

Presented and Adopted: February 5, 2015

**SUBJECT: Approval to Execute Contract No. 14-PR-PCM-01,
M.C. Dean**

**#15-14
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 February 5, 2015, upon consideration of a joint use matter, decided by a vote of five (5) in favor and four (4) abstained to execute Contract No. 14-PR-PCM-01, M.C. Dean.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute a one year base period for Contract No. 14-PR-PCM-01, M.C. Dean. The purpose of the contract is to provide annual services for the maintenance, repair, calibration and installation services of various industrial instrumentation equipment. The contract amount is \$1,200,000.

This Resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: February 5, 2015

**SUBJECT: Approval to Execute Contract No. DCFA #468-WSA,
ARCADIS US, Inc.**

**#15-15
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 February 5, 2015, upon consideration of a joint use matter, decided by a vote of nine (9) in favor and none (0) opposed to execute Contract No. DCFA #468-WSA, ARCADIS US, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. DCFA #468-WSA, ARCADIS US, Inc. The purpose of the contract is to provide engineering and related services required for assessing, rehabilitating, upgrading and otherwise improving DC Water's sanitary, combined sewer and storm water conveyance systems and appurtenances. The contract amount is \$42,000,000.

This Resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: February 5, 2015
SUBJECT: Approval to Execute a Modification to Contract No. GS-23FF-0291N, SPS Consulting, LLC

#15-16
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 February 5, 2015, upon consideration of a joint use matter, decided by a vote of nine (9) in favor and none (0) opposed to execute a modification to Contract No. GS-23FF-0291N, SPS Consulting, LLC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute a modification to Contract No. GS-23FF-0291N, SPS Consulting, LLC. The purpose of the contract is to provide financial services for the District of Columbia Water and Sewer Authority's (DC Water) Finance, Accounting and Budget department. The contract amount is \$562,638.

This Resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: February 5, 2015
Subject: Approval of Fiscal Year 2015 - 2024 Capital
Improvement Program (CIP)

#15-17
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("DC Water") at its meeting on February 05, 2015, upon consideration of a joint-use matter, decided by a vote of nine (9) in favor and none (0) opposed, to take the following action with respect to the Fiscal Year 2015 – 2024 Capital Improvement Program (Lifetime and Cash Disbursements Basis).

WHEREAS, the Board's financial policies require an annually updated Ten-Year Financial Plan, which includes a Ten-Year Capital Improvement Program; and

WHEREAS, on January 08, 2015, the General Manager briefed Board members on the Proposed Lifetime Budget totaling \$10,100,341,000 and the related FY 2015 - 2024 Capital Improvement Program Disbursements Plan, which totaled \$3,844,063,000; and

WHEREAS, on January 15, 2015, the Environmental Quality and Sewerage Services and the Water Quality and Water Services Committees, in a joint meeting, reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts, and recommended that the Board adopt the Proposed Lifetime Budget totaling \$10,100,341,000 and the related FY 2015 - 2024 Capital Improvement Program Disbursements Plan, which totaled \$3,844,063,000; and

WHEREAS, on January 22, 2015, the Finance and Budget Committee reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts, and recommended that the Board adopt the Proposed Lifetime Budget totaling \$10,100,341,000 and the related FY 2015 - 2024 Capital Improvement Program Disbursements Plan, which totaled \$3,844,063,000.

WHEREAS, on January 27, 2015 the DC Retail Water & Sewer Rates Committee reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts, and recommended that the Board adopt the Proposed

Lifetime Budget totaling \$10,100,341,000 and the related FY 2015 - 2024 Capital Improvement Program Disbursements Plan, which totaled \$3,844,063,000.

NOW THEREFORE, BE IT RESOLVED THAT:

The Board hereby approves and adopts DC Water's Fiscal Year 2015 – 2024 Capital Improvement Program with the Lifetime Budget totaling \$10,100,341,000 (Attachment A-1) and Disbursements Plan of \$3,844,063,000 (Attachment A-2), and as further detailed in the General Manager's Proposed Fiscal Year 2016 Operating and Capital Budgets dated January 08, 2015 and accompanying materials.

This resolution is effective immediately.


Secretary to the Board of Directors

FY 2015 - FY 2024 Capital Improvement Plan

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

	FY 2015 Approved	FY 2015 Revised / FY 2016 Proposed	Variance
WASTEWATER TREATMENT			
Liquid Processing Projects	\$831,760	\$841,382	\$9,622
Plantwide Projects	446,508	493,003	46,495
Solids Processing Projects	793,044	709,416	(83,628)
Enhanced Nitrogen Removal Facilities	1,024,481	1,042,636	18,155
Subtotal	3,095,793	3,086,438	(9,355)
SANITARY SEWER			
Sanitary Collection Sewers	212,995	216,546	3,551
Sanitary On-Going Projects	200,741	202,500	1,759
Sanitary Pumping Facilities	44,193	44,096	(97)
Sanitary Sewer Projects Program Management	111,214	112,576	1,362
Sanitary Interceptor/Trunk Force Sewers	585,475	716,950	131,475
Subtotal	1,154,618	1,292,670	138,052
COMBINED SEWER OVERFLOW			
CSO Program Management	68,464	74,094	5,630
Combined Sewer Projects: Nine Minimum Controls	549,625	514,019	(35,606)
D.C. Clean Rivers Project (<i>aka Long-Term Control Plan</i>)			
Anacostia Tunnel	1,806,541	1,902,752	96,211
Potomac Tunnel	383,700	410,394	26,694
Rock Creek Tunnel	65,342	76,442	11,100
D.C. Clean Rivers Green Infrastructures	40,000	2,206	(37,794)
Subtotal	2,913,672	2,979,906	66,234
STORMWATER			
Stormwater Extensions/Local Drainage	22,829	22,832	3
Stormwater On-Going Program	12,988	13,173	185
Stormwater Pumping Facilities	25,000	25,000	-
DDOT Stormwater Program	3,237	3,237	-
Stormwater Projects Program Management	12,051	11,979	(72)
Stormwater Trunk/Force Sewers	15,341	15,597	256
Subtotal	91,446	91,818	372
WATER			
Water Distribution Systems	940,902	1,022,285	81,383
Water Lead Program	189,040	189,040	-
Water On-Going Projects	140,871	144,292	3,421
Water Pumping Facilities	167,217	177,401	10,184
DDOT Water Projects	38,775	33,867	(4,908)
Water Storage Facilities	76,358	100,715	24,357
Water Projects Program Management	74,781	107,653	32,872
Subtotal	1,627,944	1,775,253	147,309
Capital Projects	8,883,473	9,226,085	342,612
AUTOMATED METER READING/ CUSTOMER INFORMATION SYSTEM			
	50,181	100,921	50,740
WASHINGTON AQUEDUCT			
	286,358	296,972	10,614
CAPITAL EQUIPMENT			
	139,436	141,608	2,172
Subtotal	475,975	539,501	63,526
LABOR			
	-	334,755	334,755
Total DC Water CIP Lifetime	\$9,359,448	\$10,100,341	\$740,893

* Reflects revisions since January 15, 2015 submission.

