

**Presented and Adopted: July 3, 2014**

**SUBJECT: Approval to Execute Option Year Four of Contract No.  
WAS-10-003-AA-GA, M&M Electric Motor Repair, Inc.**

**#14-39  
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 July 3, 2014, upon consideration of a joint use matter, decided by a vote of nine (9) favor and none (0) opposed to execute Option Year Four of Contract No. WAS-10-003-AA-GA, M&M Electric Motor Repair, Inc.

**Be it resolved that:**

The Board of Directors hereby authorizes the General Manager to Execute Option Year Four of Contract No. WAS-10-003-AA-GA, M&M Electric Motor Repair, Inc. The purpose of the option is to repair, replace or upgrade services for various process systems. The option amount is \$750,000.

This Resolution is effective immediately.

  
Secretary to the Board of Directors

**Presented and Adopted: July 3, 2014**  
**SUBJECT: Approval to Execute Contract No. 14-PR-DWT-02**  
**Mitsubishi International Corporation**


**#14-40**  
**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 July 3, 2014, upon consideration of a joint use matter, decided by a vote of nine (9) in favor and none (0) opposed to execute Contract No. 14-PR-DWT-02, Mitsubishi International Corporation.

**Be it resolved that:**

The Board of Directors hereby authorizes the General Manager to execute Contract No. 14-PR-DWT-02, Mitsubishi International Corporation. The purpose of the contract is to provide methanol to the Blue Plains Advanced Wastewater Treatment Plant. The contract amount is \$11,585,000.

This Resolution is effective immediately.

  
Secretary to the Board of Directors

**Presented and Adopted: July 3, 2014**

**SUBJECT: Approval to Execute a Modification for Contract No. WAS-9079-AA-AB, Ceridian Corporation**

**#14-41  
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 July 3, 2014, upon consideration of a joint use matter, decided by a vote of nine (9) in favor and none (0) opposed to execute a modification for Contract No. WAS-9079-AA-AB, Ceridian Corporation.

**Be it resolved that:**

The Board of Directors hereby authorizes the General Manager to execute Contract No. WAS-9079-AA-AB, Ceridian Corporation. The purpose of the modification is to continue providing services for the DC Water's Human Capital Management and Payroll systems. The contract modification amount is \$1,410,905.40.

This Resolution is effective immediately.

  
Secretary to the Board of Directors

Presented and Adopted: July 3, 2014  
Subject: Approving the Final Form of Certain Documents,  
Authorizing the Sale and Setting Terms and Details of the  
Series 2014A Bonds

#14-42  
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 July 3, 2014, 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 fourteen (14) 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 or clarify provisions of the Master Indenture; and

**WHEREAS**, the Authority now intends (i) to issue taxable Public Utility Senior Lien Revenue Bonds, Series 2014A (the "Series 2014A Senior Lien Bonds") to finance certain Costs of the System, fund a Series 2014A Debt Service Reserve Requirement (as defined herein), if determined necessary; and pay certain costs of issuance; (ii) to designate the Series 2014A Senior Lien Bonds as Senior Debt for purposes of the Indenture; and (iii) to secure the Series 2014A Senior Lien Bonds by a



pledge of Net Revenues on a parity with the pledge of Net Revenues that secures the Series 1998 Senior Lien Bonds, the Series 2009A Senior Lien Bonds and other Senior Debt, including, without limitation, other Senior Debt that the Authority may issue from time to time in the future; and

**WHEREAS**, there have been presented at this meeting drafts of the following documents, all as hereinafter defined: the Fifteenth Supplemental Indenture, the form of the Series 2014A Senior Lien Bond (attached as an Exhibit to the Fifteenth Supplemental Indenture); the Bond Purchase Agreement, the Offering Memorandum and the Continuing Disclosure Agreement; 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 June 26, 2014, to review the issuance of the Series 2014A Senior Lien 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 Fifteenth 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 ascribed to them in this Section:

"Authorized Officials" means the Chairman and Vice Chairman of the Board and the General Manager, Chief Financial Officer, Controller, Director Budget Department and Manager, Treasury, Debt and Risk 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 2014A 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 2014A Senior Lien Bonds to the Series 2014A Original Purchasers and specifying terms of the Series 2014A Senior Lien 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 2014A Senior Lien Bonds, as originally executed and as it may be amended from time to time in accordance with its terms.

