

Presented and Adopted: December 5, 2013

**SUBJECT: Approval to Execute Option Year Two of Contract No.
WAS-11-034-AA-MB, CIGNA Healthcare**

**#13-104
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 December 5, 2013 upon consideration of a joint use matter decided by a vote of eleven (11) in favor and none (0) opposed to execute Option Year Two of Contract No. WAS-11-034-AA-MB, CIGNA Healthcare.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Two of Contract No. WAS-11-034-AA-MB, CIGNA Healthcare. The purpose of the option is to continue a Preferred Provider Organization (PPO) medical plan for the District of Columbia Water and Sewer Authority. The option amount is \$8,748,695.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: December 5, 2013

**SUBJECT: Approval to Execute Option Year Four of Contract No.
WAS-09-071-AA-MB, Kaiser Foundation Health Plan of the
Mid-Atlantic States, Inc.**

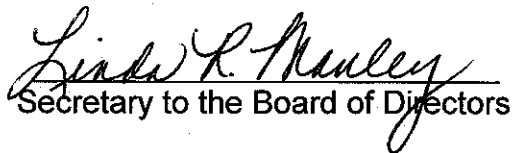
**#13-105
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on December 5, 2013 upon consideration of a joint use matter decided by a vote of eleven (11) in favor and none (0) opposed to execute Option Year Four of Contract No. WAS-09-071-AA-MB, Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Four of Contract No. WAS-09-071-AA-MB, Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. The purpose of the option is to continue a Health Maintenance Organization (HMO) medical plan to employees hired on or after October 1, 1987 for the District of Columbia Water and Sewer Authority. The option amount is \$3,377,259.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: December 5, 2013

**SUBJECT: Approval to Execute Option Year One of Contract No.
WAS-12-066-AB-RE, BASF Corporation**

**#13-106
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 December 5, 2013 upon consideration of a joint use matter decided by a vote of eleven (11) in favor and none (0) opposed to execute Option Year Option Year One of Contract No. WAS-12-066-AB-RE, BASF Corporation.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year One of Contract No. WAS-12-06-AB-RE, BASF Corporation. The purpose of the option is to continue providing polymer to the Blue Plains Advanced Wastewater Treatment Facility for solids dewatering for the Department of Wastewater Treatment. The option amount is \$1,400,000.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: December 5, 2013
SUBJECT: Approval to Execute Option Year One of Contract No.
WAS-12-06-AA-RE, Polydyne, Inc.

#13-107
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 December 5, 2013 upon consideration of a joint use matter decided by a vote of eleven (11) in favor and none (0) opposed to execute Option Year Option Year One of Contract No. WAS-12-06-AA-RE, Polydyne, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year One of Contract No. WAS-12-06-AA-RE, Polydyne, Inc. The purpose of the option is to continue providing polymer to the Blue Plains Advanced Wastewater Treatment Facility for solids dewatering for the Department of Wastewater Treatment. The option amount is \$1,420,000.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: December 5, 2013

SUBJECT: Approval to Execute Change Order No. 5 of Contract No. 100150, Pepco Energy Services, Inc.

**#13-108
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 December 5, 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. 5 of Contract No. 100150, Pepco Energy Services, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute a Change Order No. 5 of Contract No. 100150, Pepco Energy Services, Inc. The purpose of the change order is to design and construct digester gas moisture removal chiller, digester gas siloxane polishing filters, reverse osmosis water treatment system, larger de-aerator, and steel upgrades for duct burner support. The change order amount is not to exceed \$1,870,000.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: December 5, 2013

**SUBJECT: Approval to Execute a Contract Modification of Contract
No. GS11T08BJD6001, Verizon Federal**

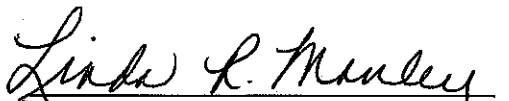
**#13-109
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on December 5, 2013 upon consideration of a joint use matter decided by a vote of eleven (11) in favor and none (0) opposed to execute a contract modification of Contract No. GS11T08BJD6001, Verizon Federal.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute a contract modification of Contract No. GS11T08BJD6001, Verizon Federal. The purpose of the contract modification is to provide telecommunications services for the District of Columbia Water and Sewer Authority's Department of Information Technology. The contract modification amount is \$1,222,333.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: December 5, 2013

**SUBJECT: Approval to Execute Supplemental Agreement No. 8 of
Contract No. DCFA #379, Malcolm Pirnie Engineers, PLLC**

**#13-110
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 December 5, 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. 8 of Contract No. DCFA #379, Malcolm Pirnie Engineers, PLLC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Supplemental Agreement No. 8 of Contract No. DCFA #379, Malcolm Pirnie Engineers, PLLC. The purpose of the supplemental agreement is to provide engineering services for design, bidding, and services during construction for improvements to the Raw Wastewater Pump Station No. 2. The supplemental agreement amount is \$3,722,000.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: December 5, 2013

**SUBJECT: Approval to Execute Supplemental Agreement No. 5 of
Contract No. DCFA #434, CH2M Hill Engineers, Inc.**

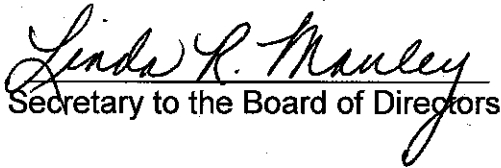
**#13-111
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on December 5, 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. 5 of Contract No. DCFA #434, CH2M Hill Engineers, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to Supplemental Agreement No. 5 of Contract No. DCFA #434, CH2M Hill Engineers, Inc. The purpose of the supplemental agreement is to continue providing professional engineering services during construction until the completion of the project. The supplemental agreement amount is \$865,725.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: December 5, 2013
Subject: Amendment to the By-Laws of the District of Columbia
Water and Sewer Authority

#13-112
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 on December 5, 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 amending the By-Laws of the Authority's Board of Directors.

WHEREAS, on November 13, 2013 the Governance Committee discussed the revision of Article IV 'Officers of the Board' to the By-Laws in order to create the positions of First Vice –Chairperson and Second Vice-Chairperson; and

WHEREAS, the Second Vice-Chairperson shall fulfill the duties of the First Vice-Chairperson if the First Vice-Chairperson is absent or otherwise unavailable; and

WHEREAS, the Governance Committee concluded that this amendment would give the Board greater flexibility and recommended the adoption of the amended By-Laws set out in Attachment 1 to this Resolution;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board hereby approves the amended By-Laws set out in Attachment 1 to this Resolution.
2. The Board authorizes the General Manager and Board Secretary to take all steps necessary to effectuate the amended By-Laws.

This resolution is effective immediately.


Secretary to the Board of Directors

**BY-LAWS
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

**Adopted - October 17, 1996; Resolution 96-11
Amended - February 4, 1999; Resolution 99- 10
Amended - February 1, 2001; Resolution 01-16
Amended – September 12, 2002; Resolution 02-75
Amended – December 4, 2003; Resolution 03-86
Amended-July 5, 2007; Resolution 07-64
Amended – October 2, 2008: Resolution 08-07
Amended – April 1, 2010: Resolution 10-42
Amended – October 7, 2010; Resolution 10-100
Amended – December 2, 2010; Resolution 10-115
Amended – April 7, 2011; Resolution 11-49**

**ARTICLE I
General**

These By-Laws and the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996 (the "Act"), as the Act shall be amended from time to time, govern the function and operation of the District of Columbia Water and Sewer Authority (the "Authority") and in the event of any conflict between these By-Laws and the Act, the Act shall control to the extent of the conflict. Terms defined in the Act shall have the same meaning when used in these By-Laws. References in these By-Laws to the Act, or any provision thereof, shall include a reference to any amendment to the Act which takes effect after the adoption of these By-Laws.

**ARTICLE II
Board of Directors**

§ 2.01 Composition

(a) The Board of Directors of the Authority (the "Board") shall consist of 11 principal Board members ("principal members") and 11 alternate Board members ("alternate members").

(b) Alternate members may participate in discussion at Board meetings, at the Chairperson's discretion, but may vote at Board meetings only when their corresponding principal Board member is absent. An alternate member permitted by this subsection to vote at a meeting shall do so as a representative of their corresponding principal member except that if the principal's position is vacant the alternate shall vote in her or his own right.

(c) Principal members shall endeavor to attend all Board meetings and meetings of those Committees upon which they serve.

(d) Alternate members shall attend any meeting which their corresponding principal is required to, but cannot attend. Alternates shall either attend all other meetings or familiarize themselves with the discussions and determination made at such meetings.

(e) Alternate members may be appointed by the Chairperson to the Committees established by the Board and may fully participate in Committee functions.

§ 2.02 Duties

The Board shall develop policies for the management, maintenance, and operation of water distribution and sewage collection and treatment, disposal systems and other devices and facilities under the control of the Authority, and shall perform such other duties as are specified in or otherwise required by the Act and these By-Laws.

§ 2.03 Removal, Suspension, and Termination

(a) The Board may recommend that the Mayor remove, suspend, or terminate a principal or alternate member for misconduct or neglect of duty. The Mayor may remove a principal or alternate pursuant to section 204(g) of the Act (D.C. Official Code § 34-2202.04(a)(4)(g)).

(b) The Board may recommend that the Mayor remove, suspend, or terminate a principal or alternate member for misconduct if the Board finds that the member or alternate committed any act involving moral turpitude. The Mayor may remove a principal or alternate pursuant to section 204(g) of the Act (D.C. Official Code § 34-2202.04(a)(4)(g)).

(c) The Board may recommend that the Mayor remove, suspend, or terminate a principal or alternate member for neglect of duty if the Board finds that:

- (i) The principal or alternate member committed any act or omission which constitutes a breach of the Board member's or alternate's fiduciary duty to the Board or the Authority;
- (ii) A principal member failed to attend two or more Board meetings, or three or more meetings of a Committee to which such member is appointed, within a twelve-month period, without providing a business or personal reason which the Board determines is legitimate; or

- (iii) An alternate member, having received notice from his or her corresponding principal member of that member's inability to attend a meeting (as required by § 3.05 (c)), failed to attend two or more such Board meetings, or three or more Committee meetings, within a twelve-month period, without providing a business or personal reason which the Board determines is legitimate.

(d) A principal or alternate member who is indicted for the commission of a felony shall be automatically suspended from serving on the Board. Upon a final determination of guilt, the term of the principal or alternate member shall be automatically terminated. Upon a final determination of innocence, the Mayor may reinstate the Board member.

§ 2.04 Resignation

Any principal or alternate member may resign by giving notice of resignation to the Mayor and a copy of the notice to the Secretary to the Board. A non-District member shall also notify the official authorized to recommend a successor. The member's resignation shall take effect on the date specified in the notice.

§ 2.05 Compensation

Principal and alternate members of the Board of Directors shall be compensated and reimbursed for expenses as provided in the Act and in accordance with the Authority's reimbursement procedures for executive officers.

ARTICLE III Meetings

§ 3.01 Meetings to be Open to Public; Availability of Records

(a) For purposes of these By-Laws, except as provided in subsection (g), the term "meeting" shall be defined as a gathering of a quorum of the members of the Board, including hearings and roundtables, whether formal or informal, regular, closed executive session, or emergency, at which the members of the Board during such gathering consider, conduct, or advise on Authority business, including gathering of information, taking testimony, discussing, deliberating, recommending, and voting, regardless whether the meeting is held in person, by telephone, electronically, or by other means of communication. The term "meeting" may also include part or all of a retreat. The term "meeting" shall not include a chance or social gathering, press conference, or training session.

(b) Except as provided in § 3.04, all meetings shall be open to the public. A meeting shall be deemed open to the public if:

- (i) The public is permitted to be physically present;

- (ii) The news media, as defined by D.C. Official Code § 16-4701, is permitted to be present; or
- (iii) The meeting is televised.