FY 2015 – FY 2024 PROJECTED CAPITAL IMPROVEMENT PLAN (CIP) – DISBURSEMENTS BASIS (\$ in 000's)

	FY 2015 Revised	FY 2016 Proposed	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total
WASTEWATER TREATMENT											
Liquid Processing Projects	\$ 20,566	\$ 14,467	\$ 28,586	\$ 35,332	\$ 35,529	\$ 16,825	\$ 11,626	\$ 15,860	\$ 6,994	\$ 3,113	\$ 188,899
Plantwide Projects	18,322	11,376	12,271	12,822	16,132	38,518	25,488	30,882	28,372	20,665	214,847
Solids Processing Projects	58,333	8,053	14,845	9,791	4,807	4,918	13,930	3,414	503	2	118,596
Enhanced Nitrogen Removal Facilities	109,039	115,478	65,566	52,460	5,993	4,007	962	595	1,225	5,505	360,830
Subtotal	206,260	149,375	121,268	110,405	62,461	64,267	52,006	50,750	37,094	29,285	883,171
SANITARY SEWER											
Sanitary Collection Sewers	5,932	7,989	6,892	866	461	2,089	736	7,202	10,735	11,058	53,960
Sanitary On-Going Projects	8,256	7,133	6,516	5,887	6,816	5,455	7,462	7,109	13,243	10,380	78,257
Sanitary Pumping Facilities	1,377	973	612	282	473	2,429	70	-	-	-	6,217
Sanitary Sewer Projects Program Management	10,105	6,486	5,567	7,045	5,531	4,068	2,707	4,577	5,337	4,611	56,032
Sanitary Interceptor/Trunk Force Sewers	14,587	19,596	31,489	28,878	26,429	30,919	14,921	14,636	16,396	13,068	210,918
Subtotal	40,258	42,175	51,076	42,956	39,711	44,960	25,896	33,524	45,712	39,116	405,384
COMBINED SEWER OVERFLOW											
CSO Program Management	4,423	2,104	3,219	3,456	2,446	2,264	1,772	2,799	3,060	2,195	27,739
Combined Sewer Projects	10,769	30,575	31,066	27,400	20,248	10,490	10,858	11,464	12,778	4,492	170,140
D.C. Clean Rivers Project	255,909	206,024	125,245	98,235	142,900	163,816	124,328	100,940	123,599	84,755	1,425,752
Subtotal	271,101	238,703	159,531	129,091	165,594	176,571	136,958	115,203	139,437	91,442	1,623,631
STORMWATER											
Stormwater Local Drainage	28	75	182	92	27	78	27	261	111	382	1,263
Stormwater On-Going Program	489	691	449	478	532	546	585	736	721	774	6,000
Stormwater Pumping Facilities	-	128	781	912	-	-	-	-	-	-	1,821
DDOT Stormwater Program	27	30	27	21	20	2	-	-	-	-	129
Stormwater Research and Program Management	518	179	235	254	180	145	79	118	138	114	1,959
Stormwater Trunk/Force Sewers	1,497	76	53	91	-	-	-	-	-	-	1,717
Subtotal	2,559	1,178	1,726	1,848	760	772	691	1,115	970	1,270	12,889
WATER											
Water Distribution Systems	33,291	37,486	27,496	26,297	29,433	39,700	45,075	43,354	47,700	56,356	386,188
Water Lead Program	2,350	1,304	955	1,037	1,796	2,055	2,314	1,749	-	-	13,560
Water On-Going Projects	7,070	7,383	6,793	5,475	5,859	5,541	5,823	5,631	6,708	7,472	63,754
Water Pumping Facilities	6,074	5,305	5,406	3,260	4,529	6,794	165	87	-	-	31,621
DDOT Water Projects	2,121	1,394	858	84	-	-	-	-	-	-	4,457
Water Storage Facilities	6,323	9,028	11,937	9,150	1,846	3,336	8,749	4,003	1,345	567	56,282
Water Projects Program Management	7,777	5,645	5,523	5,559	5,332	3,823	6,074	6,329	4,076	4,249	54,388
Subtotal	65,006	67,546	58,968	50,862	48,795	61,249	68,201	61,153	59,828	68,645	610,250
Capital Projects	585,183	498,977	392,570	335,162	317,321	347,818	283,752	261,745	283,041	229,758	3,535,326
AMR/CIS											
Automated Meter Reading	5,314	7,384	6,707	6,345	5,672	1,000	500	500	500	500	34,422
Customer Information System	2,586	7,005	8,000	5,000	1,000	-	-	-	-	-	23,591
Subtotal	7,900	14,389	14,707	11,345	6,672	1,000	500	500	500	500	58,013
WASHINGTON AQUEDUCT											
	10,000	10,864	10,850	10,936	11,060	11,045	11,226	11,212	11,081	10,842	109,116
CAPITAL EQUIPMENT											
	22,191	24,810	24,018	15,683	14,282	9,058	9,058	8,058	7,433	7,017	141,608
Subtotal	40,091	50,063	49,575	37,964	32,014	21,103	20,784	19,770	19,014	18,359	308,737
Total FY 2015 - FY 2024	\$ 625,274	\$ 549,040	\$ 442,145	\$ 373,126	\$ 349,335	\$ 368,921	\$ 304,536	\$ 281,515	\$ 302,055	\$ 248,117	\$ 3,844,063

Presented and Adopted: February 5, 2015

SUBJECT: Approval of Fiscal Year 2015 - 2024 Ten-Year Financial Plan

**#15-18
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("DC Water") at its meeting held on February 5, 2015 upon consideration of a joint-use matter decided by a vote of nine (9) in favor and none (0) opposed, to take the following action with respect to the Fiscal Year 2015 - 2024 Financial Plan.

WHEREAS, prudent utility financial management requires a long-term financial plan that integrates common elements of the ten-year capital improvement program, future capital financing plans, projected operating and maintenance budgets, revenue requirements and projected rate increases to support long-term capital and operating needs; and

WHEREAS, the Board in Resolutions 13-57 and 11-10 has adopted a series of financial policies in the areas of capital financing, long-term financial planning, and rate-setting to assure the short-term and long-term financial health of DC Water; and

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

WHEREAS, consistent with the Board policies, the General Manager has prepared a ten-year financial plan in conjunction with the proposed FY 2016 operating and capital budgets; and

WHEREAS, the ten-year financial plan is based on assumptions detailed in the proposed Fiscal Year 2016 Operating and Capital Budgets; and

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

WHEREAS, on January 22, 2015 and January 27, 2015, the Finance and Budget Committee and DC Retail Water and Sewer Rates Committee, respectively, met, reviewed and recommended that the Board adopt the ten-year financial plan as recommended by the General Manager.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board hereby accepts and approves the proposed Fiscal Year 2015 - 2024 Financial Plan that is supported by the attached Schedules A, B and C and the proposed Fiscal Year 2016 Operating and Capital Budgets.

This resolution is effective immediately.


