



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

DC Retail Water and Sewer Rates Committee

5000 Overlook Avenue, SW, Room 407

*Tuesday, April 26, 2011
9:30 A.M*

Agenda¹

- 9:30am 1. Call to Order**..... David J. Bardin, Chairman
- 9:35am 2. Long Range Rate Planning Items** Yvette Downs
 - [Review of Miscellaneous Fees & Charges Study \(Attachment - A\)](#)
 - [Status Update on Customer Demographics Study \(Attachment - B\)](#)
 - Status Update on Future Strategies for Unbundling Volumetric Rates
 - [Discussion of Revenue Subtractions, Discounts & Disputed Accounts\(Attachment-C\)](#)
- 10:10am 3. Action Items** Olu Adebo
 - [Recommendation on FY 2012 Miscellaneous Fees & Charges \(Attachment - D\)](#)
- 10:20am 4. IMA CIP Allocations** George Hawkins/Len Benson
 - [Follow-up Discussion on D2 IMA CIP Allocations \(Attachment – E\)](#)
- 10:40am 5. Preparation for May 11 Board Public Hearing**David J. Bardin
- 11:00am 6. Monthly Update** George Hawkins
 - Howard University
 - Soldier’s Home
- 11:10am 7. Retail Rates Committee Workplan (Attachment - F)**..... Olu Adebo
- 11:20am 8. Emerging Issues/Other Business** Olu Adebo
- 11:25am 9. Agenda for May 26, 2011 Committee Meeting (Attachment - G)**..David Bardin, Chairman
- 11:30am 10. Executive Session** – to discuss legal, confidential or.....David J. Bardin
Privileged matters pursuant to Section 2 of the Open Meetings Amendment Act of 2010
- 11:45am 11. Adjournment**

¹ The DC Water Board of Directors DC Retail Water and Sewer Rates Committee may go into executive session at this meeting pursuant to the District of Columbia Open Meetings Act of 2010, if such action is approved by a majority vote of the Committee members who constitute a quorum to discuss: contract negotiations under § 405(b)(1); legal, confidential or privileged matters under § 405(b)(4); collective bargaining negotiations under § 405(b)(5); facility security under § 405(b)(8); disciplinary matters under § 405(b)(9); personnel matters under § 405(b)(10); proprietary matters under § 405(b)(11); decision in an adjudication action under § 405(b)(13); civil or criminal matters where disclosure to the public may harm the investigation under § 405(b)(14), and other matters provided in the Act.

FOLLOW-UP ITEMS – Retail Rates Committee Meeting (March 22, 2011)

1. Does failure to resolve past payments issues as to Potomac Interceptor customer, The Town of Vienna impact retail rate payers? (Mr. Bardin) Status: Yes. Management will provide periodic updates about on-going negotiations.
2. Replace Mr. Benson's March 16, 2011, memorandum, as explained in the Committee's meeting minutes. (Mr. Bardin) Status: See attachment E
3. How much of FY012 budgets for payments to MWCOG get paid for by retail ratepayers? (Mr. Bardin) Status: 100% for general MWCOG costs; project specific studies are reimbursed in accordance with the appropriate program
4. Provide an example of the updating required and quality controls available to reconcile non-residential data found in the DCGIS 2005 flyover information and a more recent update to the flyover data. This example should be provided at a future Retail Rates Committee meeting (Mr. Bardin) Status: FY 2011
5. Combine ERU with volumetric data for Non-residential customers in a way that enables better understanding of rate impacts. (Mr. Bardin) Status: May 2011
6. Additional rankings and analyses of DC Water and peer utilities. (Mr. Roth) Status: TBD



Miscellaneous Fees & Charges

Retail Rates Committee

April 26, 2011



Attachment A

Objectives

- Raftelis Financial Consulting was tasked with looking into eight DC Water Miscellaneous Fees and Charges to determine if they should be updated to synchronize with cost of service
 - Make firm recommendations as to fee modifications;
 - Identify policy decisions that should be considered before updating fees; or
 - Determine a timeline for further analysis required to update these fees and charges.

Miscellaneous Fees & Charges Considered

- Engineering Review and Permitting
- Environmental Impact Study fee review
- Large meter installation
- Turn-on turn-off cost of service
- Industrial user permitting and sampling
- Temporary discharge fees
- Waste hauler fees
- High strength surcharges

Miscellaneous Fees & Charges

Study Results

DESCRIPTION	New	Updated	Deferred	2012 COS
Engineering Review and Permitting	X	X		
Environmental Impact Study Fees			X	
Large Meter Installation		X		
Turn-on/Turn-off		X	X	
Industrial User Permitting and Sampling	X			
Temporary Discharge Fees			X	
Waste Hauler Fees		X		X
High Strength Surcharges				X

Detailed Miscellaneous Fees & Charges Analysis

Presented by Jon Davis of Raftelis Financial
Consulting

Engineering Review and Permitting Fees

Time to Implement:
FY 2012

Revenue Potential:
Up to \$1M/yr of additional revenue

Impacted Customers:
Developers

Next Steps:
• Recommendations to Retail Rates

Background

Engineering reviews and Permitting services are provided to developers. The current fee structure recovers about \$750,000 annually. FY 2012 costs are budgeted at about \$1.9 million.

- New cost of service-based fee structure will be derived to recover departmental expenses
- Consistent with fee levels of other utilities
- Offers expedited service levels at a premium price

Engineering Review and Permitting Fees

- Changes to the rate structure are necessary to more fully recover costs and differentiate between levels of service required by customers
- Development of average hourly rate of \$61/hour including:
 - Personnel costs
 - Appropriate overhead rate
 - Non-personnel costs including office rental and fees
- Engineering Review and Permitting has projected almost 1,700 distinct customer service requests for next year

Miscellaneous Fees & Charges

Engineering Review and Permitting Fees

DC Water Existing	DC Water Proposed	Quantity (Unit)	Annual Revenue
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@ \$1.9M recovery

Project Review

Large Project Permit Review Fees

Availability Letter (Large Commercial)	\$300	\$500	75	\$37,500
Large Permits Fast Track (15 day)		\$10,000	50	\$500,000
Large Permits Basic	\$2,500	\$5,000	150	\$750,000
Large Permits submissions (excessive submission: 4 or more)		\$1,000	25	\$25,000
Foundation to Grade - Large Commercial		\$1,000	25	\$25,000
Approved Project Plan Revision (Project Scope/design change)		\$1,000	10	\$10,000
Approved Plan Revision (field Conditions)		\$250	30	\$7,500
Large Project Sheeting and Shoring (large Commercial)	\$1,000	\$1,000	100	\$100,000
Raze Permits		\$150	25	\$3,750
Abandonment Waiver Request		\$500	5	\$2,500

Small Project Permit Review Fees

Availability Letter (small)		\$125	25	\$3,125
Home (Small)	\$250	\$300	200	\$60,000
New Home from a Large Project Subdivision		\$150	200	\$30,000
Small service Commercial	\$250	\$2,500	100	\$250,000
Surface Permits		\$25	500	\$12,500
Small Sheet and Shore	\$250	\$500	100	\$50,000

Document and Plan Fees (per hour)

Project investigation by DC Water		\$25	800	\$20,000
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Total Revenue \$1,886,875

Environmental Impact Study Fees (NEW)

Time to Implement:
FY 2012

Revenue Potential:
Approx. \$15,000/yr

Impacted Customers:
Developers

Next Steps:

- **Further investigation to understand current District process**
- **Develop fee collection process**

Background

EISF reviews are part of a service provided to developers by District agencies including DC Water Engineering. Historically, there was no charge by DC Water for the service.

- Proposed fee based on estimated 7.5 hours per review and a blended hourly rate of \$64.00 including appropriate overhead rates
- The EISF cost of service approximately \$480.00

Large Meter Purchase and Installation

Time to Implement:
FY 2012

Revenue Potential:
None

Impacted Customers:
New Customers

Next Steps:

- **Recommendation to drop the existing fee schedule for meter purchase and installation**

Background

New meters are purchased and installed for new services.

- Metering capital and operating costs have been captured by meter fee since 2010
- Meter fee will be re-evaluated as part of 2012 COS Study

Miscellaneous Fees & Charges

Turn-on/Turn-off Fees

Background

Time to Implement:
FY 2012

Revenue Potential:
Minimal

Impacted Customers:
Non-paying and delinquent customers

Next Steps:

- **Determine if fees should be updated to meet cost of service**

Customer Service incurs cost to turn accounts off for non-payment.

- Existing fees are consistent with neighboring utility's charges of \$50-55 per occurrence

	Turn-on Fee	Turn-off Fee
Existing Fee	\$50.00	\$50.00
COS Fee	\$66.13	\$66.13

- Cost of service is calculated based on time (1.5 hours) and materials
- DC Water should consider whether it is appropriate to raise fees above current levels

Industrial User Permitting & Sampling (NEW)

Time to Implement:
FY 2012

Revenue Potential:
Approx. \$50,000

Impacted Customers:
Industrial Users

Next Steps:
• **Recommendations
to Retail Rates**

Background

The Pretreatment Group provides permitting, sampling, and inspections for designated Industrial Users of the wastewater system. Currently no charge is assessed for these services

- Cost of service-based fees would recover direct labor cost, appropriate overhead, and materials required to provide this service
- Identification of industrial users is an initial step toward wastewater customer segmentation

Industrial User Permitting (NEW)

Proposed Permitting Fee

- Permits are issued for 3 years
- Cost of service includes labor and overhead costs for permit review
- Presented by User Classification and Type

Classification	New Permit	Renewal
Industrial User *	\$609.00	\$305.00

* Note: there are currently no General Permit customers in the system. However, a General Permit category may be proposed at a future date

Miscellaneous Fees & Charges

Industrial User Permitting (NEW)

- Estimated annual revenue generated

Classification	New Permit	Renewal
Industrial User (all categories except General)	\$609.00	\$305.00
Permits Issued (per 5 years)	3	22
Subtotal 5-year Revenue	\$1,827.00	\$6,710.00
Subtotal Average Annual Revenue	\$365.40	\$1,342.00
Total Average Annual Revenue		\$1,707.40

Miscellaneous Fees & Charges

Industrial User Sampling (NEW)

Sampling, Inspection, and Reporting Fee (per year)

- Cost of service includes direct labor and overhead, laboratory services, sampling supplies, and service contract and software costs
- Fees are presented by User Classification and # of Outfalls

Classification	2 Outfalls	1 Outfall
Significant or Non-Significant Categorical Industrial User	\$3,187.00	\$2,420.00
Significant Non-Categorical Industrial User	\$3,187.00	\$2,420.00
Non-Significant Non-Categorical Industrial User	\$667.00	\$513.00

Miscellaneous Fees & Charges

Industrial User Sampling (NEW)

💧 Estimated annual revenue generated

Classification	2 Outfalls	# of Industrial Users	Revenue
Significant or Non-Significant Categorical Industrial User	\$3,187.00	1	\$3,187.00
Significant Non-Categorical Industrial User	\$3,187.00	6	\$19,122.00
Non-Significant Non-Categorical Industrial User	\$667.00	5	\$3,335.00
Classification	1 Outfalls	# of Industrial Users	Revenue
Significant or Non-Significant Categorical Industrial User	\$2,420.00	0	\$0.00
Significant Non-Categorical Industrial User	\$2,420.00	6	\$14,520.00
Non-Significant Non-Categorical Industrial User	\$513.00	3	\$1,539.00
Total Revenue			\$41,703.00

Temporary Discharge Fees (NEW)

Time to Implement:

Deferred

Revenue Potential:

Minimal

Impacted Customers:

To be determined

Next Steps:

Determine if permit fees can be superceded by assessment of the special volumetric rates

Background

Pretreatment provides permitting for temporary discharges to the wastewater system. Currently no charge is assessed for permitting. However, temporary discharges are metered and pay a special volumetric rate.

- Temporary discharges can be assessed an additional permitting fee or that cost may be included in the special volumetric rate assessed to temporary discharges

Waste Hauler Fees

Time to Implement:
FY 2012

Revenue Potential:
Approx. \$42,000/yr of additional revenue

Impacted Customers:
Waste Haulers

Next Steps:

- **Recommendation to Retail Rates**
- **Calculate volumetric fee in COS Study**

Background

Pretreatment provides permitting for waste haulers to discharge trucked waste at Blue Plains. The current permit is issued to each truck and does not recognize the number of discharges or the discharge volume. Conversion to a volumetric rate would better reflect the cost of service and industry practice.

Waste Hauler Fees

- Current hauled waste revenue can be converted to a volumetric fee basis of \$2.29 per Ccf
 - This is below the current sewer rate of \$3.79 per Ccf for domestic strength wastewater
 - Hauled waste typically has a much higher strength than domestic wastewater
- Cost of service-based volumetric rates for other regional utilities are higher
 - Baltimore charges \$37.40 per Ccf (16x above DC Water)
 - WSSC employs truck-based permits which are 8-10x higher
- DC Water Hauled Waste charges are low compared to other regional utilities

Miscellaneous Fees & Charges

Waste Hauler Fees

- DC Water should increase existing fees by 3.5x to better approximate cost of service until a study can accurately assess an appropriate volumetric rate
- Increasing rates would generated approximately \$42,000 in additional annual revenue

DC Water Fees

Truck Size	Current Cost	Proposed Cost
0-100 gals	\$100	\$140
101-500 gals	\$255	\$895
501-1,500 gals	\$590	\$2,060
> 1,500 gals	\$1,650	\$5,775

WSSC Fees

Truck Size	Current Cost
0-49 gals	\$140
50-799 gals	\$2,060
800-1,499gals	\$5,610
> 1,500 gals	\$13,310

High Strength Surcharges (NEW)

Time to Implement:
Deferred to FY 2013

Revenue Potential:
Up to \$1M/yr

Impacted Customers:
High Strength
Dischargers

Next Steps:

- Develop surcharge levels in COS Study
- Identify high strength customers in CIS for billing

Background

Some current non-residential customers discharge high strength waste into the sewer system. High strength waste costs more to treat at Blue Plains than domestic strength waste.

- Non-monitored high strength customers such as restaurants or laundries, will have to be identified in the Customer Information System
- Surcharge development depends on a cost of service study scheduled for 2012

Next Steps

- ◆ Present Miscellaneous Fees recommendations to the Retail Rates Committee (April 26th):
 - Engineering Review and Permitting
 - Large Meter Purchase and Installation
 - Industrial User Permitting and Sampling
 - Hauled Waste
- ◆ EISF fees will require additional investigation
- ◆ Initiation of rule-making process through the Board for FY 2012 implementation (May, 2011)
- ◆ Continue with 2012 Cost of Service Study for update of hauled waste fee structure, high strength surcharge development, and the special volumetric rate for temporary discharges

FY 2012 Miscellaneous Fees & Charges Calendar

- ◆ April 2011 - Retail Rates Committee Recommendation on FY 2012 Miscellaneous Fees & Charges
- ◆ May 2011 - Board Approval of Rulemaking for Proposed FY 2012 Miscellaneous Fees & Charges
- ◆ May 2011 - Publish Notice in DC Register for 30 Day Comment Period
- ◆ June 2011 - Retail Rates Committee Recommendation on FY 2012 Miscellaneous Fees & Charges
- ◆ July 2011 - Board Action on FY 2012 Miscellaneous Fees & Charges
- ◆ Oct. 2011 - FY 2012 Miscellaneous Fees & Charges Become Effective

ATTACHMENT B

UPDATE ON CUSTOMER DEMOGRAPHICS AND POTENTIAL FOR SEGMENTATION

Presented to
DC Water Retail Rates Committee
April 26, 2011

Customer Segmentation Update

- DC Water currently has two classes of customers:
 - Residential
 - Non-residential

- Staff is currently reviewing the characteristics of our customer base with the objective of determining if there are opportunities to further segment our customer base and create additional customer classes

Background

- In June, 2010, DC Water began the long-term process of reviewing the retail rate policies and structures
- Over these last 11 months, the following activities have been accomplished:
 - Pricing goals and objectives have been prioritized
 - A new Board rate setting policy has replaced the original policy established in 1997
 - Initial discussion of fixed versus variable rates was initiated
 - The utilities used for rate comparisons have been completed and updated to include information on peer utilities for rate comparison
 - Reviewed and revised current “IAC” name to increase customer understanding

What we know about our customers...