“Fifteenth Supplemental Indenture” means the Fifteenth Supplemental Indenture of Trust, dated as of the same date as and relating to the Series 2014A Senior Lien Bonds, by and between the Authority and the Trustee.

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

“Interest Payment Dates” for the Series 2014A Senior Lien Bonds means 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 2014A Senior Lien Bonds are outstanding.

“Series 2014A Debt Service Reserve Requirement” means, if determined necessary, a required fund balance, if any, in the Series 2014 Debt Service Reserve Account or Accounts established under the Fifteenth Supplemental Indenture, the amount of which shall be specified in the Certificate of Award.

“Series 2014A Original Purchasers” for the Series 2014A Senior Lien Bonds means the purchasers identified as such in the Bond Purchase Agreement for the Series 2014A Senior Lien Bonds, represented by Goldman, Sachs & Co.

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 2014A Senior Lien Bonds. The Authority is authorized to issue, sell and deliver, as provided in this Resolution and the Certificate of Award, not to exceed Three Hundred Fifty Million Dollars (\$350,000,000) principal amount of bonds of the Authority, which shall be designated “Public Utility Senior Lien Revenue Bonds, Series 2014A”, and constituting Senior Debt for purposes of the Indenture, for the purpose of (i) financing certain Costs of the System, including, without limitation, interest on the Series 2014A Senior Lien Bonds for a period to be specified in the Certificate of Award; (ii) funding a Series 2014A Debt Service Reserve Requirement, if determined necessary; and (iii) paying issuance costs of the Series 2014A Senior Lien Bonds. For those purposes the proceeds from the sale of the Series 2014A Senior Lien Bonds shall be allocated and deposited as provided in the Fifteenth Supplemental Indenture. If and to the extent that any Series 2014A Senior Lien Bonds are issued to fund a Series 2014A Debt Service Reserve Requirement, then the aggregate principal amount of Series 2014A Senior Lien Bonds hereby authorized may exceed \$350,000,000 by the aggregate principal amount of the Series 2014A Senior Lien Bonds to be issued to fund the Series 2014A Debt Service Reserve Requirement.

Section 3. Terms and Provisions Applicable to Series 2014A Senior Lien Bonds. All capitalized words and terms used in this Section 3 not elsewhere defined herein are used with the definitions assigned to them in Section 102 of the Fifteenth Supplemental Indenture.

(a) Form, Numbering, Transfer and Exchange. The Series 2014A Senior Lien Bonds shall be issued, unless otherwise subsequently provided pursuant to the Fifteenth Supplemental Indenture, only in fully registered form and substantially in the form attached as Exhibit A to the Fifteenth Supplemental Indenture. The Series 2014A Senior Lien Bonds shall be issued only to a Depository for holding in a book entry system and (i) the Series 2014A Senior Lien Bonds shall be registered in the name of the Depository or its nominee, as Holder, and immobilized in the custody of the Depository and (ii) the Series 2014A Senior Lien Bonds shall not be transferable or exchangeable, except for transfer to another Depository or to another nominee of a Depository as referenced in the Fifteenth Supplemental Indenture.

(b) Denominations and Dates. The Series 2014A Senior Lien Bonds shall be dated as of the date of issuance and delivery but in no event later than December 31, 2014, and there shall be a single Series 2014A Senior Lien Bond representing each interest rate for each maturity of the Series 2014A Senior Lien Bonds provided for in subsection (c) of this Section 3. Each Series 2014A Senior Lien Bond shall have only one principal maturity.

(c) Principal Maturities and Interest Rates. The Series 2014A Senior Lien 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 2014A Senior Lien Bonds shall not exceed six and one half percent (6.50%) per annum. The principal of the Series 2014A Senior Lien 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 final principal retirement date shall be no later than December 31, 2114.

(d) Optional and Mandatory Redemption.

(i) *Make Whole Optional Redemption* - The Series 2014A Senior Lien Bonds shall be subject to redemption prior to their stated maturities, at the option of the Authority, on any date from any source of available funds, as a whole or in part, as specified in Section 301(a) of the Fifteenth Supplemental Indenture.

(ii) *Mandatory Sinking Fund Redemption* - The Series 2014A Senior Lien Bonds are required to be redeemed prior to maturity on October 1 in years and amounts upon payment of 100% of the principal amount thereof plus interest

accrued to the redemption date, as specified in Section 301(b) of the Fifteenth Supplemental Indenture.