Secretary to the Board of Directors

District of Columbia Water & Sewer Authority
FY 2015 - FY 2024 Financial Plan
(In 000's)

OPERATING	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<i>Retail*</i>	404,572	472,881	488,609	510,675	534,319	561,844	590,751	618,664	648,282	672,831
<i>Wholesale*</i>	81,365	69,342	71,422	73,565	75,772	78,045	80,386	82,798	85,282	87,840
<i>Other</i>	49,206	27,982	28,049	30,048	32,774	34,803	34,800	34,793	34,886	35,153
<i>RSF</i>	7,500	-	10,000	-	2,700	7,000	5,650	2,100	-	-
Operating Receipts (1)	\$ 542,643	\$ 570,205	\$ 598,080	\$ 614,288	\$ 645,564	\$ 681,692	\$ 711,587	\$ 738,355	\$ 768,450	\$ 795,825
Operating Expenses	(312,121)	(324,202)	(333,619)	(343,315)	(356,298)	(366,668)	(377,346)	(388,341)	(399,662)	(411,319)
Debt Service	(163,242)	(174,766)	(190,238)	(202,987)	\$ (218,480)	\$ (238,976)	\$ (254,298)	\$ (266,147)	\$ (277,374)	\$ (287,451)
Defeasance D.S./Cash Financed Capital Cons	\$ (20,058)	\$ (23,644)	\$ (24,430)	\$ (25,534)	\$ (26,716)	\$ (28,092)	\$ (29,538)	\$ (30,933)	\$ (32,414)	\$ (33,642)
Net Revenues After Debt Service	\$ 47,221	\$ 47,593	\$ 49,793	\$ 42,452	\$ 44,070	\$ 47,955	\$ 50,405	\$ 52,934	\$ 59,000	\$ 63,413
Operating Reserve-Beg Balance	162,742	145,100	145,100	145,100	145,100	145,100	145,100	145,100	145,100	145,100
Other Misc (Disbursements)/Receipts										
Wholesale/Federal True Up	(23,153)	(17,179)	(19,710)	-	-	-	-	-	-	-
Customer Rebate	-	-	-	-	-	-	-	-	-	-
Transfers To RSF	-	(4,500)	-	(8,000)	-	-	-	-	(3,000)	(3,000)
Transfers To DC PILOT Fund	-	-	-	-	-	-	-	-	-	-
Pay-Go Financing	(41,710)	(25,914)	(30,083)	(34,452)	(44,070)	(47,955)	(50,405)	(52,934)	(56,000)	(56,950)
Operating Reserve - Ending Balance	\$ 145,100	\$ 145,100	\$ 145,100	\$ 145,100	\$ 145,100	\$ 145,100	\$ 145,100	\$ 145,100	\$ 145,100	\$ 148,563
Rate Stabilization Fund Balance RSF (2)	\$ (14,950)	\$ (19,450)	\$ (9,450)	\$ (17,450)	\$ (14,750)	\$ (7,750)	\$ (2,100)	\$ -	\$ (3,000)	\$ (6,000)
Senior Debt Service Coverage	409%	470%	443%	418%	455%	467%	440%	460%	448%	523%
Combined Debt Service Coverage	140%	140%	140%	140%	142%	141%	140%	140%	140%	141%
Actual/Projected Water/Sewer Rate Increases (3)	7.5%	6.5%	6.5%	6.0%	6.0%	6.0%	6.0%	6.0%	5.5%	5.0%
*Operating Receipts \$ Increase/Decrease										
Retail	29,806	68,309	15,728	22,066	23,643	27,525	28,907	27,914	29,618	24,549
Wholesale	10,602	(12,023)	2,080	2,143	2,207	2,273	2,341	2,412	2,484	2,558
*Operating Receipts % Increase/Decrease										
Retail	8.0%	16.9%	3.3%	4.5%	4.6%	5.2%	5.1%	4.7%	4.8%	3.8%
Wholesale	15.0%	-14.8%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

(1) Includes interest earnings on senior lien revenue bonds' debt service reserve fund

(2) FY 2015 Rate Stabilization Fund utilization brought the total fund balance to \$14.95 million

(3) For FY 2016, retail revenue was calculated on a uniform rate structure basis for comparison purposes

Schedule B

**District of Columbia Water & Sewer Authority
FY 2015 - FY 2024 Average Residential Customer Monthly Bill**

	Units	Proposed									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
DC Water and Sewer Retail Rates (1)	Ccf	\$ 57.67	\$ 59.12	\$ 62.94	\$ 66.75	\$ 70.77	\$ 75.01	\$ 79.45	\$ 84.23	\$ 88.87	\$ 93.32
DC Water Clean Rivers IAC	ERU	16.75	20.30	23.01	24.39	25.95	28.18	30.52	32.46	34.99	36.69
DC Water Customer Metering Fee	5/8"	3.86	3.86	3.86	3.86	3.86	3.86	3.86	3.86	3.86	3.86
DC Water Water System Replacement Fee (3)	5/8"	-	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30
Subtotal DC Water Rates & Charges		\$ 78.28	\$ 89.58	\$ 96.11	\$ 101.30	\$ 106.88	\$ 113.35	\$ 120.13	\$ 126.85	\$ 134.02	\$ 140.17
Increase / Decrease		\$ 8.92	\$ 11.30	\$ 6.53	\$ 5.19	\$ 5.58	\$ 6.47	\$ 6.78	\$ 6.72	\$ 7.17	\$ 6.15
District of Columbia PILOT (1)	Ccf	\$ 3.08	\$ 3.14	\$ 3.21	\$ 3.28	\$ 3.35	\$ 3.41	\$ 3.48	\$ 3.55	\$ 3.61	\$ 3.68
District of Columbia Right of Way Fee (1)	Ccf	1.14	1.14	1.14	1.20	1.20	1.20	1.20	1.20	1.20	1.27
District of Columbia Stormwater Fee (2)	ERU	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67
Subtotal District of Columbia Charges		\$ 6.89	\$ 6.95	\$ 7.02	\$ 7.15	\$ 7.22	\$ 7.28	\$ 7.35	\$ 7.42	\$ 7.48	\$ 7.62
Total Amount Appearing on DC Water Bill		\$ 85.17	\$ 96.53	\$ 103.13	\$ 108.45	\$ 114.10	\$ 120.63	\$ 127.48	\$ 134.27	\$ 141.50	\$ 147.79
Increase / Decrease Over Prior Year		\$ 8.45	\$ 11.36	\$ 6.60	\$ 5.32	\$ 5.65	\$ 6.53	\$ 6.85	\$ 6.79	\$ 7.23	\$ 6.29
Percent Increase in Total Bill		11.0%	13.3%	6.8%	5.2%	5.2%	5.7%	5.7%	5.3%	5.4%	4.5%

(1) Assumes average monthly consumption of 6.69 Ccf, or (5,004 gallons)

(2) District Department of the Environment stormwater fee of \$2.67 effective November 1, 2010

(3) DC Water "Water System Replacement Fee" of \$6.30 effective October 1, 2015

***District of Columbia Water & Sewer Authority
FY 2016 Proposed Retail Rates, Charges and Fees***

	Units	FY 2015	Proposed FY 2016
DC Water Retail Rates Water (Residential Lifeline 0 - 4 Ccf)	Ccf	\$ 3.88	\$ 3.08
DC Water Retail Rates Water (Residential > 4 Ccf)	Ccf	\$ 3.88	\$ 3.87
DC Water Retail Rates Water (Multi-Family)	Ccf	\$ 3.88	\$ 3.45
DC Water Retail Rates Water (Non-Residential)	Ccf	\$ 3.88	\$ 3.99
DC Water Retail Rates Sewer	Ccf	\$ 4.74	\$ 5.44
DC Water Clean Rivers IAC	ERU	\$ 16.75	\$ 20.30
DC Water Customer Metering Fee	5/8"	\$ 3.86	\$ 3.86
DC Water Water System Replacement Fee	5/8"	-	\$ 6.30
District of Columbia PILOT Fee	Ccf	\$ 0.46	\$ 0.47
District of Columbia Right of Way Fee	Ccf	\$ 0.17	\$ 0.17
District of Columbia Stormwater Fee	ERU	\$ 2.67	\$ 2.67

Presented and Adopted: February 5, 2015
Subject: Approval of Proposed Fiscal Year 2016 Operating Budget

#15-19
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("DC Water") at its meeting on February 5, 2015, upon consideration of a joint-use matter, decided by a vote of nine (9) in favor and none (0) opposed, to take the following action with respect to the Fiscal Year 2016 Proposed Operating Budget.