- We have two customer classes: residential and non-residential

- Our water demand is declining in all customer categories
 - A reasonable degree of accuracy in forecasting water demand is important for sound financial planning and rate-setting.
 - DC Water typically assumes an annual reduction in water demand of 1% aggregate to allow for the increasing use of high efficiency water fixtures resulting in lower per capita water demand. This assumption is the same as that used by other large east coast water systems.

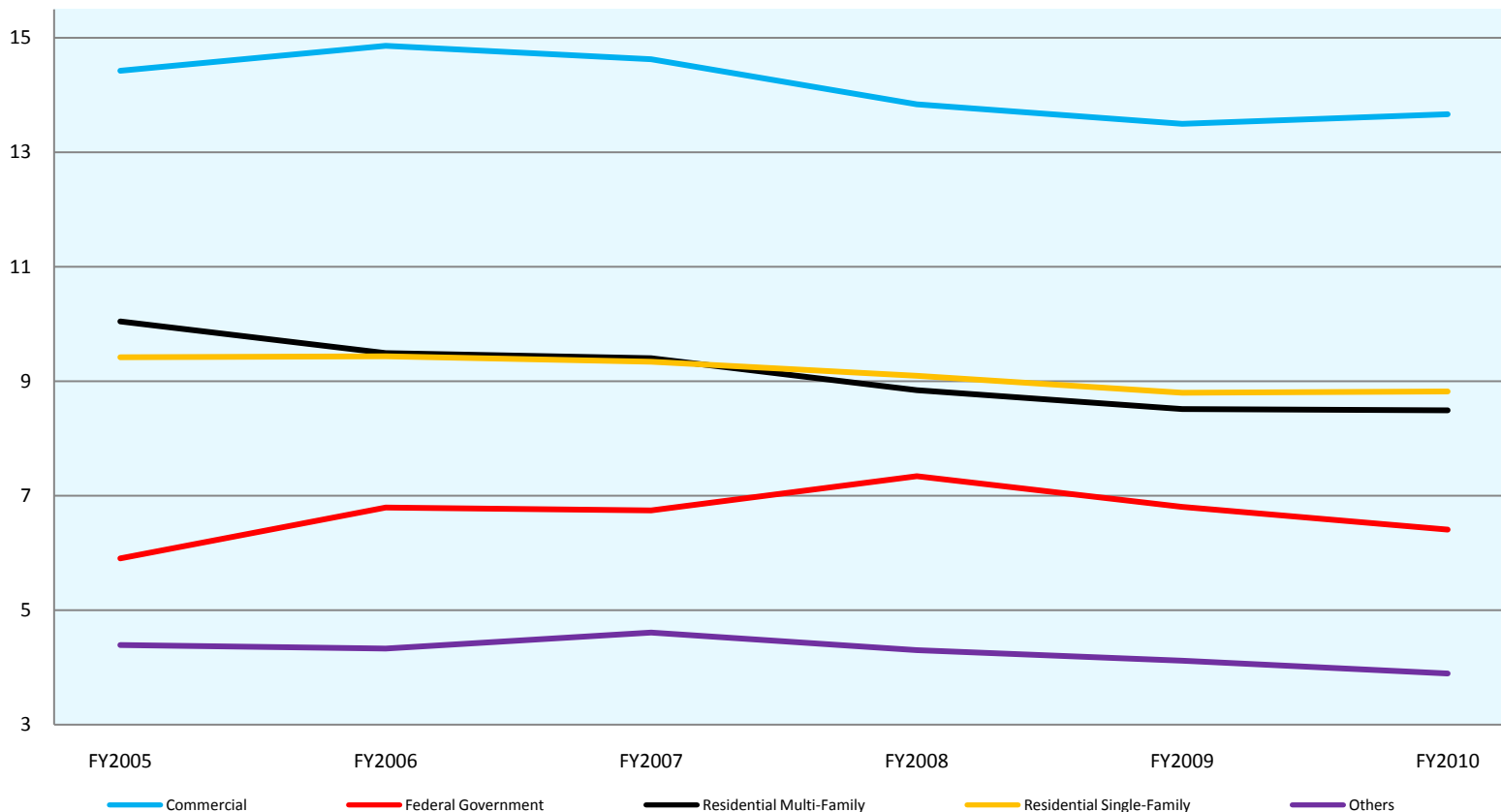
- Wastewater flows are declining to Blue Plains

- The greater the decline in demand, the greater the need to increase rates
 - A review of use by customer category is necessary to determine whether additional burdens exist from any class or category of customers

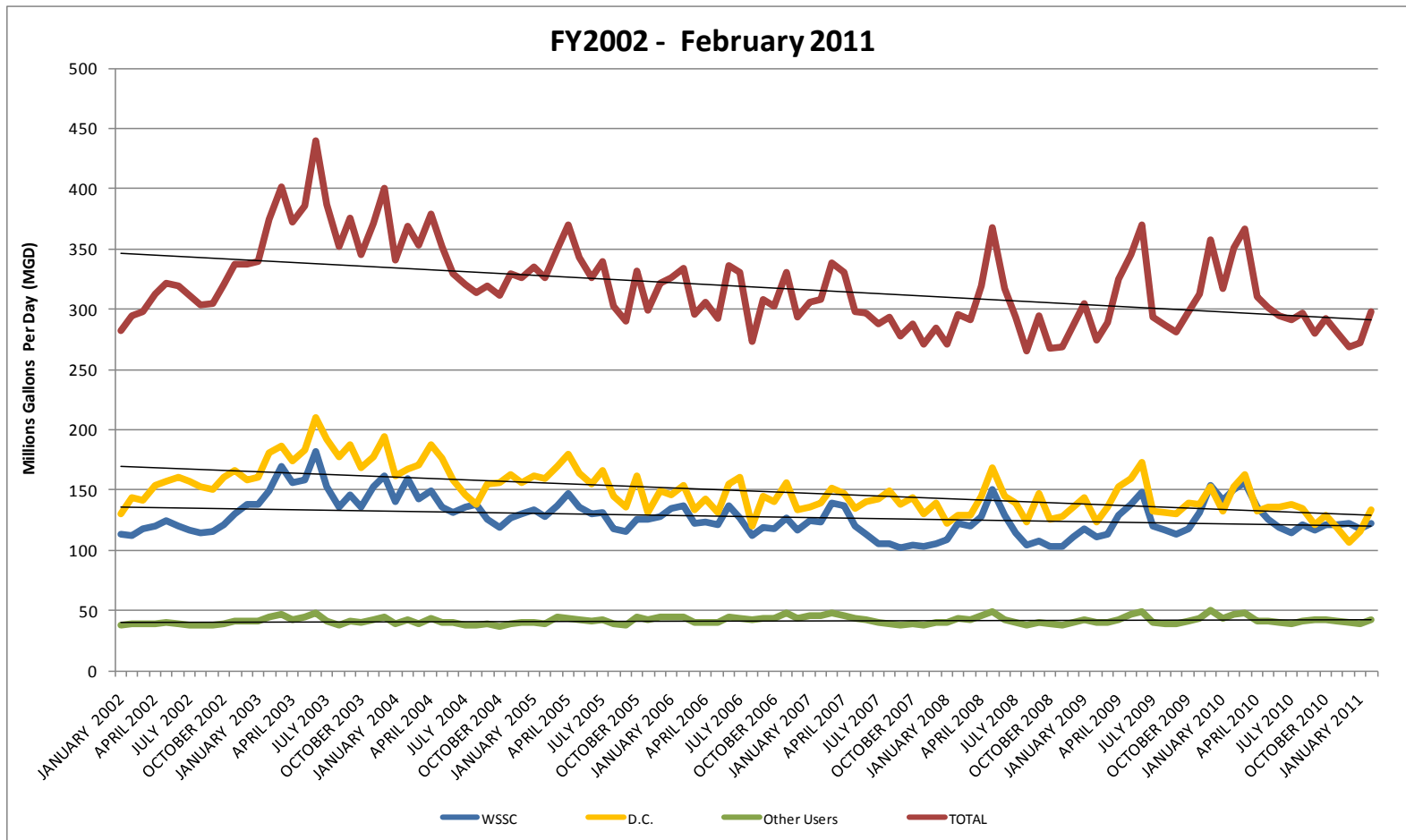
Water Consumption Trends

DC Water consumption shows a slow decline in consumption over time. The average decline over the last 5 years is 1.4% and is consistent with our 1% assumption and national trends

FY2005 - FY 2010 Annual Retail Water Consumption by Customer Type (Millions of Ccf)

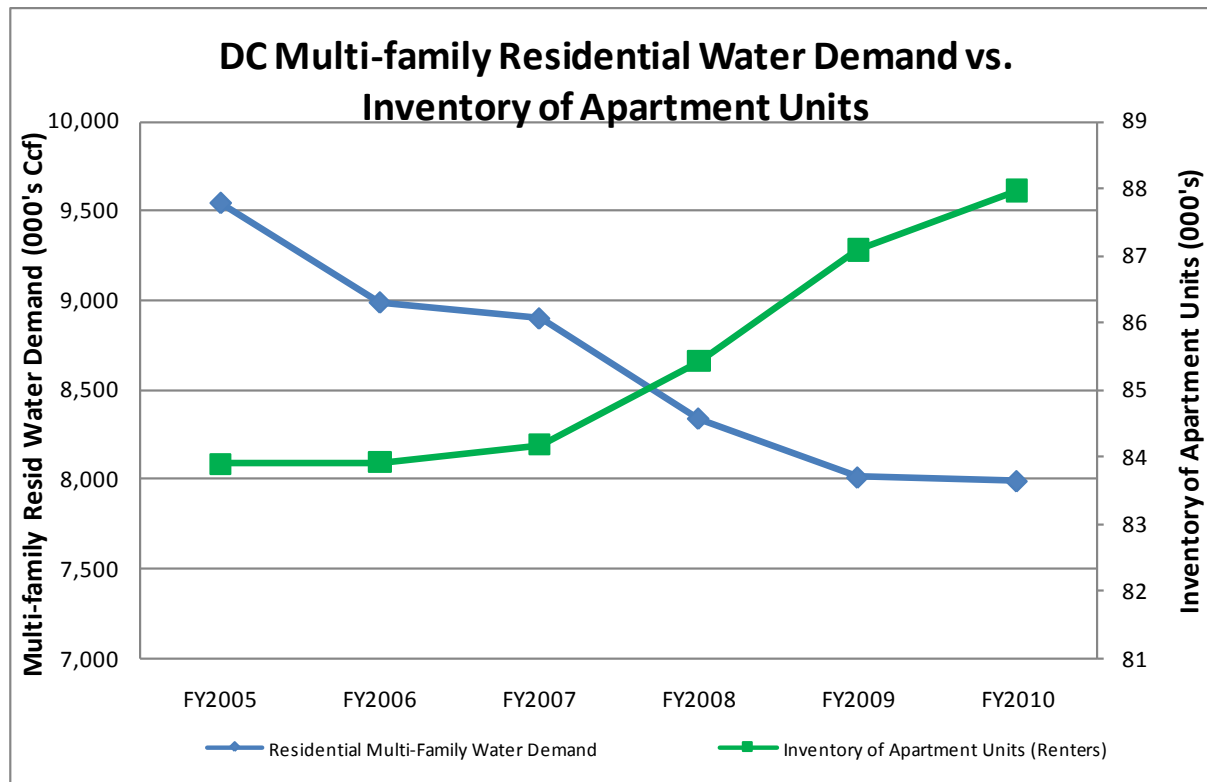


Long-Term Wastewater Flows to Blue Plains Have Declined



- Detailed data on strength and potential impacts will require future study.
- Permitting & sampling initiated by recent regulations and fee changes begins to help identify those customers who impact the system. The FY 2012 COS will help to better inform us in this area.

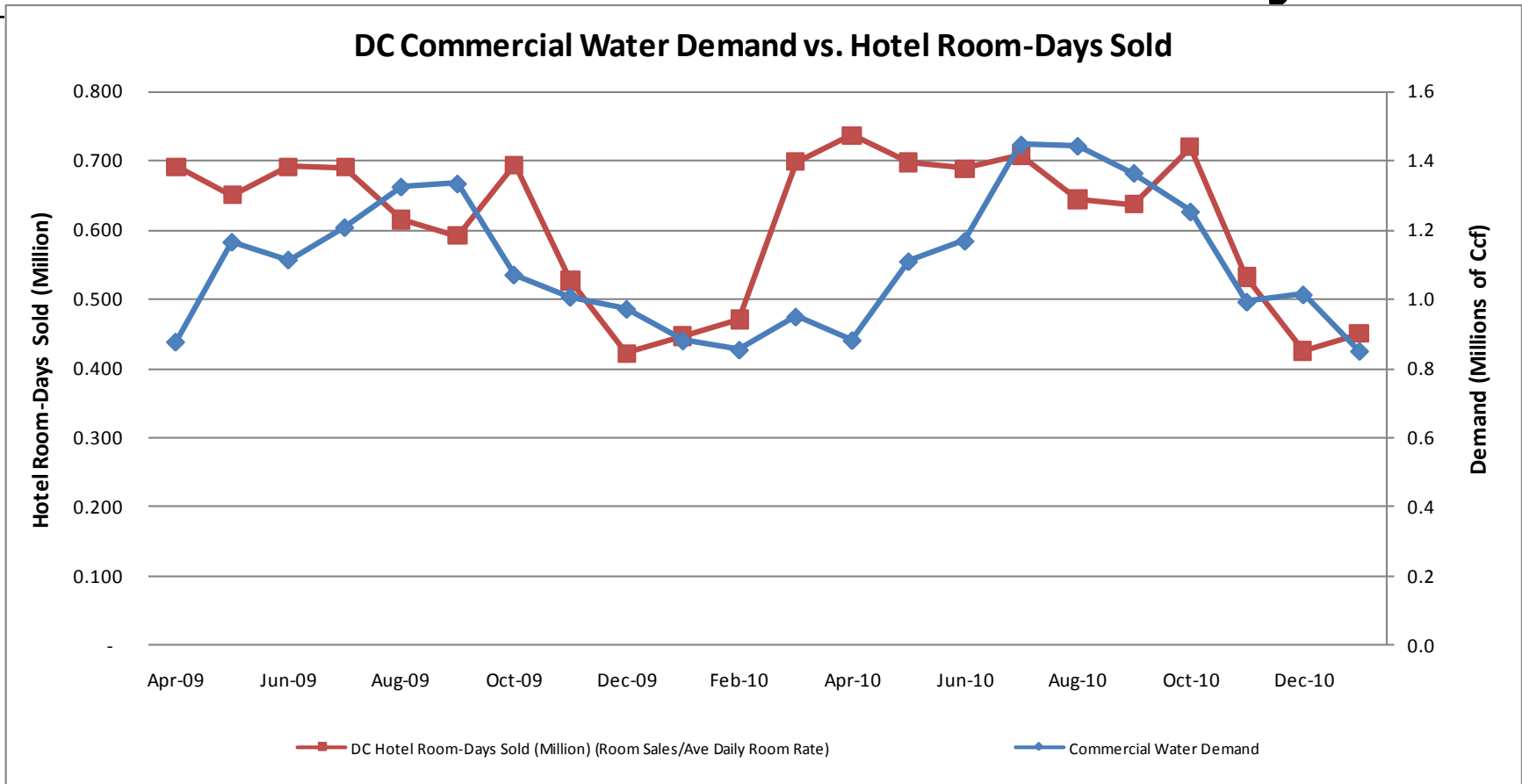
Multi-family Residential Water Demand Is Declining as the Inventory of Apartment Units Increases



Observation:

- Between 2005 and 2010, the estimated DC inventory of apartment units increased by 4.9% while multi-family usage declined by 16.3% excluding DC Housing Authority consumption. Thus, the per housing unit decline in multi-family residential water demand is more significant than the overall decline in multi-family residential demand suggests.