(c) All meeting, whether open or closed, shall be recorded by electronic means; provided, that if a recording is not feasible, detailed minutes of the meeting shall be kept.

(d) Copies of records, including a written transcript or transcription shall be made available to the public, at a reasonable cost, upon request in accordance the following schedule, provided that a record, or a portion of a record, may be withheld under the standards established for closed executive session meetings as provided in § 3.04:

- (i) A copy of the approved minutes of a meeting shall be made available for public inspection as soon as practicable, but no later than 3 business days after the meeting at which the minutes were approved.
- (ii) A copy of the full record, including any recording or transcript, shall be made available for public inspection as soon as practicable, but not later than 7 business days after the meeting.

(e) A meeting may be held by video conference, telephone conference, or other electronic means, provided that:

- (i) Reasonable arrangements are made to accommodate the public's right to attend the meeting;
- (ii) The meeting is recorded; and
- (iii) All votes are taken by roll call.

(f) A meeting held by electronic means shall comply with all of the requirements of these By-Laws.

(g) E-mail exchanges among principal or alternate members and staff shall not constitute an electronic meeting.

§ 3.02 Regular Meetings

Regular meetings of the Board shall be held on the first Thursday of each month, or if such day is a legal holiday in the District of Columbia, then on the next weekday following such day unless an alternate date is determined to be appropriate by the Chairperson. All meetings shall be held at the Blue Plains Wastewater Treatment Plant,

5000 Overlook Avenue, S.W., Washington, D.C., or as otherwise specified in the notice of such meeting.

§ 3.03 Emergency Meetings

(a) Emergency meetings of the Board to address an urgent matter may be called by the Chairperson on his or her own initiative, or upon the written request of not less than three members of the Board entitled to vote on the matter or matters to be considered at the emergency meeting (which request shall specify such proposed matter or matters and shall be delivered to the Chairperson and the Secretary to the Board).

(b) When an emergency meeting is convened, the Chair shall open the meeting with a statement explaining the subject of the meeting, the nature of the emergency and how public notice was provided.

§ 3.04 Closed (Executive Session) Meetings

(a) The Board or Committee may only close a meeting or portion of a meeting for an executive session for the following reasons:

- (i) A law or court order requires that a particular matter or proceeding not be public;
- (ii) To discuss, establish, or instruct the Authority's staff or negotiating agents concerning the position to be taken in negotiating the price and other material terms of a contract, including an employment contract, if an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority;
- (iii) To discuss, establish, or instruct the Authority's staff or negotiating agents concerning the position to be taken in negotiating incentives relating to the location or expansion of industries or other businesses or business activities in the District;
- (iv) To consult with the General Counsel or other attorney to obtain legal advice and to preserve the attorney-client privilege between an attorney and the Authority, or to approve settlement agreements; provided, that, upon request, the Authority may decide to waive the privilege. A meeting shall not be closed that would otherwise be open merely because an attorney for the Authority is a participant;
- (v) Planning, discussing, or conducting specific collective bargaining negotiations;

- (vi) Preparation, administration, or grading of scholastic, licensing, or qualifying examinations;
- (vii) To prevent premature disclosure of an honorary degree, scholarship, prize, or similar award;
- (viii) To discuss and take action regarding specific methods and procedures to protect the public from existing or potential terrorist activity or substantial dangers to public health and safety, and to receive briefings by staff members, legal counsel, law enforcement officials, or emergency service officials concerning these methods and procedures; provided, that disclosure would endanger the public and a record of the closed session is made public if and when the public would not be endangered by that disclosure;
- (ix) To discuss disciplinary matters;
- (x) To discuss the appointment, employment, assignment, promotion, performance evaluation, compensation, discipline, demotion, removal, or resignation of government appointees, employees, or officials;
- (xi) To discuss trade secrets and commercial or financial information obtained from outside the Authority, to the extent that disclosure would result in substantial harm to the competitive position of the person from whom the information was obtained;
- (xii) To train and develop members of the Board and staff, including off-site retreats of members for such purposes;
- (xiii) To deliberate upon a decision in an adjudication action or proceeding by the Authority exercising quasi-judicial functions; and
- (xiv) To plan, discuss, or hear reports concerning ongoing or planned investigations of alleged criminal or civil misconduct or violations of law or regulations, if disclosure to the public would harm the investigation.

(b) Before a Board or Committee meeting or portion of a meeting is closed for an executive session, the Board or Committee shall:

- (i) Meet in an open session at which a majority of the members present shall vote in favor of closure;

- (ii) The Chairperson or acting Chairperson of the Board or Committee shall make a statement providing the reason for closure, including a citation from § 3.04(a) and the subjects to be discussed; and
- (iii) The Secretary to the Board shall make available to the public a copy of the written roll call vote and the statement.

(c) A Board or Committee meeting in a closed executive session shall not discuss or consider matters other than those matters listed under § 3.04(a).

§ 3.05 Notice to the Board of Meetings

(a) Before any meeting of the Board, the Secretary to the Board shall notify principal and alternate members of the meeting by:

- (i) Mailing a notice by first class mail, postage prepaid at least five days (Saturdays, Sundays and legal holidays excluded) before the date of such meeting to the principal and alternate members' addresses appearing on the Authority's records; or
- (ii) Delivering a notice by hand facsimile or e-mail transmission at least one day (Saturdays, Sundays and legal holidays excluded) before the date of such meeting to the principal and alternate members' respective addresses, facsimile numbers or e-mail addresses appearing on the record.

(b) The notice shall state the date, time, and place of the meeting and shall be accompanied by a proposed agenda, prepared in accordance with § 3.07(a), except that where an emergency meeting is called, and time does not allow for the preparation of an agenda prior to the issuance of notice, the notice shall include a brief description of the matters to be considered.

(c) A member who is unable to attend a meeting due to legitimate personal or business reasons shall notify the designated alternate and the Secretary to the Board. If the member's corresponding alternate is also unable to attend, the alternate shall notify the Secretary to the Board of these circumstances and the reason for his or her absence.

(d) Satisfaction of the notice requirements of this Section may be waived by a majority of the members of the Board at a meeting at which a quorum is present, provided that the Secretary to the Board shall have made reasonable efforts to comply with such requirements. The attendance of a principal or alternate member at a Board meeting shall constitute such a waiver unless specific objection is made before the presence of a quorum is determined.

§ 3.06 Notice of Meetings to the Public

(a) The Secretary to the Board shall inform the public of any Board or Committee meeting, including regular, emergency, or closed executive session meeting, when they are scheduled and when the schedule is changed;

(b) Notices to the public shall be posted on the Authority's website and in a public area at the Blue Plains Wastewater Treatment Plant or the location of the Board or Committee meeting not less than 48 hours or 2 business days before a meeting. Notice of meetings shall also be published in the *D.C. Register* as timely as practicable.

(c) The Secretary to the Board shall inform the public of a hearing to consider the establishment or adjustment of retail water and sewer rates by publishing a notice in the *D.C. Register* and a newspaper of general circulation at least ten days prior to the date of the hearing.

(d) The Secretary to the Board shall inform the public of any emergency meeting by posting the notice of the meeting on the Authority's website and in a public area at the Blue Plains Wastewater Treatment Plant or the location of the Board or Committee meeting at the same time as notice of the meeting is issued to Board members.

(e) Each notice to the public for a Board or Committee meeting shall include the date, time, location, and planned agenda to be covered at the meeting. If the meeting or any portion of the meeting is to be closed, the notice shall include, if feasible, a statement of intent to close the meeting or any portion of the meeting, including citations to the reason for closure under § 3.04(a), and a description of the matters to be discussed.

§ 3.07 Agenda

(a) The Secretary to the Board shall prepare a proposed agenda under the Chairperson's direction, including a consent agenda, for each meeting of the Board and Committee. The agenda shall be attached to the notices provided for in §§ 3.05 and 3.06, and shall designate, by an asterisk or other mark, those items which do not involve "joint-use sewerage facilities" within the meaning of Section 201(4) of the Act (a "non joint-use" matter).

(b) A motion to change the designation or non-designation of an agenda item as non joint-use must be made and acted on prior to discussion of the item. In the event that the Board is to consider a matter not listed on the proposed agenda or matters at an emergency meeting for which no agenda was prepared, such matters are presumed to be joint use items unless a motion to redesignate the item is made and acted on prior to discussion of the item.

§ 3.08 Quorum

(a) Six (6) principal members shall constitute a quorum for the transaction of Board business, except that an alternate member may be counted towards a quorum in the absence of their corresponding principal member.

(b) Four (4) District members shall constitute a quorum for conducting a public hearing to establish or adjust retail water and sewer rates, pursuant to 21 DCMR § 4001.3 .

(c) Committees shall not be required to meet a quorum requirement to hold a meeting.

(d) The number of attendees at a Board or Committee meeting shall not be kept below the number required to establish a quorum to avoid these requirements.

§ 3.09 Conduct of Business

(a) The Chairperson shall preside over Board meetings.

(b) Board actions shall be presented for a vote in the form of a resolution.

(c) The Board may postpone consideration of an agenda item by a majority vote of those members authorized to participate in the decision.

(d) All votes of the Board or Committee to hold a closed executive session or during a meeting conducted by electronic means shall be taken by roll call and recorded by the Secretary to the Board.

(e) Physical attendance at Board meetings is the preferred method of participation. However, Board members may participate telephonically and via videoconferencing in both Board and Committee meetings. Members participating in Board meetings telephonically or via videoconferencing may both be considered for purposes of determination of a quorum and vote. Members participating in Committee meetings telephonically or via videoconferencing may voice their recommendations to the Board. However, such telephonic and videoconferencing participation is to occur only when the following conditions are met: (i) neither the principal nor the principal's alternate can attend the meeting in person; and (ii) the Chairman determines that the telephonic and/or videoconferencing communication is in the best interest of the Authority. In order for the Chairman to make this determination, the Board member wishing to participate telephonically or via videoconferencing must notify the Chairman as soon as he/she is aware of the need to participate in this manner or the day before the meeting, whichever occurrence is earlier in time.

(f) The Board may establish rules governing the conduct and procedure of Board and Committee meetings. Questions of procedure for meetings of the Board or Committee meetings that are not determined by these By-Laws or any rules adopted by

the Board shall be governed by Robert's Rules of Order as interpreted by the Chairperson.

ARTICLE IV Officers of the Board

§ 4.01 Appointment

(a) The officers of the Board shall consist of the Chairperson, who shall be selected as provided for in the Act and a First Vice-Chairperson and Second Vice - Chairperson. Both the First and Second Vice-Chairpersons and all other Board officers established by these By-Laws, shall be selected by the Board from among persons nominated by the Nominating Committee.

(b) The Board may, by resolution, create or abolish any officer position (other than the Chairperson).

(c) The Board may, by resolution, delegate the duties of the officer position (other than the Chairperson) to any alternate member.

§ 4.02 Duties

(a) The Chairperson's duties shall include but are not limited to calling emergency meetings of the Board in accordance with § 3.03, determining the agenda of a meeting for purposes of § 3.07, presiding over Board meetings in accordance with § 3.09, establishing ad-hoc Committees of the Board, appointing members and chairpersons of the standing and ad-hoc Committees of the Board and carrying out such other duties as are specified in these By-Laws or delegated to the Chairperson by resolutions of the Board that are in accordance with the Act and these By-Laws.

(b) The First Vice-Chairperson shall fulfill the duties of the Chairperson if the Chairperson is absent or otherwise unavailable to do so. The Second Vice-Chairperson shall fulfill the duties of the First Vice-Chairperson if the First Vice-Chairperson is absent or otherwise unavailable.

§ 4.03 Term of Office

An officer of the Board shall serve a one-year term or until a successor assumes office, unless the officer resigns or is removed.

§ 4.04 Resignation and Removal of Officers

(a) Officers of the Board shall serve the full term provided in these By-Laws unless such term is terminated earlier by resolution of the Board for cause.