WHEREAS, on January 8, 2015, the General Manager briefed Board members on the Proposed FY 2016 Operating Budget that totaled \$541,605,000; and

WHEREAS, on January 15, 2015, the Environmental Quality and Sewerage Services and the Water Quality and Water Services Committees, in a joint meeting, reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts, and recommended that the Board adopt the FY 2016 Operating Budget that totals \$541,605,000; and

WHEREAS, on January 22, 2015, the Finance and Budget Committee reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts, and recommended that the Board adopt the FY 2016 Operating Budget that totals \$541,605,000.

NOW THEREFORE BE IT RESOLVED THAT:

The Board hereby approves and adopts DC Water's Proposed Fiscal Year 2016 Operating Budget totaling \$541,605,000 and as further detailed in the General Manager's Proposed Fiscal Year 2016 Operating Budget Presentation dated January 8, 2015.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: February 5, 2015
**SUBJECT: Intent to Reimburse Capital Expenditures with Proceeds
of a Borrowing**

#15-20
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("DC Water"), at the Board meeting held on February 5, 2015, upon consideration of a joint-use matter, decided by a vote of nine (9) in favor and none (0) opposed, to take the following action.

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

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

NOW THEREFORE BE IT RESOLVED THAT:

1. DC Water utilizes the proceeds of tax-exempt bonds, taxable bonds or notes (the "Bonds") or other debt in an amount not currently expected to exceed \$582,000,000 to pay costs of the Projects. These costs include amounts heretofore unreimbursed pursuant to Resolution 13-118 of the Board adopted on December 5, 2013, plus amounts projected to be reimbursed during Fiscal Year 2015 and through September 2016.
2. DC Water intends to use the proceeds of the Bonds to reimburse itself for Expenditures with respect to the Projects made on or after the date that is 60 days prior to the date of this Resolution. DC Water reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Bonds or other debt.
3. Each Expenditure was or will be, unless otherwise supported by the opinion of bond counsel, either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bonds, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of DC Water so long as such

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

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

This resolution is effective immediately.


Secretary to the Board of Directors

EXHIBIT A — LIST OF PROJECTS

Blue Plains Plantwide Projects
Blue Plains Enhanced Nitrogen Removal Facilities
Blue Plains Liquid and Solids Processing Projects
Sanitary Sewer System Projects
Combined Sewer System Projects
DC Clean Rivers Project
Stormwater Sewer System Projects
Water Pumping, Distribution and Storage Projects
Metering and Capital Equipment
Washington Aqueduct Projects

Presented and Adopted: February 5, 2015
Subject: Authorizing the Sale and Setting Terms and Details of the Series
2015A Refunding Bonds

#15-21
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("Authority"), at its meeting on February 5, 2015, by a vote of nine (9) in favor and none (0) opposed, decided to approve the following:

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

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

WHEREAS, the Authority has heretofore entered into seventeen (17) supplemental indentures of trust with the Trustee in connection with the issuance of Senior Debt and Subordinate Debt (both as defined in the Indenture) or to amend and clarify the Master Indenture; and

WHEREAS, the Authority now intends (i) to issue Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2015A (the "Series 2015A Refunding Bonds") to: (a) refund some or all (or, if appropriate, none) of the Authority's outstanding Public Utility Subordinated Lien Revenue Bonds, Series 2007A (the "Series 2007A Subordinate Bonds"), Public Utility Subordinated Lien Revenue Refunding Bonds, Series 2008A (the "Series 2008A Subordinate Bonds"), and Public Utility Senior Lien Revenue Bonds

Series 2009A (the "Series 2009A Bonds"); (b) fund a Series 2015A Debt Service Reserve Requirement, (as defined herein), if determined necessary; and (c) pay certain costs of issuance; (ii) to designate the Series 2015A Refunding Bonds as Subordinate Debt for purposes of the Indenture (subject to Section 10 hereof); and (iii) to secure the Series 2015A Refunding Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

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

WHEREAS, the Finance and Budget Committee met on January 22, 2015, to review the issuance of the Series 2015A Refunding Bonds and has recommended approval of this Resolution by the Board;

NOW, THEREFORE, BE IT RESOLVED, that:

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

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

"Bond Purchase Agreement" means the Bond Purchase Agreement between the Authority and the Series 2015A Original Purchasers, dated as of the same date as the Certificate of Award.

"Certificate of Award" means the certificate of an Authorized Official awarding the Series 2015A Refunding Bonds to the Series 2015A Original Purchasers and specifying terms of the Series 2015A Refunding Bonds, as provided for in Section 4 of this Resolution.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement executed by the Authority and the Trustee, dated as of the same date as the

date of issuance and delivery of the Series 2015A Refunding Bonds, as originally executed and as it may be amended from time to time in accordance with its terms.

“Eighteenth Supplemental Indenture” means the Eighteenth Supplemental Indenture of Trust by and between the Authority and the Trustee, dated as of the same date as and relating to the Series 2015A Refunding Bonds.

“Escrow Agreement” means the Escrow Agreement, dated the same date as the Series 2015A Refunding Bonds, between the Authority and the Trustee as Escrow Agent (the “Escrow Agent”), providing for the Refunded Bonds to be deemed paid and no longer Outstanding under the Indenture.

“Financial Advisor” means, collectively, Public Financial Management, Inc. and G~Entry Principle, P.C..

“Interest Payment Dates” means for the Series 2015A Refunding Bonds, each April 1 and October 1, commencing on the April 1 or October 1 specified in the Certificate of Award as the first Interest Payment Date, and thereafter during the time the Series 2015A Refunding Bonds are Outstanding.

“Refunded Bonds” means any Outstanding Series 2007A Subordinate Bonds, Series 2008 Subordinate Bonds, or Series 2009A Bonds to be caused to be deemed paid and no longer Outstanding under the Indenture as the result of the deposit of proceeds of the Series 2015A Refunding Bonds and any other funds in escrow under the Escrow Agreement and identified as the Refunded Bonds in the Certificate of Award.

“Refunding Savings Threshold” means that, as the result of the advance refunding of the Refunded Bonds with proceeds of Series 2015A Refunding Bonds and any other legally available funds, the Authority will achieve an aggregate reduction in bond debt service that has a present value at the time of sale of the Series 2015A Refunding Bonds equal to at least five percent (5%) of the aggregate principal amount of the Refunded Bonds and will fulfill any other standards that any Authorized Official executing the Certificate of Award deems appropriate.

“Series 2015A Debt Service Reserve Requirement” means, if determined to be necessary, a required fund balance in the Series 2015A Debt Service Reserve Account or Accounts established under the Eighteenth Supplemental Indenture, the amount of which shall be specified in the Certificate of Award, but which shall not exceed the maximum amount permitted to constitute a “reasonably required reserve or replacement fund” under the size limitation set forth in Section 1.148-2(f)(2) of the Treasury Regulations promulgated under the Code (taking into account any moneys in any other fund or account that may be required to be included in such computation) unless the Authority furnishes to the Trustee an opinion of nationally recognized bond counsel to the effect that the required balance in the Series 2015A Debt Service Reserve Account does not exceed the amount that qualifies as a “reasonably required reserve or replacement fund” within the meaning of Section 148(d) of the Code and the Treasury Regulations thereunder and that the existence of a balance in the Series 2015A Debt

Service Reserve Account in the amount of the required fund balance will not cause the interest on any Series 2015A Refunding Bonds that had been excluded from gross income for federal income tax purposes to cease to be so.