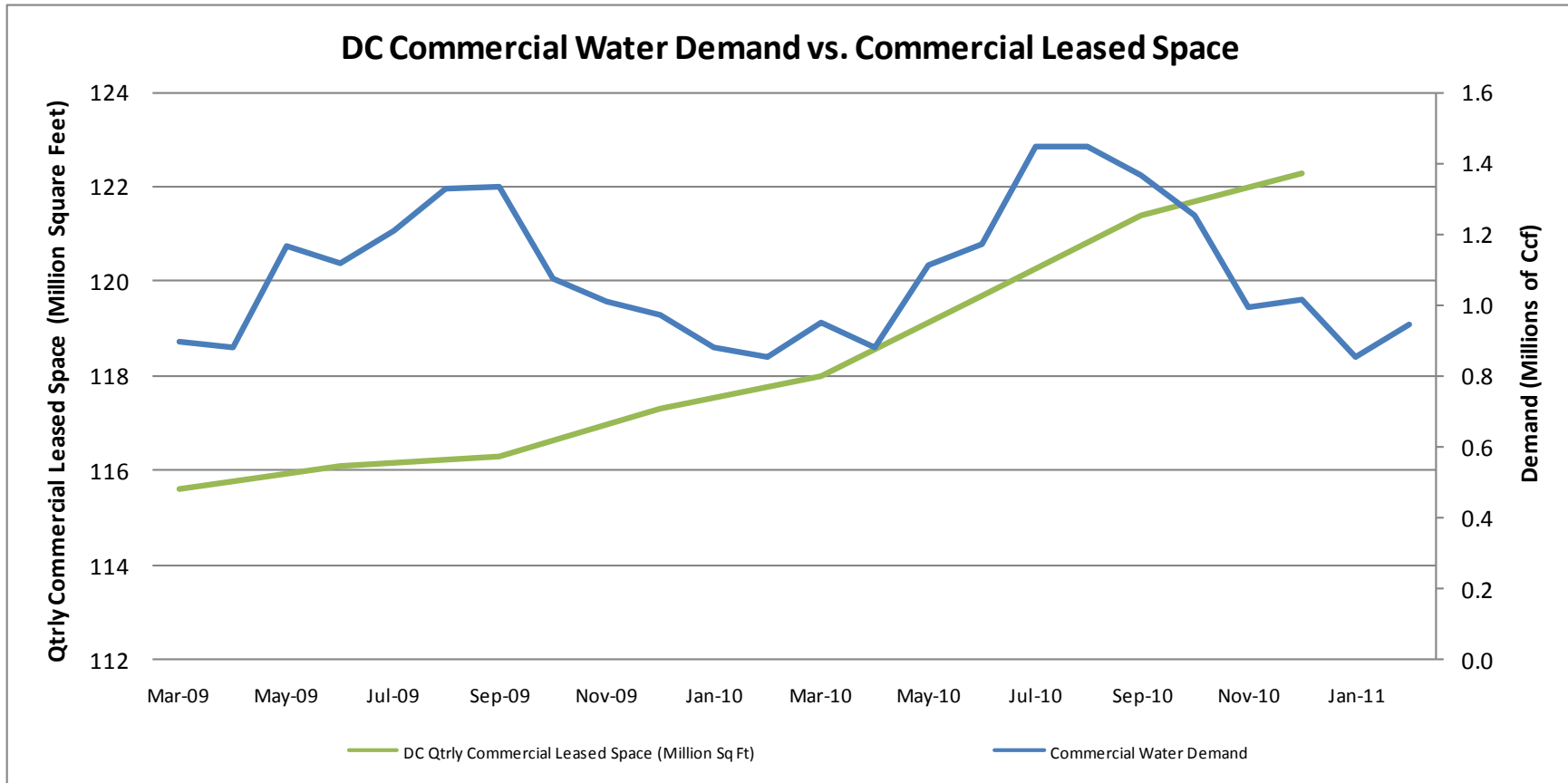
Recent Commercial Water Demand Shows Some Correlation to Hotel Room-Days Sold



Observation:

- The data shows seasonal variations in both rooms sold and water usage; winter is the minimum period for both occupancy and water usage.

Recent Commercial Water Demand Shows Less Correlation to Commercial Leased Space



Observation: Although there appear to be seasonal fluctuations, there seems to be no correlation of changes in water use and leased space from May 2009 through Dec 2010.

Current Study

- While we know a lot about the regional demographics , this data does not inform us as to whether there are specific impacts placed upon the system by any particular class or category of customers

- DC Water is undertaking a detailed review of its customer's consumption behavior using existing data available from our AMR technology to determine potential opportunity for customer segmentation exists.
 - We will look further at the specific account types and locations
 - Results will be provided to the Committee this summer

Next Steps

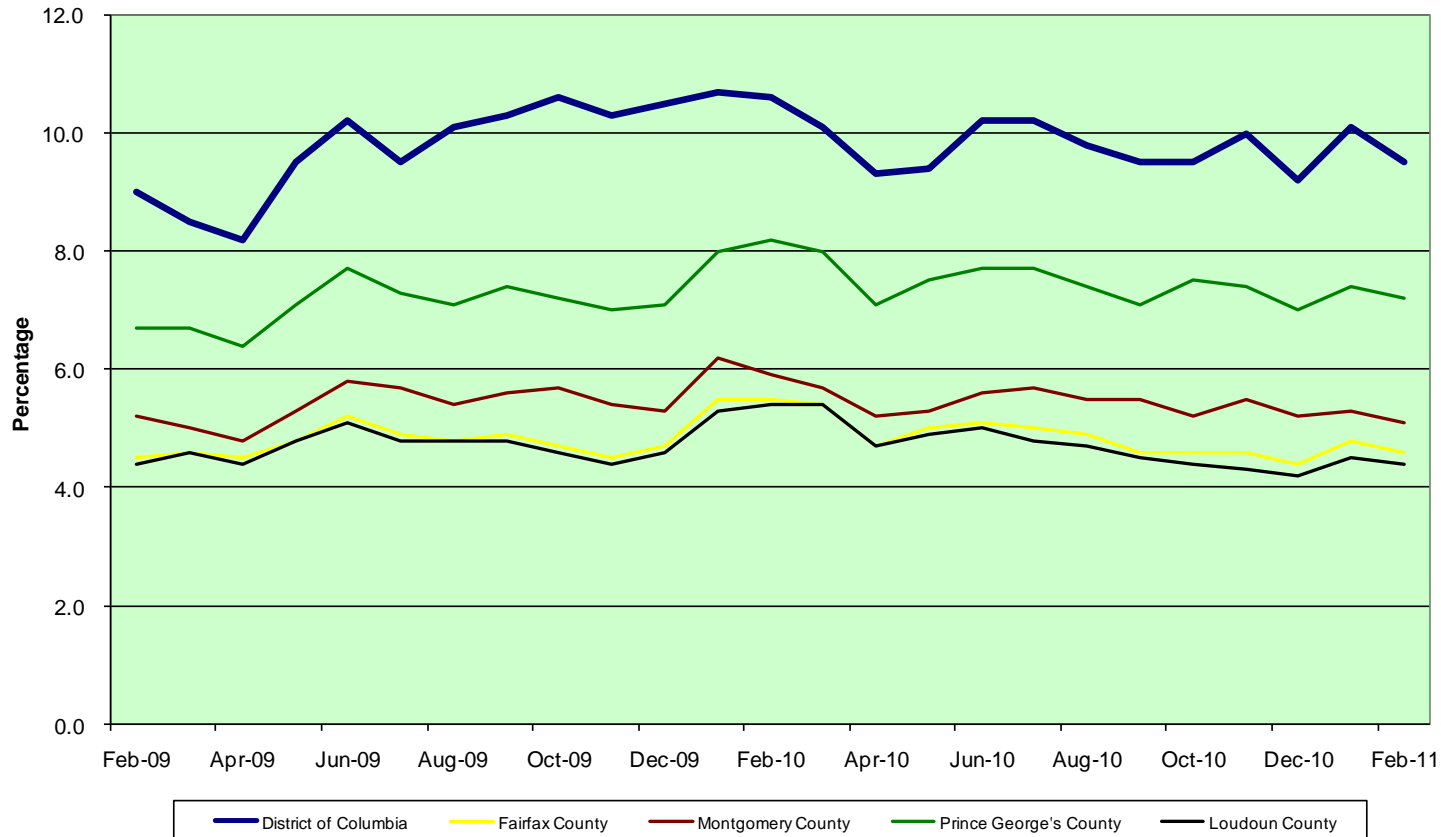
- Use data to inform specific considerations
- Committee Review and preliminary analysis in June
- Present results to Committee in July
- Incorporate Committee feedback into FY 2012 Cost of Service Study
 - FY 2012 COS will include a review of high strength waste for potential impacts that may require surcharges; this data is currently not available and will take time to develop in concert with Wastewater Treatment



APPENDIX

Unemployment (%) Relatively Stable Over a 25 Month Period

Regional Unemployment
February 2009 to February 2011

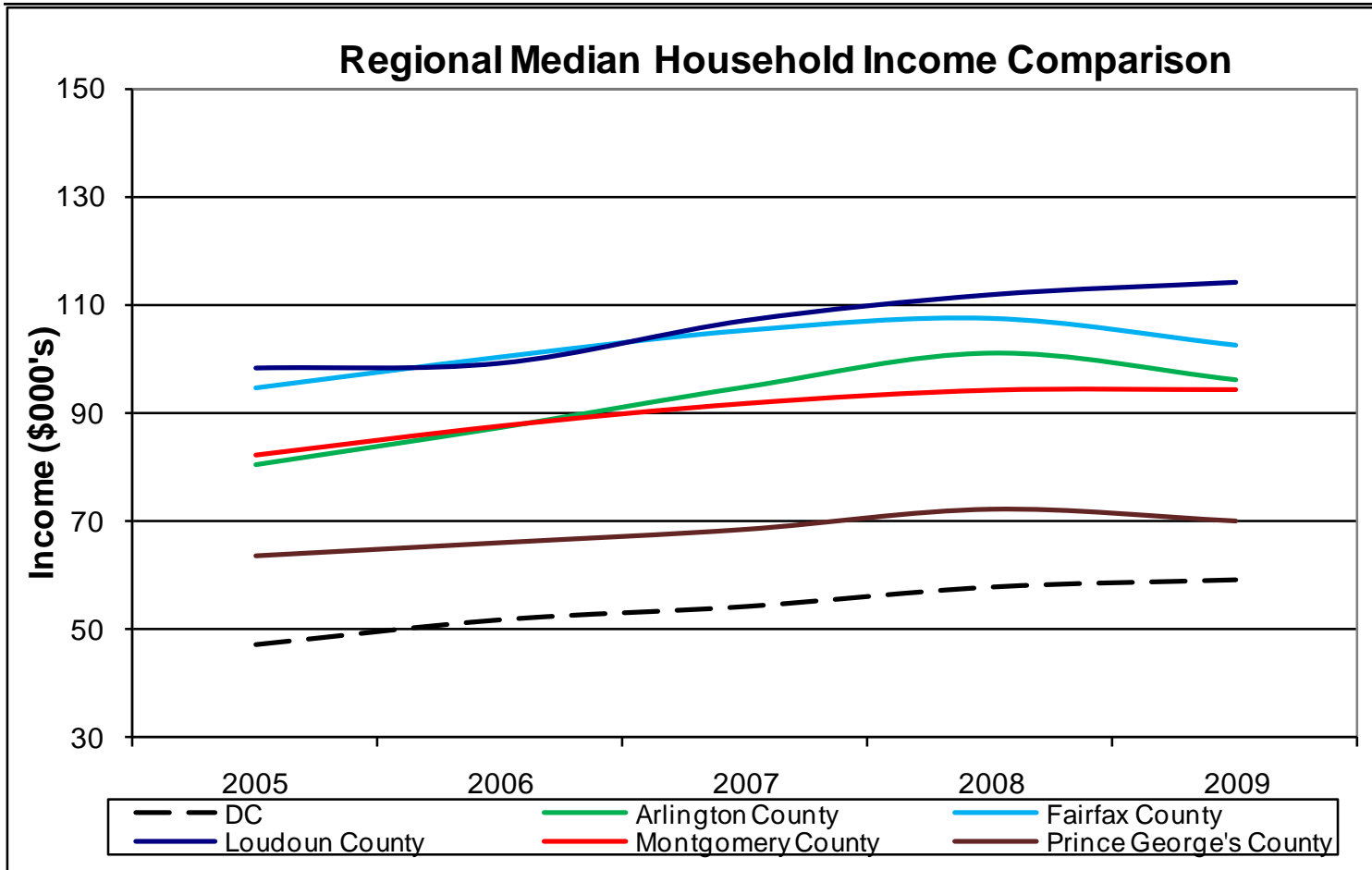


Observation:

- From February 2009 to February 2011 the relative changes in unemployment rates have been similar throughout the region. No current correlation between unemployment and water demand.

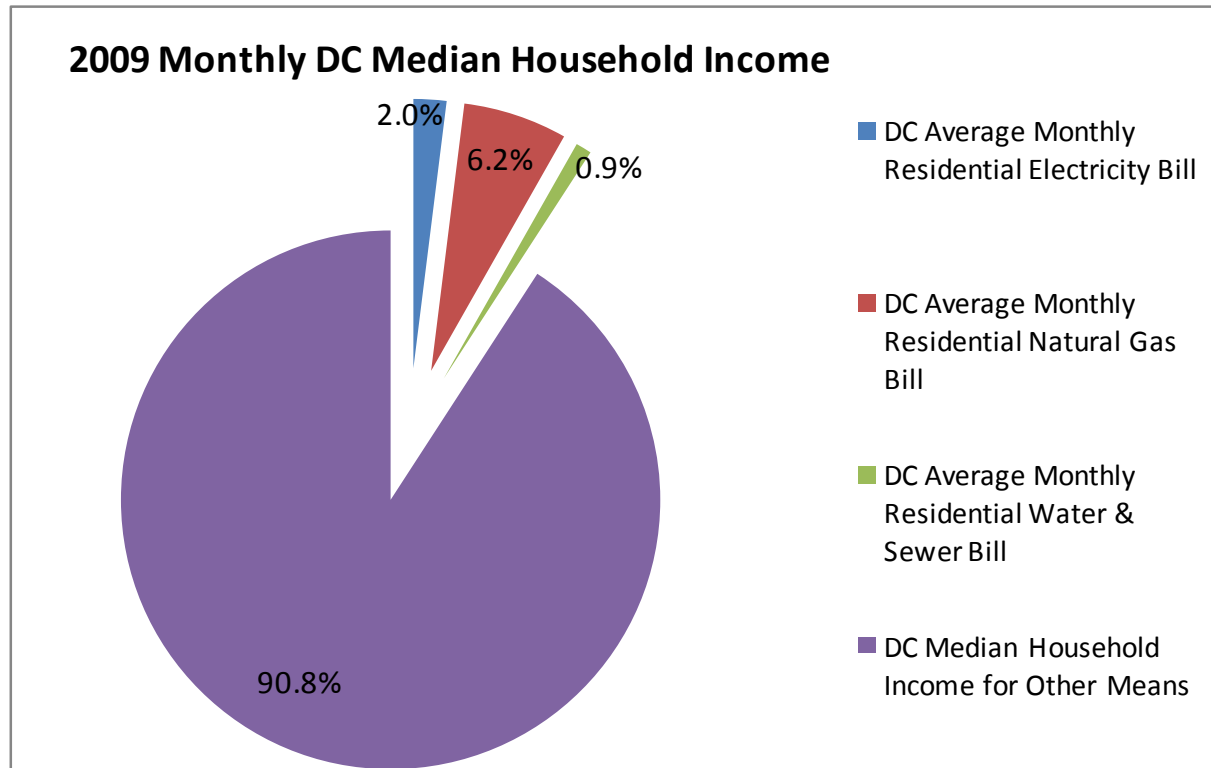


Affordability Comparison: The District Has the Lowest Median Household Income in the Region



Observation: While DC median household income remains the lowest in the region, it has the second highest rate of increase in median household income averaging almost 6% annually from 2005 to 2009.