(b) An officer may resign by written notice to the Chairperson and the Secretary to the Board. The resignation shall take effect on the date the notice is

received, unless the notice specifies a later effective date, which is acceptable to the Chairperson.

(c) The Board may appoint a successor to fill the unexpired term of a resigned or removed officer (other than the Chairperson), or for a new term, as the Board considers appropriate.

ARTICLE V Committees

§ 5.01 Establishment

(a) The following shall be standing Committees of the Board, with such other responsibilities as are specified by the Chairperson or appropriate resolution of the Board, including but not limited to the review of contracts that are material to the Committee's assigned duties. The Board may create additional standing Committees as it deems necessary. The Committees shall receive detailed information in their areas of responsibility and make recommendations to the Board. Only formal actions of the Board through resolution can bind the Authority. The chairperson of a standing or ad-hoc Committee, with the concurrence of the Chairperson of the Board, may designate an acting chairperson for the purposes of chairing a particular standing or ad-hoc Committee meeting.

- (i) Finance and Budget Committee: Shall make recommendations to the Board regarding actions required of or desired by the Board of Directors which have a significant and material fiscal effect as a result of operations, including by way of example and not limitation, adoption of the budget, borrowings, investments, grants, acquisitions, accounting, sales, insurance, adjustments to charges due for services or commodities furnished by the Authority, appropriations and the settlement of claims.
- (ii) District of Columbia Retail Water and Sewer Rates Committee: Shall be composed of the six members of the Board representing the District and shall make recommendations to the Board regarding actions required of or desired by the Board of Directors with respect to the establishment of rates and fees for services or commodities furnished by the Authority.
- (iii) Environmental Quality and Sewerage Services Committee: Shall make recommendations to the Board regarding actions required of or desired by the Board of Directors with respect to the safety of operations, emergency planning and the operation, repair, replacement, rehabilitation, modernization and extension of the sewage disposal and its treatment, transmission, pumping and storage systems, groundwater and stormwater collection systems and other assets and property available to the Authority's use.

- (iv) Human Resources and Labor Relations Committee: Shall make recommendations to the Board regarding actions required of or desired by the Board of Directors with respect to the terms, requirements and conditions of employment for all employees including the General Manager, to include, by way of example and not limitation, matters involving compensation, pension and other benefits, awards and collective bargaining agreements.
- (v) Audit Committee: Shall make recommendations to the Board regarding actions required of or desired by the Board of Directors with respect to the independent appraisal of internal controls, operations and procedures utilized by the Authority in its financial and other operations, shall make recommendations to the Board regarding the selection of the Authority's independent outside auditors, and shall meet as appropriate with such auditors with or without the presence of the Authority's management.
- (vi) Governance Committee: Shall make recommendations to the Board regarding the policies and procedures to be followed by the Board, matters of internal governance of the Board, resolution of ethical questions, the discharge of the Board's duties, including any modifications of these By-Laws, and policy level oversight of the Authority's legislative and governmental relations activities. The Committee may also consider other matters involving the conduct of members, which may be referred by the Chairperson.
- (vii) Water Quality and Water Services Committee: Shall be composed of Board members representing the District and shall make recommendations to the Board regarding actions required of or desired by the Board of Directors with respect to drinking water quality, the safety of operations, emergency planning and the operation, repair, replacement, rehabilitation, modernization and extension of the water distribution, pumping and storage systems, and regarding communications with ratepayers and customers without regard to the medium employed, including by way of example and not limitation, responses to customer inquiries, customer education initiatives and customer assistance programs.
- (viii) Strategic Planning Committee: Shall make recommendations to the Board regarding both long and short term strategic planning.

§ 5.02 Appointment

Members of the Board's standing Committees and ad-hoc Committees, and the chairpersons of these Committees, shall be selected by the Chairperson of the Board. Only District Board members may serve on Committees or Subcommittees with

jurisdiction over non joint-use matters or the rates charged to District retail water and sewer customers.

§ 5.03 Duties

The principal duty of any Committee shall be to recommend proposed action to the Board of Directors. No Committee or individual member shall have the power to bind the Board or the Authority to any matter or obligation or to authorize any act by the Authority.

§ 5.04 Standing Committee Meetings

(a) At the first meeting each year of a standing Committee, the chairperson of such Committee (or the acting chairperson designated pursuant to § 5.01(a)), in consultation with the other members of the Committee, the Chairperson of the Board, and the General Manager, shall establish a meeting schedule for the remainder of the year and for the first meeting in the ensuing year. Such schedule shall specify the date, time, and location at which each Committee meeting shall be held. In consulting with the other members of the Committee, the Chairperson of the Board, and the General Manager, the chairperson of the Committee shall endeavor to the greatest possible extent to avoid conflicts with the meeting schedules of other Committees and to minimize inconvenience to Board Members and Alternates serving on multiple Committees, and to the General Manager and relevant staff, so as to facilitate Committee meeting attendance by all appropriate participants.

(b) Following the establishment of a Committee meeting schedule as provided in subsection (a), should the chairperson of a Committee be unable to attend a scheduled meeting, such Committee chairperson shall request the vice-chairperson of the Committee (if a vice-chairperson has been designated) to serve as acting chairperson for the purpose of conducting the meeting at the previously scheduled date, time, and location. If the vice-chairperson is unable to attend, the Committee chairperson shall request another member of the Committee to serve as acting chairperson for such meeting. In the event that neither the vice-chairperson nor another Committee member is available to serve as acting chairperson for a previously scheduled meeting, or if it appears that a significant number of Committee members will be unable to attend at the scheduled date, time, or location, or at the request of the General Manager, the Committee chairperson may request that the Chairperson of the Board waive the requirements of this subsection for good cause shown and permit such meeting to be held on a different date, or at a different time or location. Should the Chairperson not grant such a waiver, the meeting shall be cancelled.

ARTICLE VI Administration

§ 6.01 General Manager

The Board shall hire a General Manager upon the affirmative vote of eight voting members. The General Manager shall be the chief administrative officer of the Authority and, subject to the direction and supervision of the Board, shall have such supervisory and management responsibilities concerning the Authority's business, affairs, property, agents, and employees as the Board expressly determines by resolution. The General Manager may only be terminated upon an affirmative vote of eight voting members.

§ 6.02 Delegation

The Board may by resolution delegate to the General Manager any of its authority to the extent permitted by the Act, including, but not limited to procurement authority in such amounts as are specified by the Board.

§ 6.03 Secretary to the Board

(a) There is hereby established the Office of Secretary to the Board. The Secretary to the Board shall not be an officer of the Board and may not vote, but may be an employee of the Authority.

(b) The Secretary shall:

- (i) In addition to the responsibility established in section 3.07, coordinate under the direction of the General Manager, all Board meetings and other business activities of the Board;
- (ii) Prepare meeting minutes from Board meetings and other business activities when appropriate and prepare agendas in accordance with § 3.07;
- (iii) Keep a written transcript or transcription of the proceedings of the Board and any hearings in one or more books kept for that purpose. The Secretary shall have custody of all books, records and papers of the Board;
- (iv) Make available to the public any recordings, transcripts or transcription prepared pursuant to § 3.01 of these By-Laws and furnish copies to the public in accordance with that section;
- (v) Maintain the annual reports required by law and approved by the Board. The Secretary shall transmit copies of the approved report to the Mayor and the Council, and shall make the report available to the public;
- (vi) Have custody of the seal of the Authority and shall have authority to affix, impress or reproduce such seal on copies of resolutions and

- other official actions of the Authority and on all documents, the execution and delivery of which has been duly authorized by the Board; and
- (vii) Perform all duties and have all powers incident to the Office of the Secretary and shall perform such other duties and have such other powers as may be assigned by these By-Laws, the Board, its Chairperson, or the General Manager.

ARTICLE VII Amendment

These By-Laws may be amended by a majority vote of the Board at a meeting which is open to the public in accordance with the Open Meetings Amendment Act of 2010 (D.C. Official Code § 2-501 *et seq.*).

ARTICLE VIII Miscellany

§ 8.01 Offices

(a) The principal office of the Authority and of the Board shall be located at the Blue Plains Wastewater Treatment Plant, 5000 Overlook Avenue, S.W., Washington, D.C.

(b) The Board may maintain other offices at such other places in the District as the Board may establish from time to time.

§ 8.02 Seal

The seal of the Authority shall be in the form of a circle and shall bear the name of the Authority and its year of establishment.

§ 8.03 Fiscal Year

The Fiscal Year of the Authority shall end on the last day of September of each year.

§ 8.04 Sureties and Bonds

The Board may require any officer, employee, or agent of the Authority to execute, as a condition of employment or continued employment, a bond in such sum, with such surety or sureties as the Board may direct, conditioned upon the faithful performance of such person's duties to the Authority, including responsibility for negligence and of the accounting of all property, funds, or securities of the Authority as may come into such person's control.

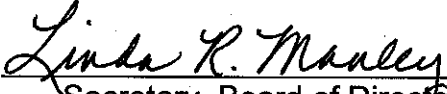
§8.05 Joint Use Sewerage Facilities

Section 34-2202.01(4) of the D.C. Official Code, designates the following facilities as joint use:

Little Falls Trunk Sewer; Upper Potomac Interceptor Sewer; Upper Potomac Interceptor Relief Sewer; Rock Creek Main Interceptor Sewer; Rock Creek Main Interceptor Relief Sewer; (duplicate deleted) Potomac River Sewage Pumping Station; Potomac River Force Mains; Watts Branch Trunk Sewer; Anacostia Force Main (Project 89 Sewer); Anacostia Force Main & Gravity Sewer; Outfall Sewers (Renamed Potomac River Trunk Sewers); Outfall Relief Sewers (Renamed Potomac River Trunk Relief Sewers); Upper Oxon Run Trunk Sewer; Upper Oxon Run Trunk Relief Sewer; Lower Oxon Run Trunk Sewer; Lower Oxon Run Trunk Relief Sewer; Blue Plains Wastewater Treatment Plant (Blue Plains); and Potomac Interceptor Sewer.

§ 8.06 Captions

The captions of the articles and sections of these By-Laws are provided solely for convenience of reference and shall not affect the meaning thereof.


Secretary, Board of Directors

Presented and Adopted: December 5, 2013

**SUBJECT: Adoption of Collective Bargaining Agreement
on Working Conditions between DC Water and American
Federation of Government Employees Local 2553**

**#13-113
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 December 5, 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 approval of the Collective Bargaining Agreement on Working Conditions between DC Water and the American Federation of Government Employees Local 2553.

WHEREAS, the District of Columbia Public Employee Relations Board (PERB) has certified the American Federation of Government Employees ("AFGE") Local 2553, as the exclusive collective bargaining agent for matters concerning working conditions; and

WHEREAS, representatives of the Authority and the AFGE Local 2553 have bargained in good faith pursuant to law to achieve a successor Agreement on Working Conditions; and

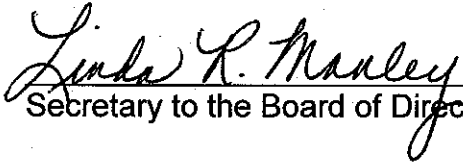
WHEREAS, the Human Resources and Labor Relations Committee met on November 13, 2013 and has recommended that the Board approve execution of this Agreement on Working Conditions; and

WHEREAS, the members of AFGE Local 2553 met on November 14, 2013 and voted to ratify the Collective Bargaining Agreement between DC Water and the AFGE Local 2553; and

WHEREAS, the proposed working conditions agreement constitutes a joint effort by the AFGE Local 2553 and the Authority to assure fairness to employees and efficient management by the Authority.

