

Presented and Adopted: September 3, 2015
**SUBJECT: Approval to Execute Contract No. 140050, SAK
Construction, LLC**

**#15-70
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on September 3, 2015 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. 140050, SAK Construction, LLC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 140050, SAK Construction, LLC. The purpose of the contract is to rehabilitate the identified sewers under building that will increase system efficiency and add at least 50-years asset life. The contract amount is \$3,580,990.

This Resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: September 3, 2015
SUBJECT: Approval to Execute Contract No. 140210
Fort Myer Construction Corp.

#15-71
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on September 3, 2015 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. 140210, Fort Myer Construction Corp.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 140210, Fort Myer Construction Corp. The purpose of the contract is to replace water mains and associated valves and appurtenances. The contract amount is \$10,709,591.

This Resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: September 3, 2015

Subject: Approval of Final Amendment for the Water System Replacement Fee

**#15-72
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 DC Water") at the Board meeting held on September 3, 2015 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 approval of final amendment for the Water System Replacement Fee.

WHEREAS, the Board has adopted a revised rate setting policy that calls for rates, charges and fees that, together with other revenue sources, yield a 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, the DC Retail Water and Sewer Rates Committee met on December 19, 2014 and January 27, 2015 to consider the proposed new Water System Replacement Fee ("WSRF") to recover the cost of the 1 percent renewal and replacement of aging water infrastructure for residential, multi-family and non-residential customers; and

WHEREAS, on February 5, 2015, the Board approved the proposed new WSRF to be published in the D.C. Register (DCR); and

WHEREAS, on February 20, 2015, DC Water published a Notice of Proposed Rulemaking (NOPR) in the *D.C. Register* (DCR) at 62 DCR 2367, which if approved, would implement the WSRF, effective October 1, 2015; and

WHEREAS, although the WSRF is not subject to the public hearing requirements of 21 DCMR Chapter 40, on April 3, 2015, DC Water published a Notice of Public Hearing in the *D.C. Register* at 62 DCR 3934, for the public hearing on May 13, 2015 to receive additional public comments on the proposed rulemaking referred to above; and

WHEREAS, a notice of the public hearing on the WSRF and other rate and fee proposals was also published on DC Water's website and in The Washington Informer on May 7 – May 13, 2015; and DC Water also conducted 8 town hall meetings from April 1, 2015, through April 30, 2015, to receive comments on the WSRF and other rate and fee proposals; and

WHEREAS, on May 13, 2015, a public hearing was held to receive comments on the WSRF and other rate and fee proposals, and the record of the public hearing was left open to receive written comments for a period of 30 days through June 15, 2015; and

WHEREAS, on June 23, 2015, the DC Retail Water and Sewer Rates Committee met to consider the comments offered during the public comments period of the proposed rulemaking, and comments received at the May 13, 2015 public hearing; and

WHEREAS, on June 23, 2015, the DC Retail Water and Sewer Rates Committee considered and recommended to the Board to approve for final rulemaking the proposed WSRF; and

WHEREAS, on June 23, 2015, the DC Retail Water and Sewer Rates Committee considered also recommended to the Board an amendment to the District of Columbia Municipal Regulations pertaining to the WSRF, whereby a Residential customer, whose premises is served by a single 2" meter used for both Demand Flow and Fire Flow, shall be charged a monthly Water System Replacement Fee set forth in section 112.10 for a 1.5" meter; and

WHEREAS, on July 2, 2015, the Board approved the final rulemaking for the WSRF and the proposed amendment to the WSRF to be published in the *D.C. Register*, and

WHEREAS, on July 17, 2015, DC Water published a Notice of Final Rulemaking for the FY2016 Rates and Fees, including the WSRF, in the *D.C. Register* at 62 DCR 9798, effective October 1, 2015; and

WHEREAS, on July 17, 2015, DC Water published Notice of Proposed Rulemaking (NOPR) for the amendment to the WSRF regulation in the *D.C. Register* (DCR) at 62 DCR 9852, which if approved, would implement the proposed amendment to the WSRF, effective October 1, 2015; and

WHEREAS, on August 25, 2015, the DC Retail Water and Sewer Rates Committee met to consider the comments received during the public comment period and the recommendation of the General Manager; and

WHEREAS, on August 25, 2015, given the comments received during the public comment period and the recommendation of the General Manager, the DC Retail Water and Sewer Rates Committee recommended for final approval the amended WSRF as proposed; and

WHEREAS, the General Manager received additional public comments from residential customers served by 1.5" meters and those served by 2" meters challenging the appropriateness of the WSRF for their meter size because the larger sized meters were required by District of Columbia Construction Codes to meet fire service requirements; and

WHEREAS, the General Manager did not wish to create a disincentive for residential customers who invest in fire suppression systems, which generally require a larger meter size per District of Columbia Construction Codes for new construction of one or two family residences; and

WHEREAS, the General Manager conducted additional analysis, which revealed that the median consumption for residential customers served by a 1.5" meter and those served by a 2" meter are similar to the median consumption of residential customers with a 1" meter; and

WHEREAS, on September 2, 2015, the DC Retail Water and Sewer Rates Committee met to consider the additional comments and recommendation of the General Manager; and

WHEREAS, on September 2, 2015, the General Manager recommended to the DC Retail Water and Sewer Rates Committee to revise the original proposed WSRF amendment to set the WSRF for all residential customers with 2" meters to 1" meter WSRF; and

WHEREAS, the General Manager concluded that there is, at this time, insufficient information to determine the degree of impact that the DC Construction Codes requirement for fire suppression systems had on residential customers served by 1.5" meters, and recommended to the DC Retail Water and Sewer Rates Committee to set the WSRF for all residential customers with 1.5" meter to 1" meter WSRF until more information has been collected; and

WHEREAS, on September 2, 2015, the DC Retail Water and Sewer Rates Committee considered the public comments submitted after the public comment period and the analysis and recommendation of the General Manager; and recommended to the Board a final amendment to the District of Columbia Municipal Regulations pertaining to the Water System Replacement Fee (WSRF) whereby a Residential customer, whose premises is served by a 1.5" meter or 2" meter (meter larger than 1") shall be charged a monthly Water System Replacement Fee set forth in section 112.10(a) for a 1" meter, effective October 1, 2015; and

WHEREAS, after consideration of the recommendations of the DC Retail Water and Sewer Rates Committee, the report of the General Manager on this subject, and comments submitted during and after the public comment period for the proposed rulemaking, the District members of the Board of Directors, upon further consideration and discussion, recommended to implement an amendment to the WSRF to charge

Residential customers whose premises is served by a meter larger than 1 inch, the WSRF for a 1 inch meter; and

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board approves the additional amendment to the District of Columbia Municipal Regulations pertaining for the Water System Replacement Fee as shown below:

Residential customer, whose premises is served by a meter that is larger than one inch (1"), shall be charged a monthly Water System Replacement Fee set forth in section 112.10(a) for a one inch (1") meter.

2. The General Manager is authorized to take all steps necessary in his judgment and shall provide notice of the final rulemaking in the manner provided by the District of Columbia Administrative Procedure Act.

This resolution shall be effective immediately.


Secretary to the Board of Directors