DC Water's Average Monthly Residential Water & Sewer Bill is Low Relative to Other Utility Bills



Observation:

- Although the median DC household income is low within the region, the DC Water bill is still amongst the lowest bill within the average household, and fraction of a percent of the median household income

Discussion of Revenue Subtractions, Discounts & Disputed Accounts

Revenue Subtractions:

Cooling Towers Credit – These are credits given to buildings where water is delivered for HVAC/air conditioning purposes in which the water generally circulates through a series of cooling pipes throughout a building and any wastewater from the cooling process evaporates rather than being discharged into the sewer system. The water used in the HVAC system is exempt from sewer fees and is only charged the remaining volumetric fees (water, right of way and pilot). The volumes can be calculated two ways: through direct measurement of water metered through a cooling tower meter, or through a credit calculation based on the tonnage (capacity) of the cooling equipment, multiplied by a seasonal use factor, then multiplied by the number of days in the billing period. This is generally a large commercial/government building setup, although some large condominium associations with master meters have also used these systems.

Irrigation Credit/Exemption – This credit is given to property owners with separately metered ground irrigation systems in which water delivered for this purpose is used for landscaping and does not go into the sewer system. This water consumption is charged all of the volumetric rates except for sewer. The consumption going to irrigation use is separately metered from the domestic use. There are two ways this can be billed, depending on how the service line to the house is constructed. If there are two separate service lines (one for domestic use and a separate line for the irrigation use), then the domestic line is billed normally with all charges, and the irrigation line is exempted from sewer charges and billed all other fixed/volumetric charges. If there is only one main service line to the house, and the irrigation meter is downstream, or sub-metered, to the main domestic use meter, then the second meter is used to calculate a subtraction credit, in which a percentage of the water usage recorded at the first meter is subtracted and the resulting value is used to calculate a sewer credit.

- Irrigation credits and cooling towers credits.
- All irrigation credits are metered

FY	Credits	Metered Accounts	Non-Metered Accounts
2011*	\$5.9 mil	197	592

* As of April 18, 2011

Discounts:

Customer Assistance Program (CAP) – The Authority implemented the CAP in 2000 providing a discount of 4 Ccf per month of water for single family residential homeowners that meet income eligibility guidelines. In FY 2004, the Authority expanded the CAP to include tenants who meet the financial eligibility requirements and whose primary residence is separately metered by the Authority. In January 2009, the Authority further expanded the CAP

to provide a discount of 4 Ccf per month of sewer services to eligible customers. In FY 2011, the discount was expanded to the first 4 Ccf's associated with the PILOT/ROW fee in addition to the current discount provided on water and sewer services.

- Customer Assistance Program (CAP)

FY	Budget	Actual	# Accounts
2010	\$1.9 mil	\$0.9 mil	6,107
2011*	\$2.3 mil	\$0.5 mil	5,402
2012	\$2.4 mil		

* As of March 31, 2011

Impervious Surface Area Incentive Program – In accordance with Legislation “17-935 Water and Sewer Authority Equitable Ratemaking Amendment Act of 2008” and consistent with Resolution #08-34 adopted by the Board of Directors in March 2008 which states the “need to consider....to implement a credit and incentives policy”, DC Water in coordination with the District Department of Environment (DDOE) shall establish a credit program within 12 months of the Impervious Surface Area Charge (IAC) May 2009 effective date.

The purpose of the IAC Discount Program is to provide an incentive for customers to install “retention practices” that reduce the amount of runoff generated from a property. The customer would thereby earn billing credits, lowering the IAC fee to eligible DC Water customers. DDOE estimates 583 non–residential properties with best practices currently installed.

DDOE has developed a draft of such a program which is currently under review within the city Administrator’s Office. Once proposed regulations have been posted in the DC Register, DC Water will review and provide recommendation to the committee.

- IAC Incentive Program Budget Assumptions

FY	Budget	Actual
2010	\$0.5 mil	\$0.0
2011	\$0.5 mil	\$0.0
2012	\$0.5 mil	\$0.0

* As of April 31, 2011

Exempt Accounts:

Howard University/Soldier’s Home – Prior to the establishment of the DC Water and Sewer Authority (DC Water) in 1996 many entities in the District of Columbia (including the Municipal Government, Howard University, Soldier’s Home, Churches and many non-profit organizations) received water and sewer services without charge pursuant to various arrangements and/or legal agreements.

In December 1996, DC Water attempted to verify the basis for free services to these entities through resolutions #96-27 & 28 and directed the General Manager to take various actions. Contact was made with each agency with little results. In 2004, DC Water began billing both agencies for sewer services. No payments have been made on sewer services. To date the Authority is currently not billing for water services.

The Authority is currently in discussion with both customers to validate the legal basis for continued exemptions in water and sewer charges.

The status of the outstanding balances for sewer service on these accounts is as follows:

- Howard University & Soldier's Home

Accounts	FY	A/R > 90 Days	Disputed Accounts
Howard University*	2011	\$5.1 mil	39
Soldier's Home*	2011	\$4.3 mil	8

* As of March 31, 2011

ACTION ITEM

**Approval of the Proposed Miscellaneous Fees & Charges Adjustments
For Fiscal Year 2012**

Management Recommendation:

1.) Revise the Miscellaneous Fees & Charges with the following changes:

a.) Engineering Review and Permitting Fees

Revise the Engineering Review and Permitting Fees effective October 1, 2011, with the following fee increases and adoption of new fees:

Project Review

	Current Fees	Proposed Fees
<i>Large Project Permit Review Fees</i>		
Availability Letter (Large Commercial)	\$300	\$500
Large Permits Fast Track (15 day)		\$10,000
Large Permits Basic	\$2,500	\$5,000
Large Permits submissions (excessive submission: 4 or more)		\$1,000
Foundation to Grade - Large Commercial		\$1,000
Approved Project Plan Revision (Project Scope/design change)		\$1,000
Approved Plan Revision (field Conditions)		\$250
Large Project Sheeting and Shoring (large Commercial)	\$1,000	\$1,000
Raze Permits		\$150
Abandonment Waiver Request		\$500
<i>Small Project Permit Review Fees</i>		
Availability Letter (small)		\$125
Home (Small)	\$250	\$300
New Home from a Large Project Subdivision		\$150
Small service Commercial	\$250	\$2,500
Surface Permits		\$25
Small Sheet and Shore	\$250	\$500
Document and Plan Fees (per hour)		
Project investigation by DC Water		\$25

b.) Waste Hauler Fees

An increase in the truck hauling fees effective October 1, 2011

Truck Size	Current Fees	Proposed Fees
0-100 gals	\$100	\$140
101-500 gals	\$255	\$895
501-1,500 gals	\$590	\$2,060
>1,500 gals	\$1,650	\$5,775

c.) Industrial User Permitting & Sampling

Establish a new Industrial User Permitting & Sampling Fee to recover the cost of service

i) Industrial User Permitting Fee

Classification	Current	Proposed New Permit	Proposed Renewal
Industrial User (all categories except general)	\$0.00	\$567.50	\$283.75

ii) Industrial User Sampling Fees

Classification	Current	Proposed 2 Outfalls	Proposed 1 Outfall
Significant or Non-Significant Industrial User	\$0.00	\$3,220.00	\$2,450.00
Significant Non-Categorical Industrial User	\$0.00	\$3,220.00	\$2,450.00
Non-Significant Non-Categorical User	\$0.00	\$673.00	\$519.00

d.) Remove Large Meter and Purchase Installation Fees

Size	Current Price of Meter	Current Labor Cost	Proposed Price of Meter	Proposed Labor Cost
5/8 Inch	\$25	\$241	\$0.00	\$0.00
3/4 Inch	\$99	\$241	\$0.00	\$0.00
1 Inch	\$128	\$241	\$0.00	\$0.00
1 ½ Inch	\$298	\$246	\$0.00	\$0.00
2 Inch	\$342	\$246	\$0.00	\$0.00
3 Inch	\$918	\$627	\$0.00	\$0.00
4 Inch	\$1,010	\$698	\$0.00	\$0.00
6 Inch	\$1,262	\$698	\$0.00	\$0.00
8 Inch	\$1,400	\$1,192	\$0.00	\$0.00
10 Inch	N/A	\$1,252	\$0.00	\$0.00




April 15, 2011

Memorandum

TO: George S. Hawkins
Contracting Officer

COPY: Olu Adebo
Chief Financial Officer

FROM: Leonard R. Benson 
Chief Engineer

SUBJECT: Response to BOD Inquiry concerning CIP Project D2 – Blue Plains Influent Sewers

Reissuance of this Memorandum

I am reissuing this memorandum to respond to requests of the Board of Directors Retail Rates Committee at their March 22, 2011 meeting. Specifically, the Committee requested that the memorandum be revised for two reasons. The first was to provide two corrections. The second was to provide additional information.

The two corrections requested by the Committee at the March meeting are as follows:

1. The information provided by the memorandum was requested by the Retail Rates Committee at the meeting on January 25, 2011.
2. The allocation of costs for Project D2 is as follows:

<u>PARTY</u>	<u>COST ALLOCATION %</u>
District of Columbia	
-DC	41.7%
-Federal	41.7%
Total	83.5%
WSSC	15.1%

Fairfax County	0.94%
Other Potomac Interceptor Users	0.50%

The additional information requested by the Committee at the March meeting is as follows:

1. The CIP Book information sheet for Project D2 showing initial inclusion of project in the CIP with DC share of cost allocation of 100%.
Response: That information is attached and is identified as "Approval FY 2006-2015 Capital Improvement Program, page V-13."
2. The CIP Book information sheet for project D2 showing cost allocations for each year since the inclusion of this project in the CIP.
Response: These sheets are attached and are identified as "Approved FY 2007-2016 Capital Improvement Program, page V-14," "Approved FY 2008-2017 Capital Improvement Program, page V-13," "Approved 2009-2018 Capital Improvement Program, page V-13," and "Approved 2010-2019 Capital Improvement Program, page V-12."
3. The minutes of the full BOD meeting at which BOD approval action was taken on the construction contract to implement CIP Project D2.
Response: The minutes from the April 2009 meeting are attached.
4. The name(s) of the DC Government Representatives, at the September and December 2010, BPRC meetings.
Response: At the September 2010 meeting, the District was represented by Ms. Choke. At the December 2010 meeting, DC was represented by Robin-Eve Jasper and Ms. Choke.
5. Did suburban jurisdiction members of the DC Water BOD vote on Resolution #03-55 approving the terms of the Three Party Consent Decree?
Response: The BOD resolution states that Resolution #03-55 was "decided by a vote of eleven (11) in favor, none (0) opposed", thus we may determine that the suburbs voted in favor of the resolution. (A copy is attached).
6. Provide a copy of each Fact Sheet referenced in the memo.
Response: Three fact sheets are referenced in the memorandum. The first was prepared for contract DCFA # 410 for design of the project. A copy is attached. Another was prepared for the March 2009 EQ & Ops Committee, a copy is attached. The other was prepared for the full BOD meeting in April 2009 and was handed out at the meeting to replace the original one included in the materials mailed to the BOD members in advance of the meeting, a copy is attached.

The History of Allocation of Costs for CIP Project D-2 Blue Plains Inflow Sewer

The DC Water BOD Retail Rates Committee at its January 25, 2011 meeting requested that staff provide an explanation and history of the determination of allocation of costs for CIP Project D2 – Blue Plains Inflow Sewers. This memorandum responds to that request.

The Three Party Consent Decree required DC Water to ensure the sewerage collection and transmission system had the capacity to convey 1076 mgd to Blue Plains by September 1, 2008. The Decree provided for extension of this date if DC Water found conditions in the sewer system that prevented achieving the required conveyance capacity. As part of its sewer system assessment program, conditions requiring rehabilitation of portions of the Blue Plains Inflow Sewers were found. Based on this, the Consent Decree deadline was extended to April 11, 2011 and DC Water implemented a plan to rehabilitate portions of the Blue Plains inflow sewers based on the sewer inspection results.

Prior to beginning preliminary design work on Project D2, these inflow sewers were identified as non-joint use. This was based on the inflow sewers not being listed as joint-use in DC WASA's enabling legislation. However during the design phase, beginning Fall 2007, DC Water recognized that the sewers being rehabilitated carried flow from the District and also the suburban jurisdictions, notably both WSSC and Fairfax County, as well as the PI Users. Accordingly, DC Water began discussions with representatives of the suburban users regarding cost allocation. These discussions were guided by the cost allocation principles stated in the IMA. During these discussions beginning in June 2008, DC Water recommended as a rational basis for cost allocation that the inflow sewers to Blue Plains were substantially interconnected and that the sewers should be considered as one facility, essentially as an extension of the BPAWTP. Based on this rationale, the suburban users share for the project would be in proportion to their allocation at Blue Plains, i.e., the standard "Blue Plains 60:40 split".

Alternative approaches for allocating costs were also discussed. One alternative approach involved calculation of the District and suburban flows in the individual pipe segments being rehabilitated and then using this data to allocate costs. However, there was no data available, i.e., no design basis or flow analysis, to support the use of that methodology – though it was acknowledged by all to be a more exact approach.

At the time the construction contract was awarded, in Spring 2009, resolution of the cost allocation method had not been finalized, but allocating costs based on treating the inflow sewers as one interconnected system was considered by DC Water staff to be the most rational based on then existing data. The suburban users did not agree to this split.

During BOD meetings in the Spring of 2009 (EQ & SS Committee in March 2009, Full BOD in April 2009), there was discussion that resulted in the final Fact Sheet for the construction contract for this project indicating that there had not been a final determination of cost allocation for this project.

