective date of this section.
- 4107 DISTRICT OF COLUMBIA CLEAN RIVERS IMPERVIOUS SURFACE AREA CHARGE INCENTIVE DISCOUNT PROGRAM: DISCOUNT CALCULATION**
- 4107.1 The IAC Incentive Discount shall not exceed the maximum allowable IAC Incentive Discount percentage, which shall be four percent (4%) of the otherwise chargeable Clean Rivers Impervious Area Charge in the first year of the IAC Discount program, which may change in subsequent years subject to DC Water's budget appropriations.
- 4107.2 The maximum allowable IAC Incentive Discount percentage is subject to change annually based on DC Water's budget appropriations.

- 4107.3 The IAC Incentive Discount shall be calculated as follows:
- (a) DDOE will send DC Water the DDOE approved maximum volume of stormwater runoff retained (in Equivalent Residential Units (ERUs)) by an approved and eligible BMP(s) during a one and two tenths inch (1.2 in.) rainfall event;
 - (b) Multiply the number of ERUs of step “(a)” by the maximum allowable discount percentage; and
 - (c) Multiply the step “(b)” result by the IAC per ERU specified in § 4101 of this chapter.

4107.4 The calculated IAC Incentive Discount shall be applied to each Clean Rivers Impervious Area Charge billed.

4107.5 The IAC Incentive Discount will appear on the customer’s DC Water bill beginning with the billing period that follows DC Water’s receipt and processing of DDOE’s approved maximum volume of stormwater runoff retained (in ERUs). For customers billed on a semi-annual basis, the discount will appear on their next bill, which is normally in March and September.

4108 DISTRICT OF COLUMBIA CLEAN RIVERS IMPERVIOUS SURFACE AREA CHARGE INCENTIVE DISCOUNT PROGRAM: DISCOUNT REDUCTION

4108.1 If DDOE determines that a customer’s stormwater fee discount shall be reduced, DC Water shall reduce the IAC Incentive Discount proportionately upon receipt of DDOE’s decision to reduce the stormwater retention value expressed in ERUs for the property.

4109 DISRICT OF COLUMBIA CLEAN RIVERS IMPERVIOUS SURFACE AREA CHARGE INCENTIVE DISCOUNT PROGRAM: ADMINISTRATIVE APPEALS AND JUDICIAL REVIEW

4109.1 Any appeals related to a DDOE action regarding BMP application review or approval, eligibility, and stormwater retention volume calculations shall be taken in accordance with Section 563 of this title.

4109.2 Appeals of DC Water actions regarding the IAC Incentive Discount shall be taken in accordance with Chapter 4 of this title.

Section 4199, DEFINITIONS, is amended to add the following definitions, and these additional definitions shall be inserted in the correct alphabetical order:

DC Water - the District of Columbia Water and Sewer Authority.

DDOE - the District Department of the Environment.

Best Management Practice (BMP) - Structural or nonstructural practice that minimizes the impact of stormwater runoff on receiving waterbodies and other environmental resources, especially by reducing runoff volume and the pollutant loads carried in that runoff.

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 provide notice of the proposed amendments 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