“Series 2015A Original Purchasers” for the Series 2015A Refunding Bonds means the purchasers identified as such in the Bond Purchase Agreement for the Series 2015A Refunding Bonds.

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

Section 2. Authorization, Designation and Purposes of Series 2015A Refunding Bonds. The Authority is authorized to issue, sell and deliver, as provided in this Resolution and the Certificate of Award, bonds in an aggregate principal amount not greater than the amount determined in the Certificate of Award to be sufficient to accomplish the purposes for which their issuance is authorized, which shall be designated “Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2015A,” and constitute Subordinate Debt under the Indenture (subject to Section 10 hereof), for the following purposes: (i) advance refunding the Refunded Bonds and causing them to be deemed paid and no longer Outstanding for purposes of the Indenture; (ii) funding a Series 2015A Debt Service Reserve Requirement, if determined necessary; and (iii) paying issuance costs of the Series 2015A Refunding Bonds; provided, however, that before an Authorized Official executes a Certificate of Award applicable to the Series 2015A Refunding Bonds, the Authority’s Financial Advisor shall have given the Authority a written certification that identifies the Refunded Bonds (consistently with this Resolution) and determines that the Authority’s issuance and sale of the Series 2015A Refunding Bonds on the terms set forth in the Certificate of Award and the application of the proceeds of the Series 2015A Refunding Bonds and any other legally available funds to advance refund the Refunded Bonds identified in the Financial Advisor’s certificate, will meet the Refunding Savings Threshold. The proceeds from the sale of the Series 2015A Refunding Bonds shall be allocated and deposited for those purposes and as provided in the Eighteenth Supplemental Indenture.

Section 3. Terms and Provisions Applicable to the Series 2015A Refunding Bonds.

(a) Form, Transfer and Exchange. The Series 2015A Refunding Bonds: (i) shall initially be issued only in fully registered form and substantially in the form or forms attached as Exhibits to the Eighteenth Supplemental Indenture; (ii) shall initially be issued only to a Depository for holding in a book entry system, and shall be registered in the name of the Depository or its nominee, as Holder, and immobilized in the custody of the Depository, and (iii) shall not be transferable or exchangeable except as provided in the Eighteenth Supplemental Indenture.

(b) Denominations and Dates. The Series 2015A Refunding Bonds shall be dated as of the date of issuance and delivery, but in no event later than September 30, 2015, and there shall be a single Series 2015A Refunding Bond representing each interest rate for each maturity of the Series 2015A Refunding Bonds bearing the same series or subseries designation.

(c) Principal Maturities and Interest Rates. The Series 2015A Refunding Bonds shall bear interest on their unpaid principal amount payable on each Interest Payment Date, commencing on the first Interest Payment Date specified in the Certificate of Award, at such fixed rates per annum as set forth in the Certificate of Award as provided in Section 4(c) hereof, provided, however, that the "true interest cost" (i.e., interest cost on bonds defined as the rate, compounded semiannually, necessary to discount the amounts payable on the respective interest and principal payment dates to the purchase price received for the bonds) on the Series 2015A Refunding Bonds shall not exceed a rate that would cause the Refunding Savings Threshold not to be achieved. The principal of the Series 2015A Refunding Bonds shall be paid in such amounts on each principal retirement date (whether at stated maturity date or a mandatory redemption date) as set forth in the Certificate of Award, provided that the principal retirement schedule shall be consistent with the achievement of the Refunding Savings Threshold.

(d) Optional and Mandatory Redemption.

(i) *Optional* - The Series 2015A Refunding Bonds maturing on or before any date specified in the Certificate of Award as the Earliest Optional Redemption Date (which shall be no later than October 1, 2025, or eleven years after the issuance of the Series 2015A Refunding Bonds, whichever is later) are not subject to prior optional redemption. Any Series 2015A Refunding Bond maturing after the Earliest Optional Redemption Date shall be subject to redemption at the option of the Authority, prior to their stated maturities on or after the Earliest Optional Redemption Date in whole or in part (in whole multiples of \$5,000) on any date, at redemption prices specified in the Certificate of Award, provided that no such redemption price (not including accrued interest) shall exceed 102% of the principal amount of the Series 2015A Refunding Bonds to be redeemed.

(ii) *Mandatory Sinking Fund Redemption* - Any Series 2015A Refunding Bonds may be designated in the Certificate of Award as Term Bonds and be subject to mandatory sinking fund redemption by lot on specified principal retirement dates at a price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption.

(e) Redemption Provisions. Redemption of Series 2015A Refunding Bonds shall be effected in accordance with Article IV of the Master Indenture; provided, however, that notices of redemption of Series 2015A Refunding Bonds sent pursuant to Section 402 of the Master Indenture may specify that the redemption is conditional upon

the Authority's depositing the funds needed to effect that redemption prior to the specified redemption date.

(f) Places and Manner of Payment. The principal of and the interest and any redemption premium on the Series 2015A Refunding Bonds shall be payable at the places and in the manner specified in the Eighteenth Supplemental Indenture.

(g) Execution. The Authorized Officials are, and each of them is, authorized and directed to execute the Series 2015A Refunding Bonds, and the Secretary of the Board is authorized and directed to affix the seal of the Authority to the Series 2015A Refunding Bonds and to deliver them to the Trustee for authentication in accordance with the Indenture.

Section 4. Sale of Series 2015A Refunding Bonds.

(a) General. The Series 2015A Refunding Bonds shall be awarded and sold to the Series 2015A Original Purchasers in accordance with the Bond Purchase Agreement and the Certificate of Award, at a purchase price of not less than ninety-five percent (95%) of the aggregate of the products from multiplying the principal amount of each Series 2015A Refunding Bond times the percentage of such principal amount at which such Series 2015A Refunding Bond shall be initially offered to the public, after subtracting from the aggregate of such products the premium payable for any municipal bond insurance policy applicable to the Series 2015A Refunding Bonds.

(b) Bond Purchase Agreement. The Authorized Officials are, and each of them is, authorized and directed to execute and deliver the Bond Purchase Agreement between the Authority and the Series 2015A Original Purchasers, substantially in the form which was executed with regard to the Authority's Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2014C (the "Series 2014C Subordinate Bonds"), but with such changes not inconsistent with the Indenture and this Resolution and not substantially adverse to the Authority as may be approved by the Authorized Official executing the same on behalf of the Authority. The approval of any such changes by such Authorized Official and the determination by such Authorized Official that no such change is substantially adverse to the Authority shall be conclusively evidenced by the execution of the Bond Purchase Agreement by such Authorized Official. The price for and terms of the Series 2015A Refunding Bonds and the sale thereof, all as provided in this Resolution, the Bond Purchase Agreement, the Certificate of Award, and the Eighteenth Supplemental Indenture, are hereby approved and determined to be in the best interests of the Authority.