Meanwhile the sewer system facility planning was progressing. There was recognition that many of the sewers identified for rehabilitation had suburban flow and were therefore multi-jurisdiction use. It was also noted that many, if not most, of these multi-jurisdiction use sewers were not listed as “Joint-Use” Facilities in the WASA enabling legislation. There was also recognition that there was no flow or design data necessary for allocation of costs for these projects. Recognizing that flow and/or design basis would be necessary for equitable allocation of costs in accordance with IMA principles of cost sharing, DC Water developed a state of the art model of the sewer collection and transmission system to calculate the relative portions of District and Suburban flow in each multi-jurisdiction use pipe. The results of this model were presented to the Environmental and Sewage services Committee on February 18, 2010, and were provided to the suburban users in a “draft” report in March 2010, with revisions in July, 2010. Both DC Water and the representatives of the suburban users were satisfied in concept with the model methodology, and in August, 2010 agreed to recommend its use broadly for all multi-jurisdiction use pipelines and appurtenances, and also specifically as an interim basis for cost allocations for Project D2.

DC Water subsequently presented the multi-jurisdiction use facilities model and report to the Blue Plains Regional Committee in September, 2010. The BPRC approved this model based approach because it accounted for the interconnectivity of the sewer system, was technically defensible, and was based on the design of the system. The model inputs have subsequently been revised to improve accuracy and utility of the model outputs, in accordance with discussion at the BPTC in December 2010. There was further discussion of the model and results at the March 24, 2011 BPRC meeting. Each jurisdiction agreed to perform a detailed review of the model and results and to be prepared at the BPRC meeting in June, 2011 to make a recommendation as to the use of the model and results.

The approach made possible by the “new” model generated data resulted in cost allocation as follows for the Blue Plains Influent Sewer Rehabilitation:

District of Columbia	
-District	41.7%
-US EPA	41.7%
Total DC	83.46%
WSSC	15.1%
Fairfax	0.94%

Loudon Water	0.41%
PI Users	0.09%

The percentages shown are provisional, for interim payment purposes, pending the BPRC Action anticipated at its June, 2011 meeting.

Below please find a table titled “Summary: Blue Plains Influent Sewer Rehabilitation Cost Allocation History.” This table summarizes the history of allocations for CIP Project D2.

Summary: Blue Plains Influent Sewer Rehabilitation – Cost Allocation History

DATE	EVENT
Feb-2007	Project Introduced to CIP at 100% DC Water Allocation Basis: DCWASA Legislation, Not listed Joint-Use
Sep-2007	Design Fact Sheet with 60/40 splits Allocation Basis: Preliminary design reveals multi-jurisdiction flow
Oct-2007	Project Splits changed to 60/40 Split in Budget Book Allocation Basis: Extension of AWTP/IMA 60:40
May-2008	First Billing to WSSC at 60/40 splits Allocation Basis: Extension of AWTP/IMA 60:40
June-2008	Suburbs request review of 60/40 splits Allocation Basis: Alternative approach under discussion
Mar-2009	Construction Fact Sheet to EQ & SS Allocation Basis: Stated as “undetermined”
Mar-2009	Meeting with Suburbs to discuss cost allocation basis continues Allocation Basis: Allocation not determined
Apr-2009	Construction Fact Sheet to BOD Allocation Basis: Allocation not determined
May-2009	Meeting with Suburbs to discuss cost allocation basis continues

Allocation Basis: Allocation not determined

Mar-2010 Multi-Jurisdiction Use Facilities Report Introduced

Allocation Basis: Allocation Discussion around 'new' model developed information

Sept-2010 Suburbs/DC agreement at BPRC to new split of 16.54% for suburbs

Allocation Basis: BPRC agrees on allocation methodology/basis

Nov-2010 New Billing to Suburbs at 16.54%

Allocation Basis: Interim allocation pending additional refinement of model inputs.

Presented and Adopted July 3, 2003

SUBJECT: Ratification of the General Manager's Agreement to a Partial Settlement of Lawsuits Brought by Certain Environmental Organizations and the United States Against the Authority.

**#03-55
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the D.C. Water and Sewer Authority, ("the Authority"), at its meeting held on July 3, 2003, decided by a vote of eleven (11) in favor and none (0) opposed, to ratify the action taken by the General Manager to sign, on the Authority's behalf, a consent decree which, when all required tasks and projects are completed, will resolve certain claims brought against the Authority by certain environmental organizations and the United States.

WHEREAS, on or about February 3, 2000, the Anacostia Watershed Society, Kingman Park Civic Association, American Canoe Association, Friends of the Earth, Sierra Club, and Mary Stuart Bick Ferguson ("Citizen Plaintiffs") filed a lawsuit in the United States District Court for the District of Columbia (00-CV 00183 (TFH)) against the Authority ("the Citizen Suit") which sought equitable relief and the payment of monetary penalties as a consequence of discharges of Combined Sewer Overflows (CSOs) and alleged violations of the Clean Water Act of 1972 (as amended) and local regulations; and

WHEREAS, on or about December 20, 2002, the United States Department of Justice filed a second lawsuit in the same court (02-CV2511 (TFH)) against the Authority upon the recommendation of the Administrator of the Environmental Protection Agency ("DOJ Suit") which seeks substantially identical relief against the Authority as that sought in the Citizen Suit; and

WHEREAS, under the general direction of the Board, the General Manager has coordinated actions taken by the Authority's counsel, employees and agents in settlement negotiations held with the plaintiffs in the Citizen Suit and the DOJ Suit; and

WHEREAS, representatives of the United States Department of Justice and the United States Environmental Protection Agency participated in all settlement negotiations between the Authority's representatives and the plaintiffs in the Citizen Suit; and

WHEREAS, the Citizen Plaintiffs, the Department of Justice, the Environmental Protection Agency and the General Manager, have all agreed in principle to partially settle the pending actions utilizing two consent decrees: one of which will govern projects that can be implemented in the short term (prior to 2008), including Nine Minimum Controls and other agreed capital projects; the other of which may govern implementation of the Authority's Long Term Control Plan after the final plan is approved by this Board (LTCP; See Resolutions 02-56 and 02-71); and

WHEREAS, the consent decree between the Authority, the United States and/or EPA, and the Citizen Plaintiffs is known as the Three Party Consent Decree (also, "the decree"); and

WHEREAS, on or about May 23, 2003 the General Manager executed a final copy of the Three Party Consent Decree, and transmitted such signature to the other parties in the litigation; and

WHEREAS, on or about May 28, 2003, representatives of the Citizen Plaintiffs affixed their required and authorized signatures to the Three Party Consent Decree; and

WHEREAS, on or about June 25, 2003, representatives of the United States Department of Justice and the United States Environmental Protection Agency having affixed all authorized and required signatures to the Three Party Consent Decree, lodged it with the court; and

WHEREAS, the decree must be published in the Federal Register and a thirty day comment period must expire before it may be entered by the court; and

WHEREAS, the decree requires several combined sewer system enhancements that have been designed to achieve, upon completion, a reduction of approximately 40% in the volume of CSO discharges (see Summary – Attachment A); and

WHEREAS, all of the projects and tasks that are required by the Three Party Consent Decree have been authorized by this Board and are included in both the Authority's current Capital Improvement Program and current budgets; and

WHEREAS, a significant number of the tasks and projects that are required by the Three Party Consent Decree were completed at the time of the General Manager's signature; and

WHEREAS, in addition to the combined sewer system enhancements, the decree calls for: payment of a penalty in the amount of Two Hundred Fifty Thousand Dollars (\$250,000); implementation or funding of one or more supplemental environmental projects which must have a combined value of Two Million Dollars (\$2,000,000); and future negotiation of the Citizen Plaintiffs' reasonable attorneys fees and costs; and

WHEREAS, the Board hereby expresses, for the public record, its agreement with the terms of the Three Party Consent Decree and ratifies the actions taken by the General Manager in negotiating and executing it.

NOW THEREFORE BE IT RESOLVED THAT:

- 1 The Board approves the terms of the Three Party Consent Decree which was executed by the General Manager and lodged with the court on or about June 25, 2003 and ratifies all actions taken by or under the direction of the General Manager in negotiating the decree.
2. The Board reserves the right to approve or ratify any changes to the decree that may be suggested by any other party thereto either prior to or after it is entered by the court.

This resolution is effective immediately.


Secretary to the Board of Directors

**ATTACHMENT A
RESOLUTION NO. 03-55**

On February 3, 2000, the Anacostia Watershed Society, *et al.*, filed suit seeking declaratory and injunctive relief and civil penalties against WASA for numerous alleged CSO violations ("Citizen Suit"). The Department of Justice, on behalf of the United States and the Environmental Protection Agency filed suit on or about December 20, 2002, making substantially the same allegations. The Anacostia Watershed Society complaint contains three counts: the first of which alleges violations of District of Columbia Water Quality Standards; the second, alleges violations of requirements for operation, maintenance and improvement of the CSO system; and the third alleges violations of the D.C. Water Pollution Control Act. The plaintiffs also allege that these violations are continuing violations that are repeated with each CSO discharge.

In their prayer for relief, plaintiffs request: (1) a declaration that WASA has violated and continues to violate its permit and federal and D.C. laws; (2) preliminary and permanent injunctive relief against further violations by WASA; (3) an order requiring WASA to take such actions as may be necessary to prevent or minimize threats to public health and the environment as a result of the alleged violations; (4) remedial injunctive relief to ameliorate the water degradation caused by the alleged violations; (5) payment of civil penalties to the maximum extent allowed by law; (6) reasonable attorney and expert witness fees; (7) retention of jurisdiction by the court to ensure continued compliance; and (8) other relief authorized by law or deemed appropriate by the court.

The 3 Party Consent Decree resolves Counts II in both Complaints and Count III in the Citizen suit. Count I of each complaint is still being negotiated, and these negotiations include issues related to implementation of the Long Term Control Plan.

The 3 Party Consent Decree sets forth:

- A written operation and maintenance program and implementation plan.
- Nine Minimum Control Projects and a few capital projects and milestones.
- Requirements for catch basin cleaning.
CSO event public notification requirements.
Progress Report filing requirements.
- A Civil Penalty obligation of \$250,000.

- **A Requirement to implement a Supplemental Environmental Project or projects valued at least \$2 million.**
- **A schedule of stipulated penalties for failure to meet compliance deadlines.**
- **A Force Majeure clause that provides for relief from certain requirements for events not within WASA's control.**
- **A process to negotiate the non-government plaintiffs' attorneys fees and costs**
- **Dispute resolution procedures.**

End of Attachment



**District of Columbia
Water and Sewer Authority**

Board of Directors

**Environmental Quality and
Operations Committee**
Tuesday, March 24, 2009

9:30 a.m.

MEETING MINUTES

Committee Members Present

David W. Lake, Chairman
David Bardin
Joseph Cotruvo
Howard Gibbs
Jimmie Jenkins
Paivi Spoon
Beverly Warfield

WASA Staff Present

Jerry Johnson, General Manager
Leonard Benson, Acting Chief Engineer
Gregory Hope, Staff Counsel
Linda Manley, Board Secretary

I. CALL TO ORDER

Dr. Cotruvo called the Committee Meeting to order at 9:35 a.m., at the request of Mr. Lake, who was delayed by traffic. Mr. Lake arrived shortly thereafter.

II. AWTP STATUS UPDATES

1. BPAWTP Performance

Mr. Walt Bailey, Director of Wastewater Treatment, reported that plant performance was excellent for February. Flow averaged 275 MGD for the month with a resulting 12-month rolling average of 296 MGD. Rainfall for the month was extremely low at 0.35 inches, setting a record for low rainfall. BNR performance averaged 6.4 mg/l, with the 12 month rolling average of 7.5 mg/l, meeting the annual nitrogen goal. On the biosolids side, production for the month averaged 1239 tons per day, with a 12 month average of 1152 tons per day.

III. STATUS UPDATE

1. AWTP NPDES Permit

Mr. Leonard Benson, Acting Chief Engineer, advised the Committee that WASA is actively negotiating the NPDES permit and LTCP/Water Quality Standards with

EPA. It is EPA's intention to issue a proposed permit as a discussion item for comment by WASA, Earth Justice, and the Chesapeake Bay Foundation, and after a joint meeting and receipt of comments, issue a formal draft for public comment. EPA is well aware of WASA's objection to their proposing the inclusion of both Outfalls 001 and 002 as permitted outfalls (bubble permit issue) and has agreed to work with DCWASA on resolving differences over this permit parameter

2. LTCP/Water Quality Standards

As noted above, the Consent Decree modifications as related to the NPDES Permit modifications, to accommodate the TN/WW plan, are being discussed with EPA.

A Committee member asked about progress of the discussion by the Blue Plains Chief Administrative Officers (CAO) on IMA issues. These have been characterized as "cautiously promising." Mr. Lake reported that the negotiating team will meet again this week. Cost splits for the LTCP and Nitrogen projects are the issue, and once those are addressed by the CAO's there will be a report to the Board.

IV. STATUS UPDATES

1. Potomac Interceptor Sewer Odor Abatement Project

Mr. David McLaughlin, Acting Director of Engineering and Technical Services, updated the Committee on recent activities. The Odor Abatement project continues on schedule towards a July construction advertisement for Maryland and D.C. sites. A newsletter on the project is going out to stakeholders, and a meeting with the stakeholders groups is to be held tonight (March 24th), hosted by the Cabin John Civic Association. The newsletters will be posted on the DSWASA website. A Committee member requested that Mr. McLaughlin confirm that such is the case, and that a search for "Potomac Interceptor" will result in valid links.

2. Potomac Sewage Pumping Station – Consent Decree Compliance: Update

Mr. McLaughlin advised the Committee that we have modified the inlet to the second of three pumps, and expect good results. The modification involves the removal of a crescent plate that had been installed under this contract to improve pump performance. Hydraulic modeling by Alden Labs had shown an 18% improvement in flow distribution with these plates. However, it appears that the installation of these plates in the inlet channels has had an unintended adverse impact on pump operation. The pump experts reviewing this situation are at a

loss to explain why. The third of the three pumps will be modified shortly, after which the rated capacity of the pumping station may be achieved and certified.

3. Biosolids Management Program

Mr. Lake opened this topic by noting that the Board Chairman had made a specific request for a report each month. Mr. Benson provided an update on the status of the program, which is proceeding on two tracks, one of which is developing the technical plan for the necessary projects, and the other of which is developing the delivery methods, to achieve completion by a late 2013/early 2014 date. Mr. Benson advised that a presentation and recommendation on the recommended delivery methods could be made at the June Committee meeting. There was discussion from the Committee regarding whether different technologies are still being considered. It was clarified by both Mr. Benson and Mr. Johnson that proposals promising significant savings will be reviewed, the project is proceeding on the basis of using thermal hydrolysis. Other technologies that are being promoted by vendors, such as fluidized bed incineration and the Enertech process, had been considered in the project planning process, and were not found to be favorable for WASA's program. Mr. Johnson emphasized that he did not want to be "serial number 001" on a new technology.

Mr. Lake requested the project management plan be submitted showing that a thorough technical review has been done, confirming technology selection and that the project is on the right path. The Committee requested that "crisp and concise" monthly updates be furnished showing progress achieved in the prior month.

V. DCWASA ENERGY MANAGEMENT WORK PLAN

Mr. Ernest Jolly, Energy Manager updated the Committee with a presentation on the approach that the Authority is taking to develop a comprehensive energy plan. An Energy Policy Statement was presented. The highlights of the work plan are that it focuses on environmental stewardship; recognizes that over 80% of WASA's carbon footprint is due to energy use; compliance with DC's "Clean and Affordable Energy Act of 2008" should be facilitated; and many of Metropolitan Washington Council of Government's recent climate change report recommendations have been incorporated.

Mr. Jolly also reported that a Carbon Footprint Steering Committee has been established. A Committee member asked whether there was an inventory of WASA's greenhouse gas emissions (annual CO₂ equivalent). Mr. Jolly stated that studies were ongoing, aimed at developing this inventory. The question was raised due to a prospective EPA rule that will designate 25,000 tons per year of CO₂ equivalent as a reporting threshold. The rule does not include municipal

systems at this time, but conceivably could in the future. The Committee requested that staff provide the current estimate of WASA's greenhouse gas emissions.