NOW THEREFORE BE IT RESOLVED:

1. The Board approves the Collective Bargaining Agreement on Working Conditions between DC Water and the American Federation of Government Employees Local 2553.
2. This Working Conditions Agreement shall be effective, in accordance with its terms, for the period commencing on the date of full execution and ending on September 30, 2016.
3. The Chairman of the Board, the Chairman of the Human Resources and Labor Relations Committee and the General Manager are authorized to execute this Working Conditions Agreement.
4. The General Manager is authorized to take all actions necessary to fully implement this Working Conditions Agreement.


Secretary to the Board of Directors

Presented and Adopted: December 5, 2013
**Subject: Approval of Fiscal Year 2014 - 2023 Capital
Improvement Program (CIP)**

#13-114
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("DC Water") at its meeting on December 5, 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 Fiscal Year 2014 – 2023 Capital Improvement Program (Lifetime and Cash Disbursements Basis).

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 November 7, 2013, the General Manager briefed Board members on the Proposed Lifetime Budget totaling \$9,359,448,000 and the related FY 2014 - 2023 Capital Improvement Program Disbursements Plan, which totaled \$3,849,942,000; and

WHEREAS, on November 21, 2013, the Environmental Quality and Sewerage Services and the Water Quality and Water Services Committees, in a joint meeting, reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts, and recommended that the Board adopt the Proposed Lifetime Budget totaling \$9,359,448,000 and the related FY 2014 - 2023 Capital Improvement Program Disbursements Plan, which totaled \$3,849,942,000; and

WHEREAS, on November 22, 2013, the Finance and Budget Committee reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts, and recommended that the Board adopt the Proposed Lifetime Budget totaling \$9,359,448,000 and the related FY 2014 - 2023 Capital Improvement Program Disbursements Plan, which totaled \$3,849,942,000.

NOW THEREFORE, BE IT RESOLVED THAT:

The Board hereby approves and adopts DC Water's Fiscal Year 2014 – 2023 Capital Improvement Program with the Lifetime Budget totaling \$9,359,448,000 (Attachment A-1) and Disbursements Plan of \$3,849,942,000 (Attachment A-2), and as further detailed in the General Manager's Proposed Fiscal Year 2015 Operating and Capital Budgets dated November 7, 2013 and accompanying materials.

This resolution is effective immediately.


Secretary to the Board of Directors

FY 2014 - FY 2023 Capital Improvement Plan

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

	FY 2014 Approved	FY 2014 Revised / FY 2015 Proposed	Variance
Wastewater Treatment			
Liquid Processing Projects	\$632,948	\$831,760	\$198,812
Plantwide Projects	360,994	446,508	85,514
Solids Processing Projects	772,912	793,044	20,132
Enhanced Nitrogen Removal Facilities	966,888	1,024,481	57,593
Sub-total	2,733,742	3,095,793	362,051
Sanitary Sewer			
Sanitary Collection Sewers	162,656	212,995	50,339
Sanitary On-Going Projects	173,757	200,741	26,984
Sanitary Pumping Facilities	30,458	44,193	13,735
Sanitary Sewer Projects Program Management	91,086	111,214	20,128
Sanitary Interceptor/Trunk Force Sewers	466,541	585,475	118,934
Sub-total	924,498	1,154,618	230,120
Combined Sewer Overflow			
CSO Program Management	55,239	68,464	13,225
Combined Sewer Projects: Nine Minimum Controls	213,388	208,968	(4,420)
Combined Sewer Projects: Others	339,926	340,657	731
D.C. Clean Rivers Project (<i>aka Long-Term Control Plan</i>)			
Anacostia Tunnel	1,714,720	1,806,541	91,821
Potomac Tunnel	383,700	383,700	-
Rock Creek Tunnel	65,342	65,342	-
D.C. Clean Rivers Green Infrastructures	40,000	40,000	-
Sub-total	2,812,315	2,913,672	101,357
Stormwater			
Stormwater Extensions/Local Drainage	22,816	22,829	13
Stormwater On-Going Program	11,323	12,988	1,665
Stormwater Pumping Facilities	-	25,000	25,000
DDOT Stormwater Program	3,237	3,237	-
Stormwater Projects Program Management	10,630	12,051	1,421
Stormwater Trunk/Force Sewers	15,162	15,341	179
Sub-total	\$63,168	\$91,446	\$28,278
Water			
Water Distribution Systems	\$857,178	\$940,902	\$83,724
Water Lead Program	191,040	189,040	(2,000)
Water On-Going Projects	127,879	140,871	12,992
Water Pumping Facilities	155,908	167,217	11,309
DDOT Water Projects	38,184	38,775	591
Water Storage Facilities	75,762	76,358	596
Water Projects Program Management	78,756	74,781	(3,975)
Meter Replacement /AMR Installation	91,264	50,181	(41,083)
Sub-total	1,615,971	1,678,125	62,154
Washington Aqueduct	203,138	286,358	83,220
Capital Equipment	96,022	139,436	43,414
Total DC Water CIP Lifetime (see notes)	\$8,448,854	\$9,359,448	\$910,594

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 2013 will be dropped from the CIP next year.
- 2 These budgets do not include inhouse labor costs, estimated to be in the \$14 to \$17 million range, annually, and are applicable to, primarily, the time charged to capital projects by employees in the Departments of Engineering and Technical Services, Sewer Services, and Water Services.

FY 2014 – FY 2023 PROJECTED CAPITAL IMPROVEMENT PLAN (CIP) – DISBURSEMENTS BASIS (\$ in 000's)

Wastewater Treatment	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
	Revised	Proposed									FY '14 (Revsd) - '23
Liquid Processing Projects	18,072	18,443	19,676	29,426	23,742	11,130	4,596	8,595	10,958	15,389	160,028
Plantwide Projects	18,782	17,311	13,826	12,520	20,339	14,012	6,216	5,360	15,434	13,302	137,103
Solids Processing Projects	138,221	46,240	14,668	10,024	2,555	1,512	6,170	1,486	972	-	221,848
Enhanced Nitrogen Removal Facilities	93,116	92,370	97,943	66,418	45,054	4,899	2,581	878	539	1,097	404,853
Sub-total	268,192	174,364	146,112	118,387	91,690	31,552	19,563	16,320	27,904	29,789	923,872
Sanitary Sewer											
Sanitary Collection Sewers	1,478	9,562	11,422	4,543	7,533	6,260	6,760	7,585	9,337	11,618	76,099
Sanitary On-Going Projects	9,653	11,273	7,237	9,051	7,903	8,832	6,937	9,051	8,275	14,868	93,081
Sanitary Pumping Facilities	957	635	1,030	549	1,205	2,324	-	-	-	-	6,700
Sanitary Sewer Projects Program Management	4,739	4,993	4,866	5,192	5,498	5,863	4,973	4,071	2,460	3,027	45,683
Sanitary Interceptor/Trunk Force Sewers	12,990	22,813	45,001	36,731	29,179	43,694	27,750	23,207	14,356	13,257	268,977
Sub-total	29,818	49,276	69,556	56,066	51,318	66,973	46,420	43,915	34,428	42,770	490,539
Combined Sewer Overflow / Long Term Control Plan											
CSO Program Management	2,280	2,017	1,472	1,887	2,035	2,612	2,203	1,727	1,845	2,399	20,476
Combined Sewer Projects: Nine Minimum Controls	11,903	10,298	40,465	35,827	18,488	21,182	16,547	25,720	29,977	16,499	226,905
D.C. Clean Rivers Project (Long-Term Control Plan)	152,325	271,593	160,800	111,962	128,441	115,903	82,311	70,665	57,087	96,746	1,247,632
Sub-total	166,508	283,908	202,536	149,676	148,964	139,697	101,061	98,111	88,908	115,644	1,495,013
Stormwater											
Stormwater Local Drainage	122	57	796	1,097	1,036	760	295	692	628	249	5,733
Stormwater On-Going Program	446	581	451	418	442	493	515	545	681	656	5,227
Stormwater Pumping Facilities	-	-	1,222	7,827	8,888	-	-	-	-	-	17,937
DDOT Stormwater Program	1	35	17	18	19	19	2	-	-	-	110
Stormwater Research and Program Management	436	190	138	171	192	258	227	171	177	227	2,186
Stormwater Trunk/Force Sewers	1,839	1,173	1,190	-	-	-	-	-	-	-	4,201
Sub-total	2,843	2,035	3,813	9,531	10,577	1,529	1,039	1,408	1,486	1,132	35,393
Water											
Water Distribution Systems	31,493	48,577	43,117	33,889	44,046	48,829	46,902	39,176	38,022	42,286	416,337
Water On-Going Projects	8,770	9,377	6,815	8,156	6,478	6,787	6,123	6,188	5,929	6,760	71,380
Water Pumping Facilities	3,710	5,386	5,760	4,263	6,798	850	286	152	80	0	27,286
DDOT Water Projects	4,869	2,123	1,109	-	-	-	-	-	-	-	8,100
Water Storage Facilities	2,173	11,387	8,707	5,153	10,607	3,799	840	773	2,076	1,223	46,739
Water Projects Program Management	3,565	5,245	4,375	4,379	4,346	3,645	3,618	3,508	5,528	5,658	43,867
Water Lead Program	2,823	2,010	1,384	1,377	1,440	1,632	1,632	476	-	-	12,578
Meter Replacement (AMR Installation + CIS)	5,734	7,900	5,537	4,442	2,185	2,686	2,615	3,130	2,454	2,619	39,302
Sub-total	63,136	92,006	76,804	61,660	75,898	68,131	62,015	53,404	54,088	59,546	665,689
Washington Aqueduct	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	100,000
Capital Equipment	16,627	17,191	14,099	14,749	14,499	12,112	12,924	12,740	12,772	11,723	139,436
Total FY 2015 DC Water CIP	\$557,125	\$628,779	\$522,921	\$420,070	\$402,945	\$329,994	\$253,022	\$235,898	\$229,586	\$269,603	\$3,849,942

Presented and Adopted: December 5, 2013
Subject: Approval of Fiscal Year 2015 Capital Authority Request

#13-115
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("DC Water") at its meeting on December 5, 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 Fiscal Year 2015 Capital Authority request which is to be submitted to the United States Congress.

WHEREAS, on November 7, 2013, the General Manager briefed Board members on the Proposed FY 2015 Capital Authority request that totaled \$554,303,000; and

WHEREAS, on November 21, 2013, the Environmental Quality and Sewerage Services and the Water Quality and Water Services Committees, in a joint meeting, reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts, and recommended that the Board adopt the FY 2015 Capital Authority Request of \$554,303,000; and

WHEREAS, on November 22, 2013, the Finance and Budget Committee reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts, and recommended that the Board adopt the Proposed FY 2015 Capital Authority Request of \$554,303,000; and

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

NOW THEREFORE BE IT RESOLVED THAT:

The Board hereby approves and adopts DC Water's Fiscal Year 2015 Capital Authority request totaling \$554,303,000, 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

ATTACHMENT A

Fiscal Year 2015 Capital Authority Request *
(\$000's)

<u>Service Areas</u>	<u>Amount</u>
Blue Plains Wastewater Treatment	\$0
Sanitary Sewer System	48,100
Combined Sewer Overflow	327,059
Stormwater	28,226
Water System	111,627
Washington Aqueduct (DC Water share)	6,154
Capital Equipment	33,137
Total	<u>\$554,303</u>

* The authority request includes a 24 month look-ahead, i.e., it also takes into account projected commitments for FY 2016 and FY 2017. The Authority request does not include prior approved but un-committed amounts.

Presented and Adopted: December 5, 2013

SUBJECT: Approval of Fiscal Year 2014 - 2023 Ten-Year Financial Plan

**#13-116
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("DC Water") at its meeting held on December 5, 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 Fiscal Year 2014 - 2023 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 13-57 and 11-10, 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 DC Water; and

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

WHEREAS, consistent with the Board policies, the General Manager has prepared a ten-year financial plan in conjunction with the proposed FY 2015 operating and capital budgets; and

WHEREAS, the revised ten-year financial plan is based on assumptions detailed in the proposed Fiscal Year 2015 Operating and Capital Budgets; and

WHEREAS, the ten-year financial plan is consistent with projections appearing in the attached Schedules A, B and C of this resolution; and

WHEREAS, on November 19, 2013 and November 22, 2013, the DC Retail Water and Sewer Rates Committee and Finance and Budget Committee, respectively, met, reviewed and recommended that the Board adopt the ten-year financial plan as recommended by the General Manager.