(c) Certificate of Award. Such sale and award shall be further evidenced by the Certificate of Award executed by an Authorized Official. The terms of the Series 2015A Refunding Bonds approved in the Certificate of Award shall be incorporated into the Eighteenth Supplemental Indenture. The Certificate of Award, subject to the restrictions set forth herein, shall: (i) with respect to each series or subseries of the Series 2015A Refunding Bonds, specify the aggregate principal amount, the purchase price, the Interest Payment Dates, the interest rate or rates, the principal

retirement dates, the mandatory sinking fund requirements (if any), the redemption dates, and the redemption prices thereof; (ii) specify whether a municipal bond insurance policy, letter of credit, or other credit or liquidity facility shall be obtained with respect to the Series 2015A Refunding Bonds and, if so, from whom and on what terms; (iii) specify the amount, if any, of the Series 2015A Debt Service Reserve Requirement and determine whether it shall be met entirely with (A) cash and Permitted Investments (as defined in the Indenture); (B) a Qualified Reserve Credit Facility (as defined in the Indenture); or (C) a specified combination of (A) and (B); and (iv) include any additional information that may be required or permitted to be stated therein by the terms of this Resolution and the Bond Purchase Agreement.

(d) Authorization of Bond Insurance and Qualified Reserve Credit Facilities. The submission of any applications to: (i) recognized providers of municipal bond insurance requesting the issuance of one or more municipal bond insurance policies to insure the Authority's obligation to make payments of principal of and interest on the Series 2015A Refunding Bonds, and (ii) potential providers of Qualified Reserve Credit Facilities, is hereby ratified and approved. The Authorized Officials are, and each of them is, hereby authorized to specify in the Certificate of Award that the Authority shall accept one or more commitments for insurance from such providers, and one or more commitments for a Qualified Reserve Credit Facility. There is hereby authorized to be paid from the moneys deposited in the Series 2015A Costs of Issuance Subaccount such amount as is required to pay the premium and expenses for such insurance policies and Qualified Reserve Credit Facilities relating to the Series 2015A Refunding Bonds. The Authorized Officials are, and each of them is, hereby further authorized to enter into a reimbursement agreement with the provider of any Qualified Reserve Credit Facility to provide for the Authority's reimbursement of the provider for any amounts drawn under the Qualified Reserve Credit Facility in a manner consistent with the Indenture. Any determination of the Authorized Officials under this paragraph shall be based on the written advice of the Financial Advisor.

(e) Certificates. The Authorized Officials are, and each of them is, authorized and directed, in their official capacities, to execute and deliver to the Series 2015A Original Purchasers the certificates required by the Bond Purchase Agreement to be executed on behalf of the Authority.

(f) Delivery of Bonds. The Authorized Officials are, and each of them is, authorized and directed to make the necessary arrangements with the Series 2015A Original Purchasers to establish the date, location, procedure and conditions for the delivery of the Series 2015A Refunding Bonds to the Series 2015A Original Purchasers. The Authorized Officials are, and each of them is, further authorized and directed to make the necessary arrangements for the printing of the Series 2015A Refunding Bonds, and the execution, authentication and delivery of the Series 2015A Refunding Bonds to DTC for the accounts of the Series 2015A Original Purchasers in accordance with this Resolution and the Indenture, and upon the receipt of payment of the purchase price, to cause such amount to be applied in accordance with the terms and provisions of this Resolution and the Indenture.

Section 5. Allocation of Proceeds of the Series 2015A Refunding Bonds; Tax Covenants.

(a) Allocation of Proceeds of the Series 2015A Refunding Bonds. The proceeds from the sale of the Series 2015A Refunding Bonds, including any accrued interest, shall be allocated, deposited and credited for the purposes approved in this Resolution and as specified in the Eighteenth Supplemental Indenture.

(b) Tax Covenants. The Board authorizes the Authorized Officials to approve the tax covenants, authorizations and agreements necessary to achieve and maintain the tax-exempt status of the Series 2015A Refunding Bonds.

Section 6. Eighteenth Supplemental Indenture, Escrow Agreement, and Other Documents. The Authorized Officials are, and each of them is, authorized in connection with the issuance of the Series 2015A Refunding Bonds, to execute, acknowledge and deliver in the name of and on behalf of the Authority, the Eighteenth Supplemental Indenture and the Escrow Agreement, substantially in the respective forms thereof submitted to the Authority at or prior to this meeting, but with such changes therein as may be permitted by the Indenture and this Resolution and approved by the Authorized Officer executing the document on behalf of the Authority including, but not limited to, modifications or revisions necessary for the issuance of the Series 2015A Refunding Bonds as Senior Bonds, pursuant to Section 10 hereof. The approval of those changes shall be conclusively evidenced by the execution of the document by an Authorized Official. If in the Certificate of Award or in the Escrow Agreement, an Authorized Official determines that it is in the Authority's best interest to authorize the purchase of open-market securities to effect the advance refunding of the Refunded Bonds, PFM Asset Management LLC shall be the Authority's agent for the purchase of such securities. With respect to the Escrow Agreement and to the extent any escrow securities are to be purchased thereunder, the Certificate of Award shall designate an independent firm experienced in the preparation of verification reports to verify or certify such escrow securities to be of such maturities and interest payment dates, and to bear such interest, as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient together with any cash deposited with and to be retained in that form by the Escrow Agent, to pay the principal of and interest and any premium on the Refunded Bonds, on their respective maturity or redemption date or dates, as provided in the Escrow Agreement.

The Authorized Officials and any other member, officer or employee of the Authority are each authorized to execute and deliver, on behalf of the Authority, such other certificates, documents and instruments related to the Series 2015A Refunding Bonds as are necessary in connection with the transactions authorized in this Resolution, and to do all other things required of them or the Authority pursuant to the Indenture, the Eighteenth Supplemental Indenture, the Bond Purchase Agreement and this Resolution.

No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future member of the Board or officer, employee or agent of the Authority in his or her individual capacity, and neither the

members of the Board nor any officer of the Authority executing the Series 2015A Refunding Bonds shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof. No member of the Board or officer, employee, agent or advisor of the Authority shall incur any personal liability with respect to any other action taken by him pursuant to this Resolution or the Indenture or any other document authorized by this Resolution, provided such member, officer, employee, agent or advisor acts in good faith.

Section 7. Official Statement; Continuing Disclosure. The Authorized Officials shall cause to be prepared and issued on behalf of the Authority, an official statement (the "Official Statement") relating to the original issuance of the Series 2015A Refunding Bonds. The Authorized Officials are, and each of them is, authorized to execute the Official Statement on behalf of the Authority, which shall be in substantially the form of the Official Statement issued in connection with the sale of the Series 2014C Subordinate Bonds, with such modifications and revisions to update the information as necessary, and with such changes as the Authorized Official who executes it may approve, the execution thereof on behalf of the Authority by an Authorized Official to be conclusive evidence of such authorization and approval (including approval of any such changes), and copies thereof are hereby authorized to be prepared and furnished to the Series 2015A Original Purchasers for distribution to prospective purchasers of the Series 2015A Refunding Bonds and other interested persons. The preliminary Official Statement shall be "deemed substantially final" by the Authority within the meaning of Rule 15c2-12 of the Securities Exchange Commission, subject to completion as provided below.

The distribution by the Authority and by the Series 2015A Original Purchasers of the preliminary Official Statement and the Official Statement, in such form and with any changes as may be approved in writing by an Authorized Official, is hereby authorized and approved.