Mr. Jolly summarized the schedule for the implementation of the energy management work plan, with energy audits to be completed and a baseline and benchmarks developed by December 31, 2009. It is anticipated that expert assistance from a specialized consulting firm will be required. The Committee requested that baseline information be furnished prior to the end of the year if possible. Some discussion followed on how to report energy information on large capital projects, including projected energy cost assumptions. The Committee requested that staff review this issue and provide recommendations.

VI. WSSC ENERGY MANAGEMENT

Mr. Lake introduced Mr. Rob Taylor, WSSC Energy Manager, who gave a presentation on "WSSC Energy Initiatives". Mr. Taylor has been on board with WSSC for eight years; prior to that, WSSC had not had a formal energy manager position. WSSC has a broad range of energy management approaches being accomplished in multiple phases. The most prominent is their participation in the capital funding of a wind farm that will provide up to 33% of their energy needs when fully operational. WSSC must purchase the remaining power from other market sources. They have developed strategies to do so. Other significant WSSC energy projects completed or pending include improvements in pumping efficiency and load shifting, co-generation with digester gas, improvements in efficiency of a sludge incinerator that they operate, and a solar power installation. WSSC makes use of revenue neutral contracts with energy companies that develop/construct projects with their fee for doing so recouped from anticipated energy savings. WSSC also makes extensive use of various Maryland state grants. WSSC's long term goal is to achieve an 80% reduction in carbon footprint, with no increase in operating costs, by 2050.

VII. ACTION ITEMS – JOINT USE

The following five joint use contract items were presented by Mr. Benson and submitted for Committee consideration to forward to the full Board:

Joint Use Contracts Considered and Approved				
No.	Type	Prime Contractor	Scope	Amount
WAS-09-009-AB-SM	Goods and Services	Polydyne, Inc.	Contract	\$2,000,000.00
WAS-09-009-AA-SM	Goods and Services	Ciba Corporation	Contract	\$1,280,000.00
080120	Construction	EMH Environmental, Inc.	Contract	\$1,887,100.00
030210	Construction	Ulliman Schutte Construction, LLC	Change Order	\$1,649,578.30
090040	Construction	Ulliman Schutte Construction, LLC	Contract	\$42,267,000.00

The Committee agreed to forward all to the full Board for approval, with the caveat that additional information on the user jurisdiction funding split for Contract 090040 be furnished. Corrections were requested to the Goods and Services contracts to correct the units indicated in the cost per unit. The contract type for Contract 090040 is to be corrected to "Construction Contract".

VIII. EMERGING ISSUES/OTHER BUSINESS

1. Six Month Look Ahead: Large Contracts

The updated six-month look-ahead of anticipated large procurements was distributed.

2. Revision of Procurement Regulations

Mr. Benson updated the Committee on recent actions and a proposed schedule for Board approval of these regulations. The regulations will go to the full Board on April 2nd. The plan is to publish for a 30 day comment period, and go back to the Board on June 4th. Implementation goal is June 12th.

3. Stimulus Program

A list of projects proposed by WASA for stimulus program funding was distributed. Mr. Johnson noted that \$19 million was granted for Clean Water Act (CWA) projects, and \$19 million for Safe Drinking Water Act (SDWA) projects. Twenty percent of the grant funding for the CWA projects is set aside for "green" projects, and the District's Department of the Environment will be the lead agency to review these. The SDWA also has a twenty percent "green projects set aside" component which must be approved by EPA.

4. Other Business

A Committee member distributed a printout of the Chief Engineer position, that he obtained from the WASA website and questioned its accuracy and completeness. Mr. Johnson apologized for this erroneous posting, and noted

that it has been corrected. WASA has engaged a new search firm for this position and is actively interviewing candidates. A more comprehensive position description was given to the Committee.

IX. ADJOURNMENT

The meeting was adjourned at 11:35 a.m., to be followed by the Retail Services Committee.

Follow-up Items

1. Ensure that the WASA website links for the Potomac Interceptor Odor Abatement Projects are functional.
2. Provide the project management plan for the biosolids project.
3. Provide the current estimate of WASA's greenhouse gas emissions.
4. Provide recommendations on reporting energy impacts from large capital projects.
5. Provide concise monthly updates to the Committee on the Biosolids Management Plan progress
6. Provide further information regarding the user share funding of proposed Contract 090040.



District of Columbia Water and Sewer Authority

Board of Directors

Meeting MINUTES

Thursday, April 2, 2009

Present Directors

Chairman William M. Walker, District of Columbia
Vice Chairman Dan Tangherini, District of Columbia
Anthony Griffin, Fairfax County
David J. Bardin, District of Columbia
Keith Stone, District of Columbia
Timothy Firestine, Montgomery County
Robert Hoyt, Montgomery County
Dr. Jacqueline Brown, Prince George's County
David Byrd, Prince George's County
Alan Roth, District of Columbia
Howard Gibbs, Alternate to F. Alexis Roberson, District of Columbia

Present Alternate Directors

Joseph Cotruvo, District of Columbia
Jimmie Jenkins, Fairfax County
Paivi Spoon, Prince George's County
George Hawkins, District of Columbia
David Lake, Montgomery County
Beverly Warfield, Prince George's County

WASA Staff

Jerry N. Johnson, General Manager
Avis M. Russell, General Counsel
Linda R. Manley, Secretary to the Board of Directors

Chairman William Walker called the 142nd meeting to order at 9:44 a.m.

Board Secretary Linda Manley called the roll to confirm a quorum.

Approval of the March 5, 2009 Meeting Minutes

Chairman Walker asked for a motion to approve the March 5, 2009 minutes. The minutes were Moved and Seconded with unanimous approval by the Board.

Customer and Community Services Committee

Reported by: Alan Roth, Chairperson

The Customer and Community Services Committee met on March 17, 2009 and was provided at the request of Chairman Walker an extensive presentation on staffing in the Call Center. Based on the staff's presentation and the Committee's strong desire to maintain a high quality of communication and resolution that customers receive when they contact WASA, the Committee's conclusion was that the Call Center is staffed at an appropriate level at this time.

The Committee received its first report on the impact of expanding the Customer Assistance Program to include sewer credits, as well as a previous water credit. The numbers include a significant savings for customers in greatest need.

The Committee received a presentation on the latest revisions to WASA's Crisis Communications Plan. The Committee was satisfied that the plan itself was good and wanted to be assured that the appropriate staff members are familiar with the contents of the plan.

Mr. Roth noted that the Committee agreed a bi-monthly meeting schedule would be sufficient to carry out its oversight responsibilities, with additional meetings possible if specific circumstances warrant. The next meeting will be held in May.

Governance Committee

Reported by: Keith Stone, Chairperson

The Committee met on March 18, 2009 and discussed and is recommending approval of proposed Travel and Training Policies for the Board. In addition, the Board Secretary will poll Board members for training on parliamentary procedures.

The General Counsel provided the Committee a detailed presentation on the background about the Washington Aqueduct as well as the key issues to explore

when considering the possible transfer of the operation of the Washington Aqueduct to the Authority. The Committee members concluded that the issue is one to be addressed by the Board. The presentation will be provided to the Board at its May meeting. Chairman Walker requested as part of the presentation a financial analysis on what the Authority is paying the Aqueduct versus economies of scale that could be achieved if the transfer of the operation of the Aqueduct went to the Authority. The General Manager noted that there is presently a cost-of-service study that is being conducted by the U.S. Army Corps of Engineers in concert with the jurisdictions, and he will bring that pro forma information to the Board.

Human Resources and Labor Relations Committee

Reported by: Anthony Griffin, Chairperson

The Committee met on March 18, 2009 and discussed Domestic Partner Benefits and the proposal that the Authority offer such benefits. The majority of the discussion focused on the insurance providers' specific requirements regarding the definition of a domestic partner and proof of eligibility required to qualify for the benefit. Staff will review what is appropriate in terms of documentation. The Committee agreed to negotiate and implement the program during open season to ensure that the Authority, not the insurance companies, is in charge of deciding key eligibility and documentation requirements. The Committee will come to some agreement on recommendations to the Board at its May meeting.

Retail Rates Committee

Reported by: David J. Bardin for Dan Tangherlini, Chairperson

The Committee met on March 18, 2009 and received a presentation on the summary of the results of the 2008 Fire Service Cost of Service Study for information, but not as an action item for the Board.

The Committee discussed the Impervious Surface Project to include the future development of a multiple tier approach and current customer outreach. The Committee is recommending Board approval of the implementation of the impervious Area Charge. Mr. Bardin noted that the Board's commitment to a multiple tier approach in the future should be expressed in any press release pertaining to the Initial Impervious Area Charge.

Environmental Quality and Operations Committee

Reported by: David Lake, Chairperson

The Committee met on Tuesday, March 24, 2009 and received a report on plant performance, NPDES permit, the Long Term Control Plan, Water Quality Standards, Potomac Sewage Pumping Station and the Biosolids Management Program.

At its June meeting staff will provide the Committee the alternative delivery methods and a detailed project plan for the Biosolids Management Program.

The Committee received a report on the Comprehensive Energy Plan for WASA. Staff will provide a complete baseline and benchmarks by the end of the calendar year. In addition, the Committee received a presentation from Rob Taylor, Energy Manager for WSSC. Mr. Bardin requested that the General Manager engage the Aqueduct in any efforts to look for improved ways of using energy. The General Manager ensured the Board that the Authority is working closely with the Aqueduct in looking at methods of energy saving.

The Committee is recommending five joint-use contracts for Board approval. Mr. Lake noted that the fact sheet describing the contract for Ulliman Schutte Construction for \$42 million that was sent to the Board previously noted user share information that is still unresolved. In response to Mr. Bardin, the General Manager said that the maximum swing between DC versus suburban shares, now under discussion, might be \$6 million.

The Committee was informed by the General Manager that he is actively interviewing candidates for the Chief Engineer position.

D.C. Retail Services Committee

Reported by: Joseph Cotruvo, Chairperson

The Committee met on Tuesday, March 24, 2009 and received a report that zero sites had tested positive for coliform as of March 24.

The Committee discussed pre-stagnation flushing and requested a report at the next meeting that compares sample results collected preferably at the same locations, as part of the LCR Monitoring.

The Committee discussed the status of fire hydrants.

The Committee received a briefing on water accounting and requested that staff provide a condensed version to the Board.

The Committee continued its discussion with Tom Jacobus, General Manager of the Washington Aqueduct. The Committee requested that the Aqueduct provide a one page summary of its legal liabilities with respect to claims. In addition, the Committee requested that both WASA and WAD management review the existing Sales Agreement to see if there are any changes they would propose.

The Committee was provided a one-page summary for the mitigation plan following a partial lead service replacement.

A status on the Water Quality Study was also provided and Mr. Hawkins noted that he will have a conversation with the General Manager regarding funding for the study.

The Committee is recommending approval of the Low Lead Resolution and one non-joint use contract with Wachs Utilities.

Finance and Budget Committee

Reported by: Chairman Walker for Dan Tangherlini, Committee Chair

The Committee met and had an extensive review of the proposed revisions to the procurement regulations which is on the agenda for Board approval.

Chairman Walker noted that he met with the General Manager and the Chief Financial Officer to discuss general financial issues. He noted that he will be circulating to the Board a memorandum talking about various areas that he would like certain Committees to visit.

General Manager's Report

Reported by: Jerry Johnson

The General Manager noted that the Authority will receive \$16 million from the President's budget as a result of the signing of the Omnibus Appropriations Act.

The General Manager expressed his appreciation to those Board members who attended the employee awards ceremonies.

On April 6th there will be a disinfection change in the system, using pre-chlorine as a method to clean and further disinfect the piping system. The Authority has done the appropriate notification.

Consent Items (Joint-use)

Mr. Griffin moved the consent (joint-use) Items 45-52. Mr. Bardin seconded. Items 45-52 were moved and seconded with unanimous approval by the Board of Directors.

Mr. Tangherlini moved the consent (non-joint use) Items 53-56. Chairman Walker Seconded. Items 53-56 was moved and seconded with unanimous approval by the District of Columbia members of the Board of Directors.

Dr. Brown expressed her gratitude to the Board for their expression of sympathy and support in the recent loss of her father. Chairman Walker thanked Ms. Manley for working on behalf of the Board.

The Board moved into an executive session at 11:16 a.m.

The Board reconvened into open session at 12:31 p.m.

Mr. Tangherlini moved Resolution No. 09-57 and Mr. Roth Seconded. Resolution No. 09-57 was approved by the Board with one abstention by Mr. Howard Gibbs.

The 142nd meeting of the District of Columbia Board of Directors adjourned at 12:32 p.m.


Secretary to the Board of Directors

**DC WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

ENGINEERING SERVICES

**Design of Blue Plains Influent Sewers Rehabilitation
(Joint Use)**

Approval to execute an architectural and engineering services contract for \$3,300,000.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Rummel, Klepper & Kahl, LLP 81 Mosher Street Baltimore, Maryland 21217-4250	Brown & Caldwell Alexandria, VA	
	Andrews Reproduction Center, Inc. Beltsville, MD – MBE	1.3%
	Cammay Group, LLC. Lanham, MD – MBE	3.5%
	Chester Engineers, Inc. Moon Township, PA – MBE	5.6%
	J-Dos International, Inc. Washington, DC – MBE	4.4%
	Mercado Consultants, Inc. Ashton, MD – MBE	4.9%
	Phoenix Engineering, Inc. Baltimore, MD – WBE	3.8%
	Savin Engineers, PC, Pleasantville, NY – MBE	3.4%
	Thomas L. Brown Associates, P.C. Washington, DC – MBE	4.8%

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed: **\$3,300,000**
 Contract Time: **1,448 Days**
 Anticipated Contract Start Date: **10-15-2007**
 Anticipated Contract Completion Date: **10-02-2011**
 Number of firms submitting proposals: **3**
 Number of firms short-listed: **3**

Purpose of the Contract:

- Provide design services to rehabilitate the Influent Sewers from the Main Pump Station to Blue Plains wastewater treatment plant.
- The project is to be complete under a schedule directed by US EPA per the 3-Party Consent Decree (Paragraph 10(e)(i), Conveyance Capacity).

Contract Scope:

- Create a concept finalization report.
- Provide design services and create contract documents to rehabilitate the sewer lines.
- Provide design services during the construction.

PROCUREMENT INFORMATION

Contract Type:	Fixed Price/Cost reimbursement	Award Based On:	Highest Ranking Score
Commodity:	Engineering Services	Contract Number:	DCFA #410-WSA
Contractor Market:	Open Market		

BUDGET INFORMATION

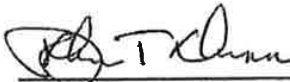
Funding:	Capital	Department:	Engineering and Technical Services
Service Area:	Combined Sewer,	Department Head:	Leonard R. Benson
Project:	D2		

USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	41.35%	\$1,364,550.00
Washington Suburban Sanitary Commission	45.84%	\$1,512,720.00
Fairfax County	8.38%	\$276,540.00
Loudoun County & Potomac Interceptor	4.43%	\$146,190.00
Total Estimated Dollar Amount	100.00%	\$3,300,000.00


 _____, 9/11/07
 Olu Adebayo Date
 Acting Chief Financial Officer


 _____, 9/11/07
 John P. Christodoulakis, CPCM Date
 Director of Procurement


 _____, 9/11/07
 John T. Dunn, P.E. Date
 Chief Engineer

_____, /
 Jerry N. Johnson Date
 General Manager

**DC WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

**CONSTRUCTION CONTRACT:
Blue Plains Influent Sewers Rehabilitation
(Joint Use)**

Approval to execute a construction contract for \$42,267,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Ulliman Schutte Construction, LLC. 7615 Standish Place Rockville, MD 20855	Boyer Inc. Houston, TX WBE Hi-Mark Construction Group, Inc. Franklin, OH MBE	6.0% 32.0%

DESCRIPTION AND PURPOSE

Contract Value: \$42,267,000.00
 Contract Time: 556 Days
 Anticipated Contract Start Date: 07-03-2009
 Anticipated Contract Completion Date: 01-10-2011
 Bid Opening Date: 03-18-2009
 Bids received: 4
 Bid Range: \$42,267,000.00 to \$49,798,797.80

Purpose of the Contract:

Provide construction work to rehabilitate the Influent Sewers from the Main Pump Station to Blue Plains Wastewater Treatment Plant.