NOW THEREFORE BE IT RESOLVED THAT:

The Board hereby accepts and approves the proposed Fiscal Year 2014 - 2023 Financial Plan that is supported by the attached Schedules A, B and C and the proposed Fiscal Year 2015 Operating and Capital Budgets.

This resolution is effective immediately.


Secretary to the Board of Directors

District of Columbia Water & Sewer Authority

FY 2014 - FY 2023 Financial Plan

(In 000's)

OPERATING	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Retail*	363,651	401,166	439,158	471,751	500,873	530,446	562,489	596,271	627,274	662,123
Wholesale*	71,126	75,124	75,485	77,756	80,156	82,555	85,063	87,683	90,406	93,200
Other	25,910	24,111	26,220	27,312	30,327	33,570	34,935	35,217	35,645	36,341
RSF	6,500	14,500	-	2,000	2,000	7,500	6,900	-	-	-
Operating Receipts (1)	\$ 467,187	\$ 514,901	\$ 540,862	\$ 576,819	\$ 613,356	\$ 654,071	\$ 689,386	\$ 719,181	\$ 753,325	\$ 791,664
Operating Expenses	(298,636)	(309,476)	(315,766)	(326,142)	(337,023)	(351,043)	(362,486)	(374,426)	(386,638)	(400,795)
Debt Service	\$ (130,120)	\$ (160,264)	\$ (178,355)	\$ (197,937)	\$ (220,340)	\$ (240,670)	\$ (259,606)	\$ (271,244)	\$ (281,614)	\$ (292,788)
Defeasance D.S./Cash Financed Capital Improv.	\$ -	\$ (20,058)	\$ (21,958)	\$ (23,588)	\$ (25,044)	\$ (26,522)	\$ (28,124)	\$ (29,814)	\$ (31,364)	\$ (33,106)
Net Revenues After Debt Service	\$ 38,431	\$ 25,103	\$ 24,783	\$ 29,153	\$ 30,949	\$ 35,835	\$ 39,170	\$ 43,697	\$ 53,709	\$ 64,975
Operating Reserve-Beg Balance	141,518	140,500	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
Other Misc (Disbursements)/Receipts	(15,700)	(8,053)	-	-	-	-	-	-	-	-
Wholesale/Federal True Up	-	-	-	-	-	-	-	-	-	-
Customer Rebate	-	-	(4,500)	(4,000)	-	-	-	(3,000)	(12,000)	(19,000)
Transfers To RSF	-	-	-	-	-	-	-	-	-	-
Transfers To DC PILOT Fund	-	-	-	-	-	-	-	-	-	-
Pay-Go Financing	(23,749)	(17,551)	(20,284)	(25,153)	(30,949)	(35,835)	(39,171)	(40,697)	(41,709)	(45,975)
Operating Reserve - Ending Balance	\$ 140,500	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000
Rate Stabilization Fund Balance RSF (2)	\$ (22,450)	\$ (7,950)	\$ (12,450)	\$ (16,450)	\$ (14,450)	\$ (6,950)	\$ (50)	\$ (3,050)	\$ (15,050)	\$ (34,050)
Senior Debt Service Coverage	398%	305%	267%	241%	224%	213%	209%	204%	201%	199%
Combined Debt Service Coverage	137%	140%	140%	140%	140%	140%	140%	140%	140%	141%
Actual/Projected Water/Sewer Rate Increases	5.5%	7.5%	7.5%	7.5%	7.5%	7.0%	6.5%	6.5%	6.0%	6.0%
*Operating Receipts \$ Increase/Decrease										
Retail	12,774	37,516	37,991	32,593	29,122	29,573	32,043	33,782	31,003	34,849
Wholesale	(3,884)	3,999	361	2,271	2,400	2,399	2,508	2,630	2,713	2,794
*Operating Receipts % Increase/Decrease										
Retail	3.8%	10.3% (3)	9.5%	7.4%	6.2%	5.9%	6.0%	6.0%	5.2%	5.6%
Wholesale	-5.2%	5.6%	0.5%	3.0%	3.1%	3.0%	3.0%	3.1%	3.1%	3.1%

(1) Includes interest earnings on senior lien revenue bonds' debt service reserve fund
 (2) FY 2014 Rate Stabilization Fund utilization brought the total fund balance to \$22.45 million
 (3) Savings anticipated from implementation of new biosolids management beginning in FY 2015

**District of Columbia Water & Sewer Authority
FY 2014 - FY 2023 Projected Average Residential Customer Monthly Bill**

Units	Proposed									
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
DC Water and Sewer Retail Rates (1)	\$ 53.65	\$ 57.67	\$ 62.02	\$ 66.63	\$ 71.72	\$ 76.73	\$ 81.75	\$ 87.10	\$ 92.32	\$ 97.81
DC Water Clean Rivers IAC	11.85	16.75	20.63	23.07	24.45	26.02	28.25	30.60	32.54	35.07
DC Water Customer Metering Fee	3.86	3.86	3.86	3.86	3.86	3.86	3.86	3.86	3.86	3.86
Subtotal DC Water Rates & Charges	\$ 69.36	\$ 78.28	\$ 86.51	\$ 93.56	\$ 100.03	\$ 106.61	\$ 113.86	\$ 121.56	\$ 128.72	\$ 136.74
Increase / Decrease	\$ 5.09	\$ 8.92	\$ 8.23	\$ 7.05	\$ 6.47	\$ 6.58	\$ 7.25	\$ 7.70	\$ 7.16	\$ 8.02
District of Columbia PILOT (1)	\$ 3.55	\$ 4.08	\$ 4.42	\$ 4.75	\$ 5.08	\$ 5.42	\$ 5.75	\$ 6.15	\$ 6.56	\$ 6.96
District of Columbia Right of Way Fee (1)	1.14	1.14	1.20	1.27	1.34	1.40	1.47	1.54	1.61	1.67
District of Columbia Stormwater Fee (2)	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67
Subtotal District of Columbia Charges	\$ 7.36	\$ 7.89	\$ 8.29	\$ 8.69	\$ 9.09	\$ 9.49	\$ 9.89	\$ 10.36	\$ 10.84	\$ 11.30
Total Amount Appearing on DC Water Bill	\$ 76.72	\$ 86.17	\$ 94.80	\$ 102.25	\$ 109.12	\$ 116.10	\$ 123.75	\$ 131.92	\$ 139.56	\$ 148.04
Increase / Decrease Over Prior Year	\$ 5.36	\$ 9.45	\$ 8.63	\$ 7.45	\$ 6.87	\$ 6.98	\$ 7.65	\$ 8.17	\$ 7.64	\$ 8.48
Percent Increase in Total Bill	7.5%	12.3%	10.0%	7.9%	6.7%	6.4%	6.6%	6.6%	5.8%	6.1%

(1) Assumes average monthly consumption of 6.69 Ccf, or (5,004 gallons)
(2) District Department of the Environment stormwater fee of \$2.67 effective November 1, 2010

**District of Columbia Water & Sewer Authority
FY 2015 Projected Retail Rates, Charges and Fees**

	Units	FY 2014	Proposed FY 2015
DC Water Retail Rates Water	Ccf	\$ 3.61	\$ 3.88
DC Water Retail Rates Sewer	Ccf	\$ 4.41	\$ 4.74
DC Water Clean Rivers IAC	ERU	\$ 11.85	\$ 16.75
DC Water Customer Metering Fee		\$ 3.86	\$ 3.86
District of Columbia PILOT Fee	Ccf	\$ 0.53	\$ 0.61
District of Columbia Right of Way Fee	Ccf	\$ 0.17	\$ 0.17

Presented and Adopted: December 5, 2013
Subject: Approval of Proposed Fiscal Year 2015 Operating Budget

#13-117
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("DC Water") at its meeting on December 5, 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 Fiscal Year 2015 Proposed Operating Budget.

WHEREAS, on November 7, 2013, the General Manager briefed Board members on the Proposed FY 2015 Operating Budget that totaled \$515,959,000; and

WHEREAS, on November 13, 2013, the Chief Financial Officer briefed the Governance and Human Resources and Labor Relations Committees, in a joint meeting, on the Proposed FY 2015 Operating Budget that totaled \$515,959,000; and

WHEREAS, on November 21, 2013, the Environmental Quality and Sewerage Services and the Water Quality and Water Services Committees, in a joint meeting, reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts, and recommended that the Board adopt the FY 2015 Operating Budget that totals \$515,959,000; and

WHEREAS, on November 22, 2013, the Finance and Budget Committee reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts, and recommended that the Board adopt the FY 2015 Operating Budget that totals \$515,959,000.

NOW THEREFORE BE IT RESOLVED THAT:

The Board hereby approves and adopts DC Water's Proposed Fiscal Year 2015 Operating Budget totaling \$515,959,000 and as further detailed in the General Manager's Proposed Fiscal Year 2015 Operating Budget dated November 7, 2013 and accompanying materials.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: December 5, 2013

**SUBJECT: Intent to Reimburse Capital Expenditures with Proceeds
of a Borrowing**

**#13-118
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("DC Water"), at the Board meeting held on December 5, 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.

WHEREAS, DC Water intends to acquire, construct and equip the items and projects set forth in Exhibit A hereto (collectively, the "Projects"); and

WHEREAS, plans for the Projects have advanced and DC Water expects to advance its own funds to pay expenditures related to the Projects ("Expenditures") prior to incurring indebtedness and to receive reimbursement for such Expenditures from proceeds of tax-exempt bonds or notes or taxable debt, or both.

NOW THEREFORE BE IT RESOLVED THAT:

1. DC Water utilizes the proceeds of tax-exempt bonds, taxable bonds or notes (the "Bonds") or other debt in an amount not currently expected to exceed \$743,777,000 to pay costs of the Projects. These costs include amounts heretofore unreimbursed pursuant to Resolution 13-06 of the Board adopted on January 3, 2013, plus amounts projected to be reimbursed during Fiscal Year 2014 and through September 2015.
2. DC Water intends to use the proceeds of the Bonds to reimburse itself for Expenditures with respect to the Projects made on or after the date that is 60 days prior to the date of this Resolution. DC Water reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Bonds or other debt.
3. Each Expenditure was or will be, unless otherwise supported by the opinion of bond counsel, either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bonds, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of DC Water so long as such

grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of DC Water.

4. DC Water makes a reimbursement allocation, which is a written allocation by DC Water that evidences DC Water's use of proceeds of the Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The DC Water recognizes that exceptions are available for certain "preliminary expenditures," costs of issuance, certain de minimis amounts, expenditures by "small issuers" and expenditures for any construction, the completion of which is expected to require at least five years.
5. The Board adopts this resolution confirming the "official intent" within the meaning of Treasury Regulations Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended.

This resolution is effective immediately.


Secretary to the Board of Directors

EXHIBIT A — LIST OF PROJECTS

Blue Plains Advanced Wastewater Treatment Plant Rehabilitation
Blue Plains Enhanced Nitrogen Removal Facilities
Blue Plains New Digestion Facilities
Sanitary Sewer System Improvement Projects
Combined Sewer System Improvement Projects
Stormwater Sewer System Improvement Projects
Water Pumping, Distribution and Storage Projects
Metering and Capital Equipment
Washington Aqueduct Projects
Combined Sewer Overflow/Long Term Control Plan (aka Clean Rivers Project)

Presented and Adopted: December 5, 2013

SUBJECT: Approval to Execute a Modification to Contract No. WAS-9087-AA-AB, Orcom Solutions, Inc.

