

**Presented and Adopted: September 4, 2014**

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

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

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority") at its meeting on September 4, 2014, upon consideration of a joint-use matter, decided by a vote of ten (10) in favor and none (0) opposed, to take the following action with respect to approval of the proposed Collective Bargaining Agreement on Working Conditions between DC Water and the American Federation of Government Employee Local 631.

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

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

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

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

**NOW THEREFORE BE IT RESOLVED:**

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

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

  
Secretary to the Board of Directors

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

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

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on September 4, 2014, upon consideration of a joint use matter, decided by a vote of ten (10) in favor and none (0) opposed to execute Contract No. 130080, Corman Construction, Inc.

**Be it resolved that:**

The Board of Directors hereby authorizes the General Manager to execute Contract No. 130080, Corman Construction, Inc. The purpose of the contract is to provide the final design and construction of Division D – JBAB Overflow and Diversion Structures in support of the DC Clean Rivers Project. The contract amount is \$39,829,227.

This Resolution is effective immediately.

  
Secretary to the Board of Directors

**Presented and Adopted: September 4, 2014**  
**SUBJECT: Approval to Execute Contract No. 130060**  
**American Contracting and Environmental Services**

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

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on September 4, 2014, upon consideration of a joint use matter, decided by a vote of ten (10) in favor and none (0) opposed to execute Contract No. 130060, American Contracting and Environmental Services.

**Be it resolved that:**

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

This Resolution is effective immediately.

  
Secretary to the Board of Directors

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

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

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on September 4, 2014, upon consideration of a non-joint use matter, decided by a vote of five (5) in favor and none (0) opposed to execute Contract No. 130150, CPP Construction Company, Inc.

**Be it resolved that:**

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

This Resolution is effective immediately.

  
Secretary to the Board of Directors

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

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

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on September 4, 2014, upon consideration of a non-joint use matter, decided by a vote of five (5) in favor and none (0) opposed to execute Contract No. 130190, Layne Inliner, LLC.

**Be it resolved that:**

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

This Resolution is effective immediately.

  
Secretary to the Board of Directors

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

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

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on September 4, 2014, upon consideration of a non-joint use matter, decided by a vote of five (5) in favor and none (0) opposed to execute Contract No. 130070, Sagres Construction Corporation.

**Be it resolved that:**

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

This Resolution is effective immediately.

  
Secretary to the Board of Directors

**Presented and Adopted: September 4, 2014**  
**Subject: Approval of General Principles of Affordability for Low-Income Customers**

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

The District members of the Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("DC Water"), at the Board meeting held on September 4, 2014, upon consideration of a non-joint use matter, decided by a vote of five (5) in favor and none (0) opposed, to approve the following action with respect to the General Principles of Affordability for Low-Income Customers:

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

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

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

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

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

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



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

**NOW, THEREFORE, BE IT RESOLVED THAT:**

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

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

This resolution shall be effective immediately.

  
Secretary to the Board of Directors

**Presented and Adopted: September 4, 2014**

**Subject: Approval to Execute the Terms and Conditions for a 2014 PILOT MOU with the District of Columbia**

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

The District members of the Board of Directors (the "Board") of the District of Columbia Water and Sewer Authority ("DC Water"), at the Board meeting held on September 4, 2014, upon consideration of a non-joint use matter, decided by a vote of five (5) in favor and none (0) opposed to take the following action with respect to the terms and conditions of a 2014 Payment-in-Lieu of Taxes ("PILOT") Memorandum of Understanding ("MOU") with the District of Columbia (the District).

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

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

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

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

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

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

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

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

**NOW THEREFORE BE IT RESOLVED THAT:**

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

This resolution is effective immediately.

  
Secretary to the Board

**Presented and Adopted: September 4, 2014**

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

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

The District members of the Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("DC Water") at the Board meeting held on September 4, 2014, upon consideration of a non-joint use matter, decided by a vote of five (5) in favor and none (0) opposed, to approve the following action with respect to the proposed Metered Retail Rates for Water and Sewer Service, Clean Rivers Impervious Area Charge (IAC), Payment-In-Lieu of Taxes Fee (PILOT) and Right-of-Way Occupancy Fee Pass Through Charge (ROW).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**NOW THEREFORE BE IT RESOLVED THAT:**

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

**Retail Water Service Rates**

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

### **Retail Sewer Service Rates**

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

- c. Effective October 1, 2014, increase the annual Clean Rivers Impervious Area Charge (IAC) from \$142.20 to \$201.00 per Equivalent Residential Unit (ERU). The charge per ERU will be billed monthly at:

- Residential customers: \$16.75 for each ERU;
- Multi-Family customers: \$16.75 for each ERU; and
- Non – residential customers: \$16.75 for each ERU.

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

- d. Effective October 1, 2014, there is no increase in the District of Columbia Right-of-Way fee:

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

- e. Effective October 1, 2014, decrease the Payment-in-Lieu of Taxes paid to the District of Columbia Office of the Chief Financial Officer from \$0.53 per Ccf or (\$0.71 per 1,000 gallons) to:

- Residential customers: \$0.46 per Ccf or (\$0.62 per 1,000 gallons);
- Multi-Family customers: \$0.46 per Ccf or (\$0.62 per 1,000 gallons); and
- Non – residential customers: \$0.46 per Ccf or (\$0.62 per 1,000 gallons).

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

This resolution shall be effective immediately.

  
Secretary to the Board of Directors