The project is to be completed under a schedule directed by US EPA per the 3-Party Consent Decree (Civ. Action No. 1:00CV00183TFH, Paragraph 10(e)(i), Conveyance Capacity).

Contract Scope:

- Rehabilitation of 12,170 lf of the East Influent Sewer.
- Rehabilitation of 2,925 lf of the West Influent Sewer.
- Rehabilitation of various structures and manholes.
- Provide diversion of flow during the construction.
- Clean and inspect 1,020 lf of the North Interconnecting Branch Sewer Siphon.
- Clean and inspect 1,100 lf of CSO 003 outfall.
- Construct various bulkhead structures during the construction.

Federal Grant Status:

- The Construction contract is funded in part by prior Congressional appropriations for CSO projects.

PROCUREMENT INFORMATION


Contract Type:	Fixed Price	Award Based On:	Lowest responsive, responsible bidder.
Commodity:	Construction Contract	Contract Number:	IFB #090040
Contractor Market:	Open Market		

BUDGET INFORMATION

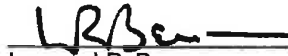
Funding:	Capital	Department:	Engineering and Technical Services
Service Area:	Combined Sewer	Department Head:	David McLaughlin
Project:	D2		


USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	20.67%	\$8,711,228.70
Federal Funds	20.68%	\$8,711,228.70
Washington Suburban Sanitary Commission	45.84%	\$19,375,192.80
Fairfax County	8.38%	\$3,541,974.60
Loudoun County & Potomac Interceptor	4.43%	\$1,927,375.20
Total Estimated Dollar Amount	100.00%	\$42,267,000.00

 3/19/09
 Yvette Downs Date
 Director of Finance and Budget

 3/18/09
 John P. Christodoulakis, CPCM Date
 Director of Procurement

 3/18/09
 Leonard R. Benson Date
 Acting Chief Engineer

 3/25/09
 Jerry M. Johnson Date
 General Manager

**DC WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

**CONSTRUCTION CONTRACT:
Blue Plains Influent Sewers Rehabilitation
(Joint Use)**

Approval to execute a construction contract for \$42,267,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Ulliman Schutte Construction, LLC. 7615 Standish Place Rockville, MD 20855	Boyer Inc. Houston, TX WBE Hi-Mark Construction Group, Inc. Franklin, OH MBE	6.0% 32.0%

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- Clean and inspect 1,100 lf of CSO 003 outfall.
- Construct various bulkhead structures during the construction.

Federal Grant Status:

- The Construction contract is funded in part by prior Congressional appropriations for CSO projects.

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Lowest responsive, responsible bidder.
Commodity:	Construction Contract	Contract Number:	IFB #090040
Contractor Market:	Open Market		

BUDGET INFORMATION

Funding:	Capital	Department:	Engineering and Technical Services
Service Area:	Combined Sewer	Department Head:	David McLaughlin
Project:	D2		

USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	*%	*
Federal Funds	*%	*
Washington Suburban Sanitary Commission	*%	*
Fairfax County	*%	*
Loudoun County & Potomac Interceptor	*%	*
Total Estimated Dollar Amount	100.00%	\$42,267,000.00

* Cost allocations will be determined by agreement of the Engineers under the terms of the IMA. Negotiations to reach this agreement are in process.

_____/_____
 Yvette Downs Date
 Director of Finance and Budget

_____/_____
 John P. Christodoulakis, CPCM Date
 Director of Procurement

_____/_____
 Leonard R. Benson Date
 Acting Chief Engineer

_____/_____
 Jerry N. Johnson Date
 General Manager

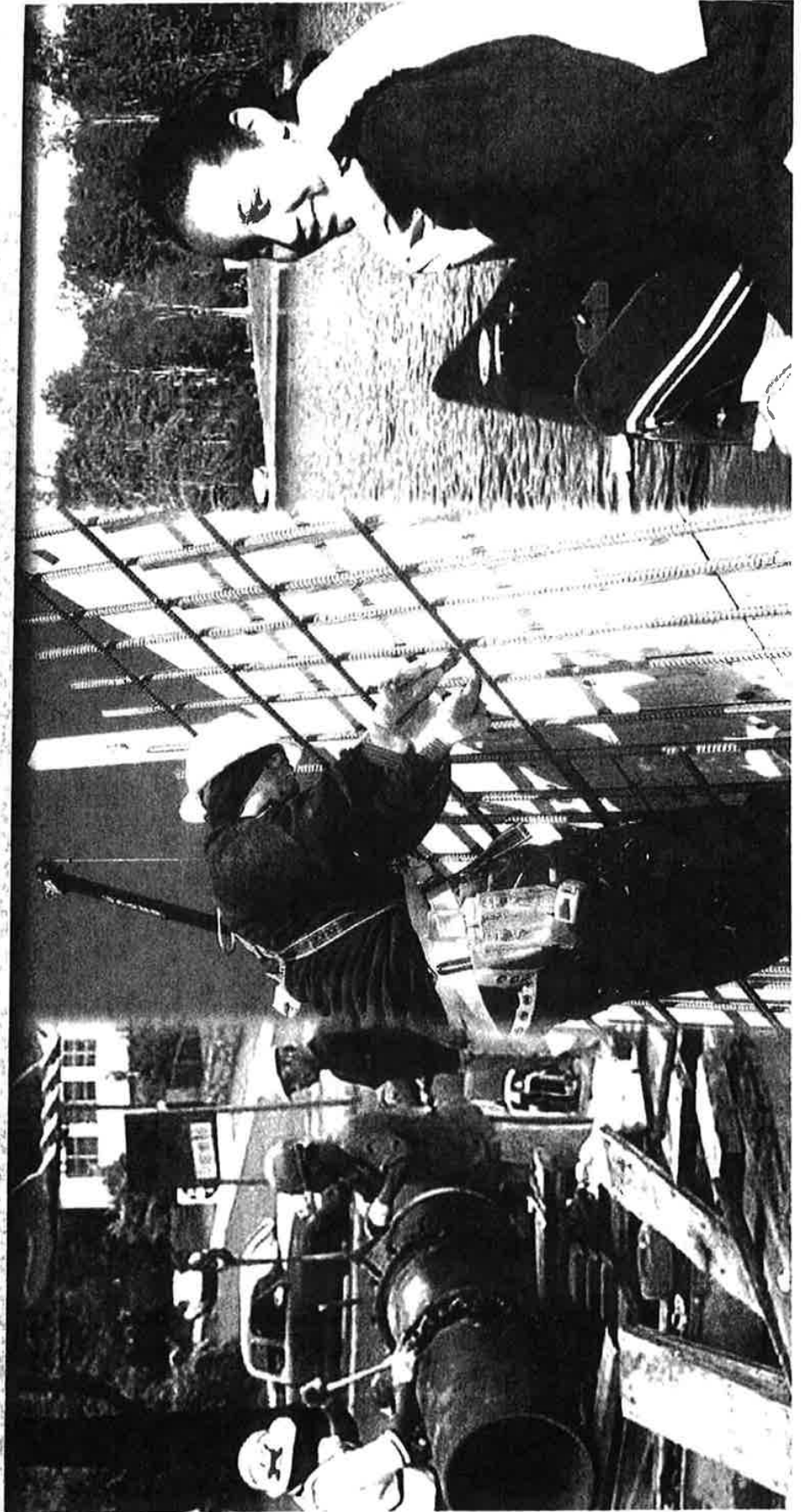


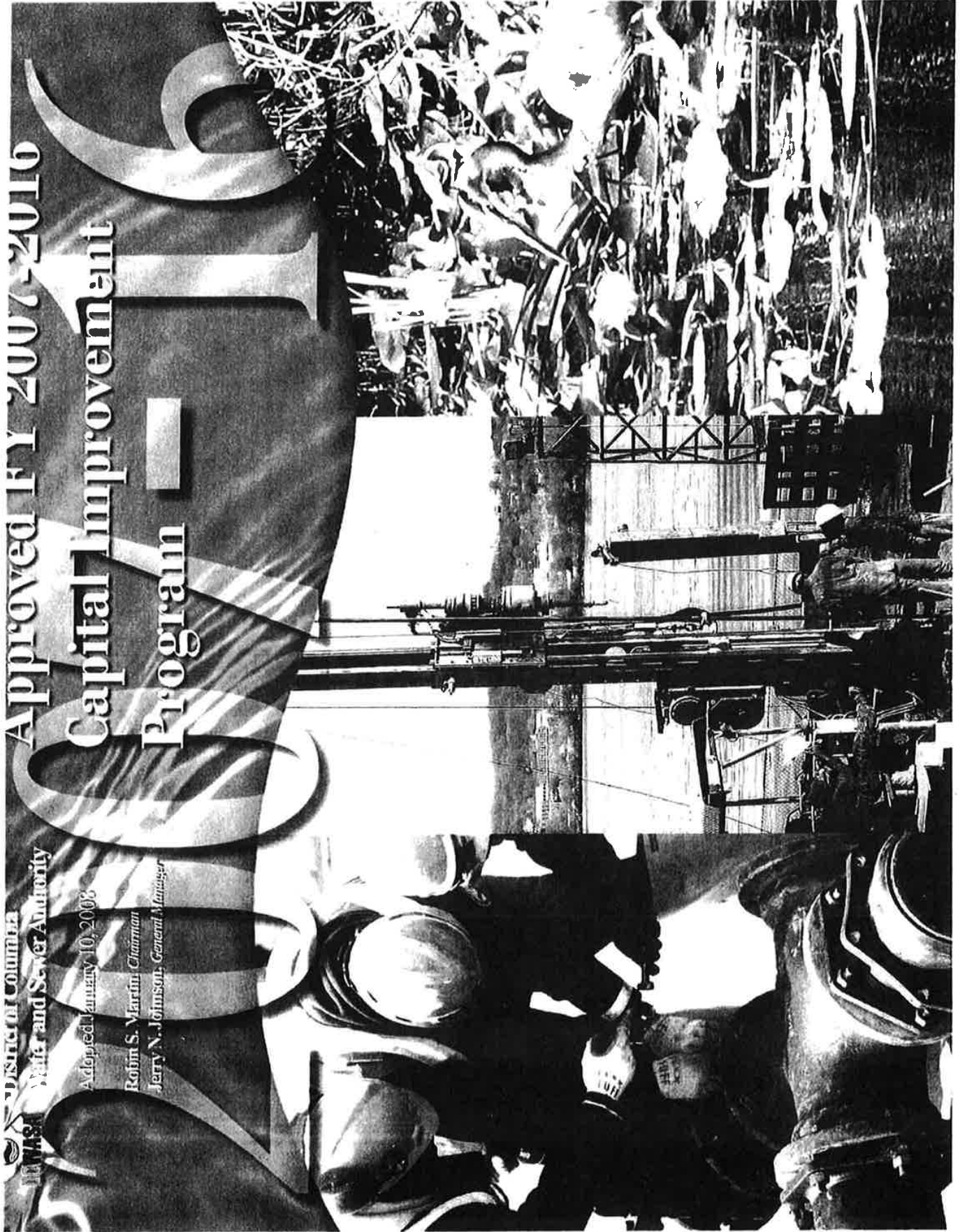
District of Columbia
Water and Sewer Authority

Adopted February 3, 2007

Clayton S. Corbett, Chairman
Jerry M. Johnson, General Manager

Approved FY 2006-2015 Capital Improvement Program





**District of Columbia Water and Sewer Authority
FY 2007 - 2016 Capital Improvement Program**

Service Area Title:	Combined Sewer Overflow	Phase	Start Date
Program Title:	Combined Sewer Projects	Design:	Oct 2007
Activity Group/Project Title:	D2 Outfall Sewer Rehabilitation	Construction:	Dec 2008
Managing Department:	Engineering and Technical Services	Project Completion:	Mar 2011
Priority:	Court Ordered, Stipulated Agreements, Etc.		
Project Description:	EPMC: EPMC-II		

This project will rehabilitate the existing Outfall Sewer System tributary to the headworks of the Blue Plains WWTP. Four 10-foot diameter sewers were inspected in 2005 and it was concluded that the pipelines will need to be rehabilitated in order to provide reliable service. This project is eligible for 50/50 matching funding from the Congressional CSO Appropriation.

Impact on Operations:

This project will have no material impact on the operating budget.

Funding by User (percent):

DC -	20.67%
EPA/Fed -	20.68%
WSSC -	45.84%
Fairfax -	8.38%
Loudoun/PI -	4.43%



FY2007 Approved Life Budget	30,000,000
FY2008 Revised/FY2009 Proposed Life Budget	30,000,000
Increase/(Decrease) to Approved Life Budget:	0

	Pre FY 2008	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Post FY 2016
Disbursements Budget	0	2,550	7,072	16,047	3,131	0	0	0	0	0	0
Commitments Budget	0	2,550	27,450	0	0	0	0	0	0	0	0

(Projected disbursements do not include contingencies)

(dollars in thousands)



Approved FY 2008-2017

Capital Improvement Program

INVESTING IN PERFORMANCE

William M. Walker
Chairman of the Board

Jerry N. Johnson
General Manager

Olin Adebo
Chief Financial Officer



**District of Columbia
Water and Sewer
Authority**

Adopted January 8, 2009

**District of Columbia Water and Sewer Authority
FY 2008 - 2017 Capital Improvement Program**

Phase	Start Date
Design:	Nov 2007
Construction:	Apr 2009
Project Completion:	Jun 2011

Service Area Title: Combined Sewer Overflow
Program Title: Combined Sewer Projects
Activity Group/Project Title: D2 Outfall Sewer Rehabilitation
Managing Department: Engineering and Technical Services **EPMC:** EPMC-II
Priority: Court Ordered, Stipulated Agreements, Etc.

Project Description:
 This project will rehabilitate the existing Outfall Sewer System tributary to the headworks of the Blue Plains WWTP. Four 10-foot diameter sewers were inspected in 2005 and it was concluded that the pipelines will need to be rehabilitated in order to provide reliable service. As the construction has progressed to the concept finalization phase, the latest estimates require an additional budget of \$26 million, primarily for design costs. The additional budget is also required for design work to separate the project into multiple contracts in order to meet LTCP deadlines. This project is eligible for 50/50 matching funding from the Congressional CSO Appropriation.

Impact on Operations:
 This project will have no material impact on the operating budget.