**#13-119
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 December 5, 2013 upon consideration of a non- joint use matter decided by a vote of six (6) in favor and none (0) opposed to execute Supplemental Agreement No. 5 of Contract No. DCFA #434, CH2M Hill Engineers, Inc. a modification to Contract No. WAS-9087-AA-AB, Orcom Solutions, LLC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute a modification to Contract No. WAS-087-AA-AB, Orcom Solutions, LLC. The purpose of the contract modification is to add funding to the Customer Information System contract. The contract modification amount is \$1,233,000.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: December 5, 2013

SUBJECT: Proposed Metered Water and Sewer Service Rates, Right-of-Way (ROW), Payment in Lieu of Taxes (PILOT) Fee, and Clean Rivers Impervious Area Charge (IAC) for DC Retail Water and Sewer Rates beginning in Fiscal Year 2015

**#13-120
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 December 5, 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), the Payment In Lieu of Taxes Fee (PILOT), and the Right-of- Way Occupancy Fee Pass Through Charge (ROW).

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 November 19, 2013 to consider the proposed rate, charge and fee changes; and

WHEREAS, DC Water has three classes of customers, (residential, multi-family and non-residential) as per Title 21 of the District of Columbia Municipal Regulations; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$0.60 per Ccf (\$0.80 per 1,000 gallons); and

WHEREAS, the increase in water and sewer rates should result in a combined water and sewer rate that approximates \$8.62 per one hundred cubic feet ("Ccf") or \$11.52 per 1,000 gallons of metered water and sewer use; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment a monthly increase in the Clean Rivers Impervious Area Charge of \$4.90 per Equivalent Residential Unit (ERU) to recover the \$2.6 billion costs of the Combined Sewer Overflow Long-Term Control Plan (CSO LTCP); and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, an increase in the ROW/PILOT fee of \$0.08 per Ccf (\$0.11 per 1,000 gallons) to recover the full cost of the District of Columbia government fees; 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 (or 5,004 gallons) by approximately \$9.45 per month or \$113.40 per year; and

WHEREAS, DC Water's retail revenue projections for Fiscal Year 2015 reflect an approximate \$38.9 million increase due to the proposed \$16.7 million increase in retail water and sewer rates, an approximate \$2.3 million increase due to the proposed ROW/PILOT fee increase, and an approximate \$19.9 million increase due to the proposed Clean Rivers IAC increase.

NOW THEREFORE BE IT RESOLVED THAT:

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

Retail Water Service Rates

- a. An increase in the rate for metered water services from \$3.61 per one hundred cubic feet ("Ccf"), (\$4.83 per 1,000 gallons) to:
 - Residential customers: \$3.88 per Ccf (\$5.19 per 1,000 gallons)
 - Multi-Family customers: \$3.88 per Ccf (\$5.19 per 1,000 gallons)
 - Non-Residential customers: \$3.88 per Ccf (\$5.19 per 1,000 gallons)

**Retail Sewer Service Rates
(Metered and Unmetered)**

- b. An increase in the rate for metered sewer services from \$4.41 per one hundred cubic feet ("Ccf"), (\$5.89 per 1,000 gallons) to:

- Residential customers: \$4.74 per Ccf (\$6.33 per 1,000 gallons)
 - Multi-Family customers: \$4.74 per Ccf (\$6.33 per 1,000 gallons)
 - Non-Residential customers: \$4.74 per Ccf (\$6.33 per 1,000 gallons)
- c. An increase in the annual Clean Rivers Impervious Area Charge (IAC) from \$142.20 to \$201.00 per Equivalent Residential Unit (ERU). The charge per ERU will be billed monthly at:
- Residential customers: \$16.75 for each ERU
 - Multi-Family customers: \$16.75 for each ERU
 - Non-Residential customers: \$16.75 for each ERU

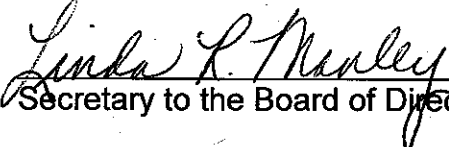
**District of Columbia Pass Through Charge
Right-of-Way Occupancy Fee**

- d. There is no increase in the Right-of-Way fee:
- Residential customers: \$0.17 per Ccf (\$0.22 per 1,000 gallons)
 - Multi-Family customers: \$0.17 per Ccf (\$0.22 per 1,000 gallons)
 - Non-Residential customers: \$0.17 per Ccf (\$0.22 per 1,000 gallons)

**District of Columbia Pass Through Charge
Payment in Lieu of Taxes Fee**

- e. An increase in the Payment in Lieu of Taxes fee from \$0.53 per per one hundred cubic feet ("Ccf") or (\$0.71 per 1,000 gallons) to:
- Residential customers: \$0.61 per Ccf (\$0.82 per 1,000 gallons)
 - Multi-Family customers: \$0.61 per Ccf (\$0.82 per 1,000 gallons)
 - Non-Residential customers: \$0.61 per Ccf (\$0.82 per 1,000 gallons)
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

Presented and Adopted: December 5, 2013

SUBJECT: Approval of DC Water's Support for the Mayor of the District of Columbia to Recommend that the Secretary of the Army Permit the Delivery of Water from the Washington Aqueduct to the Fairfax County Water Authority

**#13-121
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 ("DC Water") at its meeting on December 5, 2013, 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 DC Water's support for the Mayor of the District of Columbia to recommend that the Secretary of the Army permit the delivery of water from the Washington Aqueduct to the Fairfax County Water Authority.

WHEREAS, the U.S. Army Corps of Engineers, pursuant to an Act of Congress, dated March 3, 1859 [11 Stat 84], owns and operates the Washington Aqueduct to provide treated drinking water to the federal government and District of Columbia; and

WHEREAS, an Act of Congress dated April 14, 1926 (Pub. L. No. 119, 69th Congress) permits the delivery of water from the Washington Aqueduct to Arlington County, Virginia; and

WHEREAS, an Act of Congress dated June 26, 1947 (Pub. L. No. 118, 80th Congress) authorizes the Secretary of the Army to permit the delivery of water from the Washington Aqueduct to the City of Falls Church, Fairfax County, Virginia or to any other competent State or local authority in the metropolitan area in Virginia, subject to the recommendation Chief of Engineers of the U.S. Army Corps of Engineers, and the Board of Commissioners of the District of Columbia; and

WHEREAS, pursuant to Part IV of the Reorganization Plan No. 3 of 1967 (81 Stat. 948, August 11, 1967) all functions granted to or vested in the Board of Commissioners were transferred to the Commissioners of the District of Columbia, which pursuant to Section 422 of Pub. L. 93-198 (87 Stat. 774; D.C. Official Code § 1-242, December 24, 2973) were transferred to Mayor, who has been authorized by D.C. Official Code § 34-2411.01 (2013) to provide such recommendation to the Secretary of the Army; and

WHEREAS, on June 27, 2013, the City of Falls Church, Virginia, notified the Washington Aqueduct, Arlington County, Virginia, and DC Water of its intent to terminate the "Memorandum of Understanding between the District of Columbia Water and Sewer Authority, Arlington County, Virginia, and the City of Falls Church, Virginia and between the District of Columbia Water and Sewer Authority, Arlington County, Virginia, the City of Falls Church, Virginia, and the Department of the Army, Acting

Through the Chief of Engineers" ("1998 MOU"), contingent upon the successful closing of the sale of the Falls Church water system to the Fairfax County Water Authority; and

WHEREAS, pursuant to a settlement agreement between the City of Falls Church, Virginia, Fairfax County, and the Fairfax County Water Authority, the Fairfax County Water Authority shall be the successor in interest to the rights and obligations of the City of Falls Church, Virginia, with respect to the Falls Church water system, effective upon the closing of the sale of the Falls Church water system to the Fairfax County Water Authority; and

WHEREAS, the Fairfax County Water Authority, is a competent State or local authority in the metropolitan area in Virginia, and is legally capable of requesting the delivery of water from the Washington Aqueduct; and

WHEREAS, on August 9, 2013, the Fairfax County Water Authority requested that the Secretary of the Army permit the delivery of water from the Washington Aqueduct to the Fairfax County Water Authority's water system; and

WHEREAS, DC Water has worked with the Fairfax County Water Authority, the U.S. Army Corps of Engineers, and Arlington County, Virginia on the drafting of the Water Sales Agreement between the Fairfax County Water Authority and the U.S. Army Corps of Engineers; and

WHEREAS, DC Water has worked with Fairfax County Water Authority, the U.S. Army Corps of Engineers, and Arlington County, Virginia on the drafting of a new MOU between the parties and has recommended its approval for execution to the Board; and

WHEREAS, on November 20, 2013 the Washington Aqueduct, Arlington County, Virginia, Fairfax County Water Authority, and DC Water reached agreement on the "Water Sales Agreement" between Fairfax County Water Authority and U.S. Army Corps of Engineers and the "Memorandum of Understanding among the District of Columbia Water and Sewer Authority, Arlington County, Virginia, and the Fairfax County Water Authority and among the District of Columbia Water and Sewer Authority, Arlington County, Virginia, the Fairfax County Water Authority, and the Department of the Army, Acting through the Chief of Engineers" ("2013 MOU"); and

WHEREAS, on November 21, 2013, the Secretary of the Army requested the recommendation from the Mayor of the District of Columbia to permit the delivery of water from the Washington Aqueduct to the Fairfax County Water Authority; and

WHEREAS, the Office of the Mayor of the District of Columbia sought guidance from DC Water regarding the Secretary of the Army's request; and

WHEREAS, DC Water has determined that the delivery of water to the Fairfax County Water Authority, as provided in those agreements, will maintain continuity of the governance, water rates, and budgeting, with respect to the operations of the Aqueduct; and

WHEREAS, the DC Water Quality and Water Services Committee met in executive session on November 21, 2013, was briefed on the terms of the 2013 MOU, was

provided an assessment of the Water Sales Agreement and the legal issues related thereto, and has recommended that approval be given to the General Manager to convey DC Water's support for a recommendation by the Mayor that the Secretary of the Army permit the delivery of water from the Washington Aqueduct to the Fairfax County Water Authority; and

WHEREAS, the Board believes that the delivery of water to Fairfax County Water Authority is in the best interest of the DC Water's ratepayers.

NOW THEREFORE BE IT RESOLVED THAT:

The Board of Directors authorizes the General Manager to convey DC Water's support for the Mayor of the District of Columbia to recommend that the Secretary of the Army permit the delivery of water from the Washington Aqueduct to the Fairfax County Water Authority.

This Resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: December 5, 2013

SUBJECT: Approval of Memorandum of Understanding among the District of Columbia Water and Sewer Authority, Arlington County, Virginia, and the Fairfax County Water Authority and among the District of Columbia Water and Sewer Authority, Arlington County, Virginia, the Fairfax County Water Authority, and the Department of the Army, Acting through the Chief of Engineers

**#13-122
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 ("DC Water") at its meeting on December 5, 2013, 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 Memorandum of Understanding among the District of Columbia Water and Sewer Authority, Arlington County, Virginia, and the Fairfax County Water Authority and among the District of Columbia Water and Sewer Authority, Arlington County, Virginia, the Fairfax County Water Authority, and the Department of the Army, Acting through the Chief of Engineers.