The Authority shall make sufficient copies of the Official Statement, with any supplements, available to the Series 2015A Original Purchasers to sell book entry interests in the Series 2015A Refunding Bonds, and will provide copies as appropriate to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access.

The Authorized Officials are each hereby authorized to furnish such information, to execute such instruments and to take such other action in cooperation with the Series 2015A Original Purchasers as may be reasonably requested to qualify the Series 2015A Refunding Bonds for offer and sale under the Blue Sky or other securities laws and regulations and to determine their eligibility for investment under the laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the Series 2015A Original Purchasers; provided, however, that the Authority shall not be required to register as a dealer or broker in any such state or jurisdiction or become subject to the service of process in any jurisdiction in which the Authority is not now subject to such service.

The Authorized Officials are each hereby further authorized: (i) to supplement and complete the "deemed substantially final" preliminary Official Statement by affixing thereto or inserting therein information to identify the Series 2015A Original Purchasers and to specify the final principal amount, interest rates and redemption provisions of the Series 2015A Refunding Bonds, the price of the Series 2015A Refunding Bonds to the general public, any credit enhancement provisions with respect to the Series 2015A Refunding Bonds and any change in ratings of the Series 2015A Refunding Bonds resulting from such credit enhancement, and such other information as is necessary to supplement and complete the Official Statement with the approved and agreed upon terms of Series 2015A Refunding Bonds, and (ii) to make such other changes to the preliminary Official Statement or the Official Statement as are, in the judgment of an Authorized Official, necessary and appropriate in order to make the preliminary Official Statement or the Official Statement not materially misleading and to comply with applicable securities laws or otherwise to enable the Authority to fulfill its obligations regarding the preliminary Official Statement or the Official Statement under the Bond Purchase Agreement.

The Authority hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Resolution or the Indenture, failure of the Authority to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, any Holder of Series 2015A Refunding Bonds may, and the Trustee may (and, at the request of the Holders of at least 25% in aggregate principal amount of Outstanding Series 2015A Refunding Bonds, shall) take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Authority to comply with its obligations under this paragraph. The Authorized Officials are, and each of them is, hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement in substantially the form executed in connection with the issuance of the Series 2014C Subordinate Bonds, with such changes therein as may be approved by the officer executing the Continuing Disclosure Agreement. The approval of those changes shall be conclusively evidenced by the execution of the Continuing Disclosure Agreement by an Authorized Official.


Section 8. General. The appropriate officers and employees of the Authority will do all things necessary and proper to implement and carry out the orders and agreements set forth or approved in this Resolution for the proper fulfillment of the purposes thereof. The Authority shall furnish to the Series 2015A Original Purchasers of the Series 2015A Refunding Bonds a true and certified transcript of all proceedings relating to the authorization and issuance of the Series 2015A Refunding Bonds along with other information as is necessary or proper with respect to the Series 2015A Refunding Bonds.

Section 9. Multiple Series. Notwithstanding anything herein to the contrary, the Series 2015A Refunding Bonds may be issued in one or more separate series or subseries, each bearing a distinctive designation, provided that Series 2015A Refunding Bonds of all series in the aggregate, must satisfy the requirements and comply with the restrictions of this Resolution and the Indenture. Separate series and subseries

of Series 2015A Refunding Bonds may be issued at the same or different times and so may have different dates of issuance. The Series 2015A Refunding Bonds of each series and subseries shall be designated as provided in the applicable Certificate of Award. A separate Certificate of Award may be delivered for each series or subseries, and each reference in this Resolution to the Certificate of Award shall refer to each and all such Certificates of Award. A separate Supplemental Trust Indenture may be entered into for each series or subseries, and each reference in this Resolution to the Eighteenth Supplemental Indenture shall refer to each and all such Supplemental Trust Indentures, but any Supplemental Trust Indenture subsequent to the Eighteenth Supplemental Indenture shall bear a different designation. A separate Bond Purchase Agreement, Continuing Disclosure Agreement and Escrow Agreement may be entered into for each series or subseries, and each reference in this Resolution to the Bond Purchase Agreement, Escrow Agreement or to the Continuing Disclosure Agreement shall refer to each and all such Bond Purchase Agreements, Escrow Agreements or Continuing Disclosure Agreements, respectively. A separate Official Statement may be prepared for each series or subseries, and each reference in this Resolution to the Official Statement shall refer to each and all such Official Statements.

Section 10. Senior Debt Optional. Notwithstanding anything herein to the contrary, if the Authorizing Official executing the Certificate of Award determines (as evidenced by the execution thereof by such Authorized Official) that the issuance of all or a portion of the Series 2015A Refunding Bonds as Senior Debt rather than as Subordinate Debt, under the prevailing market conditions, will better serve the interests of the Authority, then the Series 2015A Refunding Bonds are hereby authorized to be issued and sold as Senior Debt and designated as such in the Certificate of Award consistently with the requirements of the Indenture and subject to all the same conditions as this Resolution imposes on the Series 2015A Refunding Bonds hereby authorized to be issued as Subordinate Debt, but with appropriate changes in designation.

Section 11. Effective Date. This Resolution shall take effect immediately.


Secretary to the Board of Directors

Presented and Adopted: February 5, 2015

**SUBJECT: Approval to Execute Option Year Three of Contract No.
WAS-11-049-AA-GA, Electric Motor & Contracting Co., Inc.**

**#15-22
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 February 5, 2015, 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. WAS-11-049-AA-GA, Electric Motor & Contracting Co., Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Three of Contract No. WAS-11-049-AA-GA, Electric Motor & Contracting Co., Inc. The purpose of the option is to provide for the maintenance and repair services for various large electrical motors and eddy current drives located at various facilities through-out DC Water. The option amount is \$244,518.48.

This Resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: February 5, 2015

SUBJECT: Proposed Retail Metered Water and Sewer Service Rates, Right-of-Way (ROW), Payment-in-Lieu of Taxes (PILOT) Fee, Clean Rivers Impervious Area Charge (CRIAC), and New Water System Replacement Fee, Beginning in Fiscal Year 2016

**#15-24
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 February 5, 2015 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), the Right-of-Way Occupancy Fee Pass Through Charge (ROW), Payment In Lieu of Taxes Fee (PILOT), and New Water System Replacement Fee.

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

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

WHEREAS, the DC Retail Water and Sewer Rates Committee met on December 19, 2014 and January 27, 2015 to consider the proposed rate, charge and fee changes; and

WHEREAS, DC Water has three classes of customers: residential, multi-family and non-residential; as per Section 4104 of Title 21 of the District of Columbia Municipal Regulations (DCMR); and

WHEREAS, DC Retail Water and Sewer Rates Committee recommended a Customer Class-Based Volumetric Rate structure with differentiation based on the peaking demands of each customer classification: residential, multi-family and non-residential; and

WHEREAS, DC Retail Water and Sewer Rates Committee recommended a Lifeline Rate for the first 4 hundred cubic feet ("4 Ccf") of Residential customer water use to reflect baseline usage by residential customers without peaking costs; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate decrease of \$0.10 per one hundred cubic feet ("Ccf") (\$0.13 per 1,000 gallons) for the first 4 Ccf of Residential customer's water use (Lifeline); and

WHEREAS, the decrease in Lifeline water (Residential customer's first 4 Ccf) and sewer rates should result in a combined water and sewer rate that approximates \$8.52 per Ccf (\$11.39 per 1,000 gallons) of metered water and sewer use; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$0.69 per Ccf (\$0.92 per 1,000 gallons) for water usage greater than 4 Ccf for Residential customers; and