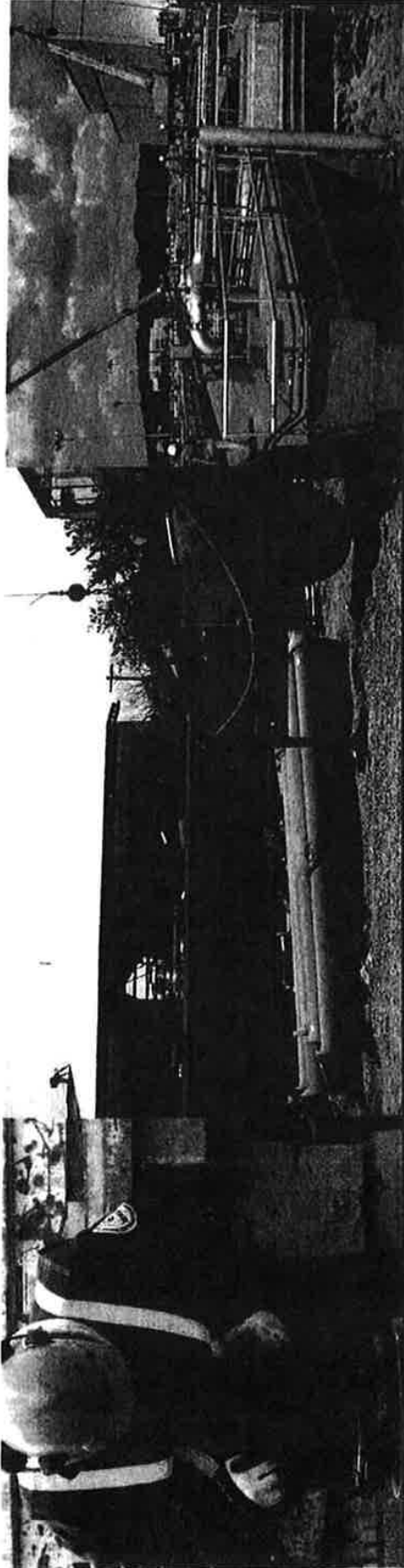


Funding by User (percent):	
DC -	20.67%
EPA/Fed -	20.68%
WSSC -	45.84%
Fairfax -	8.38%
Loudoun/PI -	4.43%
	FY2008 Approved Life Budget
	30,000,000
	FY2009 Revised/FY2010 Proposed Life Budget
	56,000,000
	Increase/(Decrease) to Approved Life Budget:
	26,000,000

Disbursements Budget	Pre FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	Post FY 2017
	1,239	8,312	34,059	10,680							0
Commitments Budget	Pre FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	Post FY 2017
	2,535	53,465									

(projected disbursements do not include contingencies)

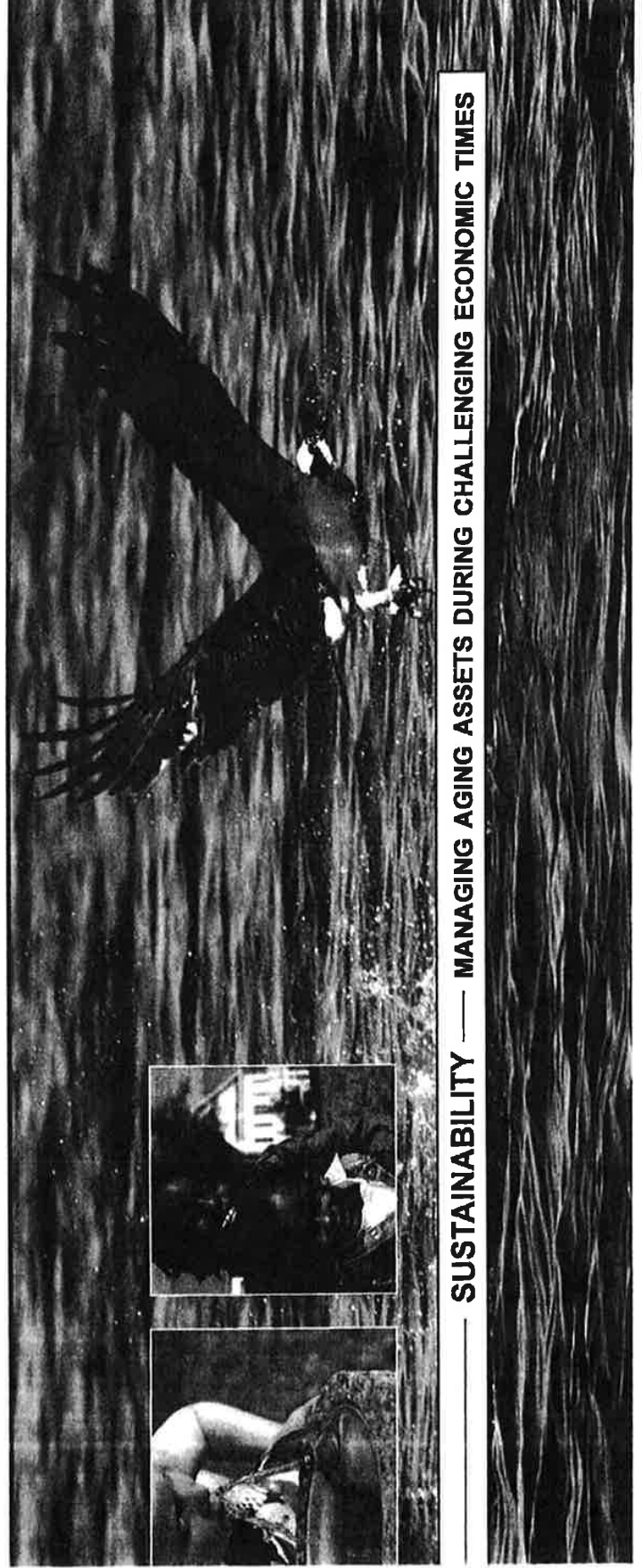
(dollars in thousands)



District of Columbia Water and Sewer Authority
CAPITAL IMPROVEMENT PROGRAM
APPROVED FY 2009-2018

Adopted February 4, 2010

*William M. Walker, Chairman of the Board
George S. Hawkins, General Manager
Olu Adebayo, Chief Financial Officer*



SUSTAINABILITY — MANAGING AGING ASSETS DURING CHALLENGING ECONOMIC TIMES

**District of Columbia Water and Sewer Authority
FY 2009 - 2018 Capital Improvement Program**

Phase	Start Date
Design:	
Construction:	
Project Completion:	Nov 2011

Service Area Title: Combined Sewer Overflow
Program Title: Combined Sewer Projects
Activity Group/Project Title: D2 Outfall Sewer Rehabilitation / Nine Minimum Controls
Managing Department: Engineering and Technical Services **EPMC:** EPMC-III
Priority: Court Ordered, Stipulated Agreements, Etc.

Project Description:

This project will rehabilitate the existing Outfall Sewer System tributary to the headworks of the Blue Plains WWTP. Four 10-foot diameter sewers were inspected in 2005 and it was concluded that the pipelines will need to be rehabilitated in order to provide reliable service. As the design has progressed to the concept finalization phase, the latest estimates require an additional budget of \$26 million, primarily for construction costs. The additional budget is also required for design work to separate the project into multiple contracts in order to meet LTCP deadlines. This project is eligible for 50/50 matching funding from the Congressional CSO Appropriation.

Impact on Operations:

This project will have no material impact on the operating budget.

Funding by User (percent):

DC - 20.60%
 EPA/Fed - 20.60%
 WSSC - 45.84%
 Fairfax - 8.38%
 Loudoun/PI - 4.57%



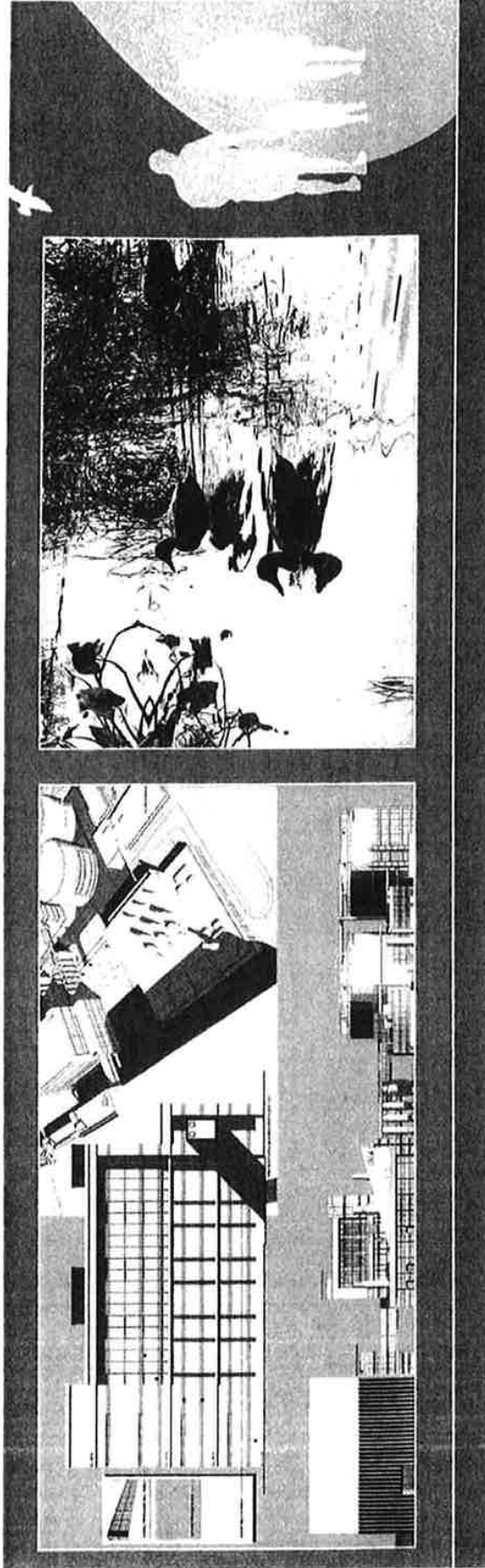
FY2009 Approved Life Budget	56,000,000
FY2010 Revised/FY2011 Proposed Life Budget	56,000,000
Increase/(Decrease) to Approved Life Budget:	0

	Pre FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Post FY 2018
Disbursements Budget	6,352	27,669	9,726	106	0	0	0	0	0	0	0
Commitments Budget	55,035	965	0	0	0	0	0	0	0	0	0

(projected disbursements do not include contingencies)
(dollars in thousands)



stewardship:
ENVIRONMENT, RESOURCES and WORKFORCE



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

CAPITAL IMPROVEMENT PROGRAM

APPROVED FY 2010-2019

William M. Walker, *Chairman of the Board*

George S. Hawkins, *General Manager*

Olu Adebayo, *Chief Financial Officer*

ADOPTED FEBRUARY 03, 2011

**District of Columbia Water and Sewer Authority
FY 2010 - 2019 Capital Improvement Program**

Service Area Title:	Combined Sewer Overflow	Phase	Start Date
Program Title:	Combined Sewer Projects	Design:	Nov 2007
Activity Group/Project Title	D22 - Outfall Sewer Rehabilitation / Nine Minimum Controls	Construction:	Apr 2008
Managing Department:	Engineering and Technical Services	Project Completion:	Sep 2011
Priority:	Court Ordered, Stipulated Agreements, Etc.		

Project Description:
This project will rehabilitate the existing Outfall Sewer System tributary to the headworks of the Blue Plains WWTP. Four 10-foot diameter sewers were inspected in 2005 and it was concluded that the pipelines will need to be rehabilitated in order to provide reliable service. This project is eligible for 50/50 matching funding from the Congressional CSO Appropriation.

Impact on Operations:
This project will have no material impact on the operating budget.

Effective Funding by User (percent):

DC -	41.73%	FY2010 Approved Life Budget	56,000,000
EPA/Fed -	41.73%	FY2011 Revised/FY2012 Approved Life Budget	56,000,000
WSSC -	15.10%	Increase/(Decrease) to Approved Life Budget:	0
Fairfax -	0.94%		
Loudoun/PI -	0.50%		



	Pre FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Post FY 2019
Disbursements Budget	27,086	16,681	2	0	0	0	0	0	0	0	0
Commitments Budget	56,000	0	0	0	0	0	0	0	0	0	0

(dollars in thousands)

(projected disbursements do not include contingencies)

3 Note: Facilities are listed as Joint Use. However, flow analysis indicates that the historical cost allocations may be subject to change. Flow analysis, and resulting cost allocations, are under review by users.

Attachment F

FY 2010 Revised Retail Rates Committee & FY 2011 Proposed Workplan

Committee Activity	Committee Calendar	Completed
1. FY 2012 Retail Rate Activities a. Rate Proposal to committee b. Committee recommendation c. Public Outreach d. Public Hearing e. Committee recommendation on FY 2012 rates	October 2010 December 2010 March/April 2011 May 2011 June 2011	√ √
2. Implement LID Incentive Program for customers who utilize Best Management Practice a. Prepare revenue impact analysis	Ongoing-Coordinating with DDOE on program planning; Overview presented December 15, 2010: Request to post public notice to be determined TBD	
3. Review and Update BOD Resolution for Rate Setting a. Last reviewed in 1997 b. Ways to Minimize Customer Impacts from Rate Increases	January 6, 2011, Board approved resolutions	√
4. Review and Update Committee on long-range rate issues, including follow-up on FY 2009 Cost of Service Study results, prior to next cost of service study a. Review and understand customer demographics b. Consider/Review Other Misc Charges/Fees c. Consider Implementation of Developer/Impact Fees	April - June, 2011 March - April, 2011 FY 2012 March 22, 2011: Management update on items 4b & 4c for FY 2012 implementation April 26, 2011: Retail Rate Committee to approve and recommend to Board implementation of items 4b & 4c in FY 2012 May 5, 2011: Board to adopt Retail Rates Committee proposal of items 4b & 4c for FY 2012	√

Attachment F

<ul style="list-style-type: none"> d. Evaluate future strategies for unbundling volumetric rates (Fixed/Volumetric rates) e. Alternative rate structures review f. Revisit CAP program and possible modifications (Expansion and or methodology) g. Preliminary understanding of revenue subtractions, discounts, exemptions 	<p>April - July, 2011</p> <p>FY 2012</p> <p>FY 2012</p> <p>April, 2011</p>	
<p>5. Effectively Communicate Rates/Charges</p> <ul style="list-style-type: none"> a. Determine appropriate benchmark <ul style="list-style-type: none"> i. Typical Residential Customer & Non – Residential Customer ii. Utility and City Peer Comparison b. Consider changing from Ccf to Gallons c. Review names/titles of certain bill line items d. Howard University and Soldier’s Home Negotiations Update e. Improving cost allocations communications with Board (e.g., NMC Outfall Sewer Rehab D2) 	<p>March, 2011</p> <p>January, 2011</p> <p>March, 2011</p> <p>Monthly</p> <p>March 2011</p>	<p>√</p> <p>√</p> <p>√</p> <p></p> <p>√</p>
<p>6. “PILOT” evaluation – In coordination with District Government Review and Propose new methodology for assessing PILOT and unrelated issues.</p>	<p>To be determined</p>	
<p>7. IAC Program Evaluation</p>	<p>FY 2012</p>	



Attachment G

D.C. WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS
RETAIL WATER & SEWER RATES
COMMITTEE MEETING

TUESDAY, May 24, 2011; 9:00 a.m.
AGENDA

Call to Order	Committee Chairman
Monthly Updates	Chief Financial Officer
FY 2012 Rate Proposal Discussion	Chief Financial Officer
Committee Workplan	Chief Financial Officer
Emerging Issues/Other Business	Chief Financial Officer
Agenda for June 28, 2011 Committee Meeting	Chief Financial Officer
Adjournment	Committee Chairman

*Detailed agenda can be found on DC Water's website at www.dewater.com/about/board_agendas.cfm