WHEREAS, on May 5, 1998, the General Manager, pursuant to Board Resolution 98-19, dated April 2, 1998, executed the "Memorandum of Understanding between the District of Columbia Water and Sewer Authority, Arlington County, Virginia, and the City of Falls Church, Virginia and between the District of Columbia Water and Sewer Authority, Arlington County, Virginia, the City of Falls Church, Virginia, and the Department of the Army, Acting Through the Chief of Engineers" ("1998 MOU"); and

WHEREAS, on November 20, 2012, the City of Falls Church, Virginia and Fairfax County Water Authority announced that they had resolved a multi-year litigation action in a settlement agreement, whereby the parties agreed that the Fairfax County Water Authority would purchase the Falls Church water system, acquire the City of Falls Church water supply contract with the U.S. Army Corps of Engineers' Washington Aqueduct ("Washington Aqueduct") including its rights and obligations, and become the retail water supplier for the City of Falls Church water service area effective on or about January 3, 2014; and

WHEREAS, on June 27, 2013, pursuant to Article VII of the 1998 MOU, the City of Falls Church notified the Washington Aqueduct, Arlington County, Virginia, and DC Water of its intent to terminate the 1998 MOU; and

WHEREAS, and the Washington Aqueduct, Arlington County, Virginia, Fairfax County Water Authority, and DC Water legal and technical staff have worked cooperatively to revise the 1998 MOU to exchange the Fairfax County Water Authority for the City of

Falls Church and ensure the continuity of the governance, budgetary, and ratemaking procedures in a new MOU; and

WHEREAS, on November 20, 2013 the Washington Aqueduct, Arlington County, Virginia, Fairfax County Water Authority, and DC Water reached agreement on "Memorandum of Understanding among the District of Columbia Water and Sewer Authority, Arlington County, Virginia, and the Fairfax County Water Authority and among the District of Columbia Water and Sewer Authority, Arlington County, Virginia, the Fairfax County Water Authority, and the Department of the Army, Acting through the Chief of Engineers" ("2013 MOU"); and

WHEREAS, the DC Water Quality and Water Services Committee met in executive session on November 21, 2013 and was briefed on the terms of the 2013 MOU, the legal issues related thereto, and recommended its approval to the Board; and

WHEREAS, the Board believes that the 2013 MOU is in the best interest of DC Water's ratepayers and that it will ensure the continuity of the governance, budgetary, and ratemaking procedures.

NOW THEREFORE BE IT RESOLVED THAT:

The Board of Directors approves and authorizes the General Manager to execute the Memorandum of Understanding among the District of Columbia Water and Sewer Authority, Arlington County, Virginia, and the Fairfax County Water Authority and among the District of Columbia Water and Sewer Authority, Arlington County, Virginia, the Fairfax County Water Authority, and the Department of the Army, Acting through the Chief of Engineers.

This Resolution is effective immediately.


Secretary to the Board of Directors

MEMORANDUM OF UNDERSTANDING AMONG THE DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY, ARLINGTON COUNTY, VIRGINIA AND THE FAIRFAX COUNTY WATER AUTHORITY, AND AMONG THE DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY, ARLINGTON COUNTY, VIRGINIA, THE FAIRFAX COUNTY WATER AUTHORITY, AND THE DEPARTMENT OF THE ARMY, ACTING THROUGH THE CHIEF OF ENGINEERS

WHEREAS ownership of the Washington Aqueduct is under the administrative jurisdiction of the Department of the Army and the Department of the Army is required to operate the Washington Aqueduct consistent with applicable Federal statutes and regulations; and

WHEREAS an Act of Congress dated March 3, 1859 [11 Stat 84] placed the care, management, and superintendence of the Washington Aqueduct under the Chief of Engineers of the United States Army Corps of Engineers; and

WHEREAS pursuant to that Act the Chief of Engineers is responsible for supplying water in the City of Washington, D.C., for use by the Federal Government and for the use and benefit of the inhabitants of the City of Washington, D.C.; and

WHEREAS an Act of Congress dated April 14, 1926 (Pub. L. No. 119, 69th Congress) permits the delivery of water from the Washington Aqueduct to Arlington County, Virginia; and

WHEREAS an Act of Congress dated June 26, 1947 (Pub. L. No. 118, 80th Congress) permits the delivery of water from the Washington Aqueduct to the City of Falls Church, Fairfax County, Virginia, or to any other competent State or local authority in the Washington metropolitan area in Virginia; and

WHEREAS the Fairfax County Water Authority, Fairfax County, Virginia, is a competent State or local authority in the Washington metropolitan area, and as such is legally capable of requesting the delivery of water from the Washington Aqueduct; and

WHEREAS the Fairfax County Water Authority is the successor in interest to the City of Falls Church, Virginia in the delivery of water to the Falls Church water system, as well as to other areas within the Washington metropolitan area in Virginia; and

WHEREAS the City of Washington, D.C., acting through the District of Columbia Water and Sewer Authority, an independent authority of the Government of the District of Columbia; and Arlington County, Virginia; and the Fairfax County Water Authority, hereinafter referred to as "the Wholesale Water Customers", have entered into separate Water Sales Agreements with the Department of the Army that obligates the Wholesale Water Customers to pay their proportional share of the Department's costs of operating and maintaining the Washington Aqueduct; and

WHEREAS the Chief of Engineers relies upon the revenues generated from the three Water Sales Agreements to pay all such costs; and

WHEREAS the Wholesale Water Customers desire a mechanism by which they can jointly communicate with the Army (as defined below) concerning the cost, quality, and availability of the water purchased through their Water Service Agreements.

NOW, THEREFORE the parties agree as follows:

ARTICLE I – AGREEMENT TO BE BOUND

The Wholesale Water Customers agree to be bound by Articles II and IV through XI of this Memorandum of Understanding (this "MOU"). The Army agrees to be bound by Articles III through XI of this MOU.

ARTICLE II – INTERJURISDICTIONAL AGREEMENT

SECTION 1 – WHOLESALE CUSTOMERS BOARD. In order to foster a stable and mutually beneficial partnership among the Wholesale Water Customers, the Chief Administrative Officers of the Wholesale Water Customers agree to meet together as a Wholesale Customers Board, hereinafter referred to as "the Board", which shall serve as the mechanism for the Wholesale Water Customers to jointly communicate with the Department of the Army, hereinafter referred to as "the Army", on issues concerning, inter alia, the cost, quality, and availability of the water furnished by the Army from the Washington Aqueduct to the Wholesale Water Customers and the operation of the Washington Aqueduct, and other matters of mutual concern regarding the Washington Aqueduct.

SECTION 2 – LIMITATIONS OF THE BOARD. The Board is not a political subdivision of any or all of the Wholesale Water Customers but only serves as a mechanism for the Wholesale Water Customers, as individual wholesale purchasers of drinking water, to communicate jointly with the Army, as seller, on matters pertaining to the availability, quality, cost and other matters related to the purchased service. As such, the Board can neither sue nor be sued. The Board is not liable to third parties for the acts or omissions of the Army, regardless of whether the Army's actions or omissions were consistent with the Wholesale Water Customers' views. The Board may not enter into contracts or own property in its name, nor hire its own employees.

SECTION 3 – CHAIRPERSON OF THE BOARD. The position of Board Chairperson shall be held by a Member of the Board for a one year term and shall rotate among the three jurisdictions in the following order: the District of Columbia Water and Sewer Authority, Arlington County, Virginia, and the Fairfax County Water Authority.

SECTION 4 – BOARD MEETINGS; INTERNAL OPERATING RULES.

(a) Subject to subsection (b), the Board shall meet (i) not later than the 15th of September each year to consider the submission by the Army of a proposed Operating Budget (as defined below) and a proposed Capital Improvement Plan (as defined below), and pursuant to Article IV, section 1 of this MOU to accept, reject, or recommend modifications to the proposed Operating Budget or proposed Capital Improvement Plan; (ii) at the written request of a Board Member to the Chairperson, or (iii) whenever the Board Chairperson considers necessary.

(b) The Chairperson shall confer with the other Board Members before setting a meeting date and time; and to the maximum extent practicable, shall not schedule a meeting on a date and time when a Board Member is not available. The Chairperson shall, to the maximum extent practicable, provide each Board Member with written notice of a meeting not less than 10 calendar days before the meeting date, together with a proposed agenda.

(c) A Board Member may designate a person to attend a Board meeting and act in the Board Member's place. Whenever possible, the non-attending Board Member shall notify the Board Chairperson of a designation prior to the meeting date.

(d) The Board may adopt such other internal operating rules for conducting its meeting, including, but not limited to, provisions for public comment at such meetings.

(e) All meetings of the Board, including any meeting at which any official action is taken, shall be open to the public, with normal provisions for executive session as permitted by law. Any one of the Wholesale Water Customers may distribute agendas for the meetings, provide notice of the meetings, and make available non-privileged staff reports prepared in anticipation of Board meetings as the Wholesale Water Customer deems advisable.

SECTION 5 – QUORUM AND VOTING.

(a) **NORMAL BUSINESS OPERATIONS.** Two Board Members must be in attendance to constitute a quorum for the transaction of business. No action may be undertaken by the Board in the absence of a quorum. Each Board Member shall have one vote on matters coming before the Board. Decisions of the Board shall be made by a simple majority vote, except that the District of Columbia Water and Sewer Authority must be included in the majority in order for the Board to approve, or recommend a modification to, a proposed annual Operating Budget; and, except as provided in subsection (b) below, a unanimous vote of all three Board Members shall be required in order for the Board to approve a proposed Capital Improvement Plan or to modify a previously approved Capital Improvement Plan, to approve changes in the rate allocation formula, or to approve a proposed agreement between the Army and a regulatory or enforcement agency which would require the Army to undertake a capital improvement or modify the operation of the Washington Aqueduct in order to satisfy a permit or statutory requirement, as defined in Article IV of this MOU.

(b) **AFTER INTENT TO TERMINATE HAS BEEN GIVEN.** A Wholesale Water Customer that gives notice of its intent to terminate (the "Terminating Wholesale Water Customer") its status as a Wholesale Water Customer of the Washington Aqueduct in accordance with Article VII of this MOU shall continue to vote on the annual Operating Budget and annual Capital Improvement Plan during the five year period prior to the effective date of such termination. The Terminating Wholesale Water Customer may not block approval of an annual Capital Improvement Plan during the five years after notification of its intent to terminate its status as a Wholesale Water Customer. The Terminating Wholesale Water Customer will be obligated to fund its share of the Capital Improvement Plan during the five year period prior to the effective date of termination, based on the Capital Improvement Plan most recently voted on and approved by that Terminating Wholesale Water Customer and the other Wholesale Water Customers at the time that its notice to terminate was given. The Terminating Wholesale Water Customer will not be obligated to pay for the Capital Improvement Plan for the years after the effective date of termination.

SECTION 6 – TECHNICAL COMMITTEE.

(a) The Board shall establish a Technical Committee which shall constitute the mechanism for the Wholesale Water Customers to exchange informally information and views with the Army concerning

operation of the Washington Aqueduct, long-range and strategic planning, and relevant Federal and State legislation and rulemaking concerning the Washington Aqueduct. Each Board Member shall designate one or more persons to serve on the Technical Committee, who may be the Board Member and/or individuals from the Board Member's staff. The Technical Committee shall attempt to reach consensus with the Army on matters which the Army submits to the Board pursuant to Article IV of this Agreement.

(b) The position of Technical Committee Chairperson shall be held by a member of the Technical Committee for a one year term. The position shall be held by a Board Member representing a different Wholesale Water Customer each year and shall rotate in the following order: the Fairfax County Water Authority, the District of Columbia Water and Sewer Authority, and Arlington County.

(c)(1) The Technical Committee shall meet at least quarterly. The Technical Committee Chairperson shall call a special meeting at the written request of another Technical Committee member or whenever the Technical Committee Chairperson considers necessary, provided that the Chairperson shall confer with the other Technical Committee members before setting a date and time for a special meeting and shall, to the maximum extent practicable, not schedule a special meeting at a date and time when a Technical Committee member is not available.

(2) The Technical Committee Chairperson shall, to the maximum extent practicable, provide each Technical Committee member and the Army with written notice of a meeting not less than ten calendar days before the meeting date, together with a proposed agenda. At least two Technical Committee members representing different Wholesale Water Customers and one or more of the members of the Washington Aqueduct staff referenced in Article III, section 2 of this MOU must be in attendance in order for a meeting to take place.