WHEREAS, the increase in water (Residential customers > 4 Ccf) and sewer rates should result in a combined water and sewer rate that approximates \$9.31 per Ccf (\$12.45 per 1,000 gallons) of metered water and sewer use; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$0.27 per Ccf (\$0.36 per 1,000 gallons) for Multi-family customers; and

WHEREAS, the increase in Multi-family customer water and sewer rates should result in a combined water and sewer rate that approximates \$8.89 per Ccf (\$11.89 per 1,000 gallons) of metered water and sewer use; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$0.81 per Ccf (\$1.08 per 1,000 gallons) for Non-Residential customers; and

WHEREAS, the increase in Non-Residential customer water and sewer rates should result in a combined water and sewer rate that approximates \$9.43 per Ccf (\$12.61 per 1,000 gallons) of metered water and sewer use; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, an increase in the monthly Clean Rivers Impervious Area Charge of \$3.55 per Equivalent Residential Unit (ERU) to recover the costs of the Combined Sewer Overflow Long-Term Control Plan (CSO LTCP); and

WHEREAS, DC Retail Water and Sewer Rates Committee recommended a monthly Water System Replacement Fee designed to fund the 1 percent renewal and replacement of aging water infrastructure in the retail service area; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a new monthly Water System Replacement Fee (\$6.30 for typical residential 5/8' meter) to recover the \$40.0 million annual cost of the 1 percent water renewal and replacement program; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board maintain the ROW fee at the current amount of \$0.17 per Ccf (\$0.22 per 1,000 gallons) of water used to continue to recover the full cost of the District of Columbia government ROW fees; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, an increase in the PILOT fee of \$0.01 per Ccf (\$0.02 per 1,000 gallons) to recover the full cost of the District of Columbia government fees; and

WHEREAS, adoption of these rates and fee changes would increase the monthly bill of the average residential customer using 6.69 Ccf (or 5,004 gallons) by approximately \$11.36 per month or \$136.32 per year; and

WHEREAS, DC Water's retail revenue projections for Fiscal Year 2016 reflect an approximate \$28.4 million increase due to the proposed \$15.0 million increase in retail water and sewer rates, an approximate \$0.1 million increase due to the proposed PILOT fee increase, and an approximate \$13.3 million increase due to the proposed Clean Rivers IAC increase; and

WHEREAS, the public comment and notification process of the proposed rate and fee increases will occur over the next several months and it is the intent of the Board to take final action on the proposed rate and fee increases at the conclusion of the notification and comment period.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board proposes:

Implement the Restructuring of DC Water's Water Service Rates

Customer Class-Based Volumetric Rates – Rate differentiation based on the peaking demands of each customer class (residential, multi-family and non-residential)

Lifeline Rates – A lifeline rate for the first 4 Ccf of Residential customer water use to reflect baseline usage by residential customers without peaking cost.

Water System Replacement Fee – Fixed monthly fee designed to fund the 1 percent renewal replacement of aging water infrastructure in the retail service area

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

Retail Metered Water Service Rates

- a. A change in the rate for retail metered water services from \$3.88 per one hundred cubic feet ("Ccf"), (\$5.19 per 1,000 gallons) to:
- Residential customers: "Consumption of 0 – 4 Ccf" \$3.08 per Ccf (\$4.12 per 1,000 gallons) of water used.
 - Residential customers: "Consumption greater than 4 Ccf" \$3.87 per Ccf (\$5.17 per 1,000 gallons) of water used.
 - Multi-Family customers: \$3.45 per Ccf (\$4.61 per 1,000 gallons) of water used.
 - Non-Residential customers: \$3.99 per Ccf (\$5.33 per 1,000 gallons) of water used.

Retail Sewer Service Rates (Metered and Unmetered)

- b. An increase in the rate for metered sewer services from \$4.74 per Ccf (\$6.33 per 1,000 gallons) to:
- Residential customers: \$5.44 per Ccf (\$7.27 per 1,000 gallons) of water used.
 - Multi-Family customers: \$5.44 per Ccf (\$7.27 per 1,000 gallons) of water used.
 - Non-Residential customers: \$5.44 per Ccf (\$7.27 per 1,000 gallons) of water used.
- c. An increase in the annual Clean Rivers Impervious Area Charge (CRIAC) from \$201.0 to \$243.60 per Equivalent Residential Unit (ERU). The charge per ERU will be billed monthly at:
- Residential customers: \$20.30 for each ERU
 - Multi-Family customers: \$20.30 for each ERU
 - Non-Residential customers: \$20.30 for each ERU

Water System Replacement Fee

- d. Implement a fixed monthly fee designed to fund the 1 percent renewal replacement of aging water infrastructure for residential, multi-family and non-residential customers:

Meter Size (inches)	Meter Register Type	Monthly Water System Replacement Fee
5/8"	Single Register	\$ 6.30
3/4"	Single Register	\$ 7.39
1"	Single Register	\$ 9.67
1"x1.25"	Single and Multiple Register	\$ 15.40
1.5"	Single Register	\$ 41.35
2"	Single and Multiple Register	\$ 83.75
3"	Single and Multiple Register	\$ 232.13
4"	Single and Multiple Register	\$ 561.02
6"	Single and Multiple Register	\$ 1,292.14
8"	Single Register	\$ 5,785.51
8"x2"	Multiple Register	\$ 1,899.60
8"x4"x1"	Multiple Register	\$ 2,438.35
10"	Single and Multiple Register	\$ 6,679.65
12"	Single and Multiple Register	\$ 6,679.65
16"	Single Register	\$ 6,679.65

The following terms will be defined in the proposed rulemaking:

Single Register – Meter that has only one device that displays the consumption volume.

Multiple Register – Meter that has two or more devices that can display the consumption volume at different flow rates (high or low) or different uses, including, but not limited to, Demand Flow and Fire Flow.

Amend Customer Assistance Program

Amend CAP Program - Extend CAP benefits to eligible customers that are charged the monthly Water System Replacement Fee by crediting \$6.30 on their monthly bill as follows:

- Eligible households and tenants will receive a credit of \$6.30 on the monthly billed Water System Replacement Fee.

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

- e. There is no increase in the Right-of-Way fee, which shall remain as follows:
- Residential customers: \$0.17 per Ccf (\$0.22 per 1,000 gallons) of water used.

- Multi-Family customers: \$0.17 per Ccf (\$0.22 per 1,000 gallons) of water used.
- Non-Residential customers: \$0.17 per Ccf (\$0.22 per 1,000 gallons) of water used.

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

- f. An increase in the Payment in Lieu of Taxes fee from \$0.46 per one Ccf (\$0.61 per 1,000 gallons) to:
- Residential customers: \$0.47 per Ccf (\$0.64 per 1,000 gallons) of water used.
 - Multi-Family customers: \$0.47 per Ccf (\$0.64 per 1,000 gallons) of water used.
 - Non-Residential customers: \$0.47 per Ccf (\$0.64 per 1,000 gallons) of water used.
3. The General Manager is authorized to take all steps necessary in his judgment and as otherwise required, to initiate the public comment process and shall provide notice of the proposed rate adjustments and fees in the manner provided by 21 DCMR Chapter 40 and the District of Columbia's Administrative Procedures.

This resolution is effective immediately.


Secretary to the Board of Directors