(3) The Technical Committee shall not have the independent authority to require the Army to take, or refrain from taking, any action.

ARTICLE III – RELATIONSHIP BETWEEN THE ARMY AND THE WHOLESALE WATER CUSTOMERS

SECTION 1 – The Army agrees to work closely in consultation and coordination with the Board on the issues referred in Article II, section 1 of this MOU. The Army further agrees to adhere to the recommendations of the Board on matters referenced in Article IV of this MOU to the extent provided in Article IV.

SECTION 2 - The Army agrees to make members of the professional and technical staff of the Washington Aqueduct available to meet regularly with the Technical Committee established pursuant to Article II, section 6 of this Agreement to informally exchange information and views concerning operation of the Washington Aqueduct, long-range and strategic planning, and relevant Federal and State rulemaking impacting/concerning the Washington Aqueduct.

SECTION 3 - The Army shall afford the Board an opportunity to provide periodic evaluation reports concerning the General Manager of the Washington Aqueduct. Such reports shall be submitted to the District Commander, Baltimore District, United States Army Corps of Engineers. The Army shall consult with the Board prior to hiring a General Manager for the Washington Aqueduct after the effective date

of this MOU, and shall permit the Wholesale Water Customers to participate in the interview process and shall take the views of the Board into consideration in making a selection for that position.

SECTION 4 - The Army, including the Washington Aqueduct, is not liable to third parties for acts or omissions of the Wholesale Water Customers or their representatives.

ARTICLE IV – GENERAL PROVISIONS

SECTION 1 – SUBMISSION OF ANNUAL OPERATING BUDGET AND CAPITAL IMPROVEMENT PLAN.

(a) At a date each year that allows sufficient time for review by the Technical Committee and the Board, the Army, through the General Manager of the Washington Aqueduct, shall submit to each Board Member a proposed annual operating budget, referred to in this MOU as the "Operating Budget", for the next Fiscal Year, and a proposed Capital Improvement Plan. For items exceeding a cost threshold established by the Board, the Army shall state whether each proposed capital improvement in the proposed Capital Improvement Plan represents the Least Costly Alternative for accomplishing the intended objective. If a particular proposed capital improvement does not represent the Least Costly Alternative for accomplishing the intended objective, the Army shall identify the less expensive alternatives rejected and state why the more costly option was chosen.

(b) The Board may vote to accept, reject, recommend modifications to, or postpone its considerations of the proposed Operating Budget and/or the proposed Capital Improvement Plan.

(c) If the Board rejects the proposed Operating Budget or the proposed Capital Improvement Plan or fails to take any action on the proposed Operating Budget or the proposed Capital Improvement Plan within 30 days after receipt of the proposed Operating Budget or the proposed Capital Improvement Plan from the Army, the Army shall continue to operate the Washington Aqueduct consistent with the Operating Budget or Capital Improvement Plan in effect at the time the proposed Operating Budget or proposed Capital Improvement Plan was submitted to the Board, with any adjustments required to meet outstanding financial obligations, unless the Army provides a written determination and findings that operation of the Washington Aqueduct in accordance with the proposed Operating Budget or proposed Capital Improvement Plan is necessary to comply with applicable laws, regulations or permits or is necessary to comply with contractual agreements or is necessary to protect the public health, in which event, the Wholesale Water Customers shall pay their respective share of the associated costs in accordance with the allocation formula previously agreed to by the Wholesale Customer Board.

(d) Should the Board recommend a modification to a proposed Operating Budget or a proposed Capital Improvement Plan, the Army shall proceed with the proposed Operating Budget or proposed Capital Improvement as modified, unless the Army provides a written determination and findings that non-adherence to the recommendation is necessary to comply with applicable laws, rules, or permits; to comply with contractual obligations; or to protect the public health. If the Army makes this determination and findings, the Army shall proceed with its proposed Operating Budget or proposed Capital Improvement Plan, but shall include any Board recommended modifications that were not the subject of the Army's determination and findings.

(e) The Army may agree to undertake capital improvements for one or more of the Wholesale Water Customers upon the request of the Wholesale Water Customer, provided that such capital improvements shall be undertaken at no cost to the other Wholesale Water Customers and the General Manager of the Washington Aqueduct certifies to the Board that the requested capital improvement will not degrade the service of the other Wholesale Water Customers and will not result in a system-wide cost increase.

SECTION 2 – NOTICE REGARDING DRAFT PERMITS, PERMIT VIOLATIONS, AND THE SUBMISSION OF CERTAIN AGREEMENTS.

(a) The Army shall furnish the Board with immediate notice of the proposed issuance of: a permit or permit modification for the Washington Aqueduct; a potential or actual permit violation at the Washington Aqueduct; the issuance of a notice of permit violation at the Washington Aqueduct, or any correspondence threatening such issuance; or any proposed consent agreement or decree, compliance order, or memorandum of understanding concerning a proposed or existing permit held by the Department of the Army for the Washington Aqueduct.

(b) The Army shall, to the maximum extent practicable, consult with the Board prior to responding to, or entering into any proposed consent decrees or orders, or before entering into a written agreement or understanding of any kind which would impact the Wholesale Water Customers.

(c)(1) The Army shall submit a proposed agreement with a regulatory or enforcement agency to the Board if:

(A) The agreement would require the Army to undertake a capital improvement to, or modify the operations of, the Washington Aqueduct;

(B) The cost of the capital improvement or operational modification exceeds an amount previously established by the Board; or

(C) The Army determines that the capital improvement or operational modification does not represent the Least Costly Alternative for satisfying the permit or statutory requirement which is the subject of the agreement.

(2) The Army may proceed with an agreement submitted to the Board pursuant to this subsection unless the Board votes to reject the agreement within thirty (30) days after submission.

(d) The Wholesale Water Customers reserve whatever rights they otherwise have to challenge any permits, orders, decrees, agreements, or understandings covered in this Section.

SECTION 3 – RATE ALLOCATION STUDY. Upon request of a Board Member, but not less than three years from the date of the last such request, the Army shall perform and furnish the Board with a preliminary analysis of the fairness and accuracy of the existing rate allocation formula. The Board shall review the preliminary analysis and may, after its review, request the Army to undertake a full study of the fairness and accuracy of the existing rate allocation study. Upon the request of the Board, the Army shall revise the rate allocation formula if, following a review of the full study, the Board votes

unanimously in favor of a revision to the formula, as required pursuant to Article II, section 5 of this MOU.

SECTION 4 – ANNUAL FINANCIAL REPORT. The Army shall submit an annual financial report to the Board detailing the financial activities for the Washington Aqueduct during the most recently completed Fiscal Year. The reports shall be submitted to the Board no later than January 1st of the succeeding Fiscal Year.

ARTICLE V – DEFINITIONS

For the purposes of this MOU, the following terms shall mean:

CHIEF ADMINISTRATIVE OFFICER – In the case of Arlington County, Virginia, the County Manager of Arlington County, Virginia; in the case of the Fairfax County Water Authority, the General Manager of the Fairfax County Water Authority; and, in the case of the District of Columbia Water and Sewer Authority, the General Manager of the District of Columbia Water and Sewer Authority.

WASHINGTON AQUEDUCT – The Washington Aqueduct facilities and related facilities under the administrative jurisdiction of the Department of the Army, including, without limitation, the dams, intake works, conduits, and pump stations that capture and transport raw water from the Potomac River to the Dalecarlia Reservoir; the infrastructure and appurtenances used to treat water taken from the Potomac River to potable standards; and related water distribution facilities.

OPERATING BUDGET – Those funds required to pay for authorized positions as well as services, supplies and materials to operate and maintain the Washington Aqueduct for the budget year being considered by the Board.

CAPITAL IMPROVEMENT PLAN – A ten year plan for certain capital improvements to be made to the Washington Aqueduct, starting at current Fiscal Year plus 2, presented to the Board annually. The Capital Improvement Plan is submitted to the Wholesale Customer Board for budgetary approval of the current Fiscal Year plus 2, and conceptual approval of the current Fiscal Year plus 3 through 12. This definition is subject to the provisions of Article II, Section 5(b) and Article IV, Section 1.

FISCAL YEAR – This is the operational federal fiscal year that begins on October 1 and ends the following September 30, with each fiscal year being identified by the calendar year in which it ends (e.g., the fiscal year starting on October 1, 2013 is referred to as Fiscal Year 2014).

LEAST COSTLY ALTERNATIVE – That alternative, as determined by professional engineering analysis (considering all components of cost over a defined life cycle, including the time value of money expended in a series of payments), which has the lowest total cost of multiple technically feasible alternatives.

BOARD MEMBER – A duly appointed member of the Customer Board, or a person designated by a Board Member to act in his/her place.

ARTICLE VI – DURATION OF AGREEMENT; AMENDMENTS

This MOU shall remain in effect until terminated by any of the parties hereto as provided for in Article VII and may be amended only upon the written agreement of the parties.

ARTICLE VII – TERMINATION

A party desiring to terminate this MOU shall be required to notify each of the other parties in writing of its intent to terminate. The written notice of intent to terminate shall be forwarded to the other parties by registered mail, return receipt requested. The effective date of the termination shall be no earlier than five years after receipt of such notice by the other parties (unless a terminating Wholesale Water Customer has assigned its rights and obligations under its water sales agreement as permitted therein, and the other parties hereto have agreed to enter into a new memorandum of understanding with such customer's successor, in which case the effective date of termination shall be the later of either the effective date of such assignment or the effective date of such new memorandum of understanding).

ARTICLE VIII – NOTICES

Any notice or request which, under the terms of this MOU, must or may be given or made by the parties hereto, shall be in writing and shall be delivered to:

For Arlington:

Office of the County Manager
Arlington County Government
2100 Clarendon Boulevard, Suite 302
Arlington, Virginia 22201

For Fairfax County Water Authority:

Office of the General Manager
8570 Executive Park Ave,
Fairfax, Virginia 22031

For the District of Columbia Water and Sewer Authority:

Office of the General Manager
District of Columbia Water and Sewer Authority
5000 Overlook Avenue, S.W.
Washington, DC 20032

For the Department of the Army:

Washington Aqueduct Division

5900 McArthur Boulevard N.W.

Washington, D.C. 20315-0220

Chief, Washington Aqueduct

U.S. Army Corps of Engineers

Changes to a party's address can be effected by a notice of such change, by registered mail with return receipt requested, to all the other parties.

ARTICLE IX – COUNTERPARTS

This MOU shall be executed in quadruplicate, each counterpart being an original.

ARTICLE X – EFFECTIVE DATE

This MOU shall take effect without any further action of the parties hereto upon the later of: (i) the date of execution by all of the parties hereto, and (ii) the effective date of the water sales agreement between the Department of the Army and the Fairfax County Water Authority.

ARTICLE XI – AUTHORITY TO ENTER INTO MEMORANDUM OF UNDERSTANDING

The parties hereto represent that they have the authority to enter into this MOU and that the individuals signing this MOU have the requisite power and authority to bind the parties to the terms and provisions contained herein. Nothing herein shall be constructed to require an appropriation of funds of any of the Wholesale Water Customers. This MOU is not intended to create nor does it create a third party beneficiary contract.

ARTICLE XII – RESERVATION OF RIGHTS

The respective rights of the parties regarding the Washington Aqueduct, as those rights existed on the effective date of this MOU, shall neither be extinguished nor altered as a consequence of the creation or termination of this MOU.

IN WITNESS WHEREOF, the parties have executed this MOU on this ____ day of ____, 2013.

Barbara Donellan
County Manager
Arlington County, Virginia

Phillip W. Allin
Chairman of the Board
The Fairfax County Water Authority

George S. Hawkins
General Manager
District of Columbia Water and Sewer Authority

Thomas P. Bostick
Lieutenant General, USA
Commander, US Army Corps of Engineers