(e) Redemption Provisions. Redemption of Series 2014A Senior Lien Bonds shall be effected in accordance with Article IV of the Master Indenture, provided, however, that notices of redemption of Series 2014A Senior Lien Bonds sent pursuant to Section 402 of the Master Indenture may specify that the redemption is conditional upon the Authority's obtaining the funds needed to effect that redemption prior to the specified redemption date.

(f) Places and Manner of Payment, and Paying Agents. The principal of and the interest and any redemption premium on the Series 2014A Senior Lien Bonds shall be payable as specified in the Fifteenth Supplemental Indenture.

(g) Execution. The Authorized Officials are, and each of them is, authorized and directed to execute the Series 2014A Senior Lien Bonds, and the Secretary of the Board is authorized and directed to affix the seal of the Authority to the Series 2014A Senior Lien Bonds and to deliver them to the Trustee for authentication in accordance with the Indenture.

#### Section 4. Sale of Series 2014A Senior Lien Bonds.

(a) General. The Series 2014A Senior Lien Bonds shall be awarded and sold to the Series 2014A 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 2014A Senior Lien Bond times the percentage of such principal amount at which such Series 2014A Senior Lien 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 2014A Senior Lien 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 2014A Original Purchasers, substantially in the form presented to this Authority, 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 2014A Senior Lien Bonds and the sale thereof, all as provided in this Resolution, the Bond Purchase Agreement, the Certificate of Award, and the Fifteenth 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 2014A Senior Lien Bonds approved in the Certificate of Award shall be incorporated into the Fifteenth Supplemental Indenture. The Certificate of Award, subject to the restrictions set forth herein, shall (i) state, with respect to the Series 2014A Senior Lien Bonds, the aggregate principal amount, the purchase price, the Interest Payment Dates, the interest rates, the principal retirement dates, the mandatory sinking fund requirements (if any), the redemption dates, and the optional 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 2014A Senior Lien Bonds and, if so, from whom and on what terms; (iii) specify the amount, if any, of the Series 2014A Debt Service Reserve Requirement and determine whether it shall be met entirely with (X) cash and Permitted Investments; (Y) a Qualified Reserve Credit Facility (as defined in the Fifteenth Supplemental Indenture); or (Z) a specified combination of (X) and (Y); 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 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 2014A Senior Lien 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 2014A 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 2014A Senior Lien 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 General Manager and Chief Financial Officer of the Authority are authorized and directed in their official capacities, to execute and deliver to the Series 2014A 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 2014A Original Purchasers to establish the date, location, procedure and conditions for the delivery of the Series 2014A Senior Lien Bonds to the Series 2014A 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 2014A Senior Lien Bonds and the execution, authentication and delivery of the Series 2014A Senior Lien Bonds to DTC for the accounts of the Series 2014A 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 2014A Senior Lien Bonds. The proceeds from the sale of the Series 2014A Senior Lien Bonds, including any accrued interest, shall be allocated, deposited and credited for the purposes approved in this Resolution and as specified in the Fifteenth Supplemental Indenture.

Section 6. Fifteenth Supplemental Indenture and Other Documents. The Authorized Officials are, and each of them is, authorized in connection with the issuance of the Series 2014A Senior Lien Bonds, to execute, acknowledge and deliver in the name of and on behalf of the Authority, the Fifteenth Supplemental Indenture, substantially in the form 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. The approval of those changes shall be conclusively evidenced by the execution of the document by an Authorized Official.

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 2014A Senior Lien 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 Fifteenth 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 2014A Senior Lien 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. Preliminary Offering Memorandum; Offering Memorandum; Continuing Disclosure.

Following the June 26, 2014 meeting of the Finance and Budget Committee at which the Committee adopted a recommendation that the Board approve this Resolution, a preliminary offering memorandum (the "Preliminary Offering Memorandum") relating to the original issuance of the Series 2014A Senior Lien Bonds, in the form submitted to the Authority at this meeting, was furnished to the Series 2014A Original Purchasers for distribution to prospective purchasers of the Series 2014A Senior Lien Bonds and other interested persons. The Board hereby approves such Preliminary

Offering Memorandum and ratifies the prior posting and use thereof. The Preliminary Offering Memorandum is "deemed substantially final" by the Authority within the meaning of Rule 15c2-12 of the Securities Exchange Commission.

The Authorized Officials shall cause to be prepared and issued on behalf of the Authority, an offering memorandum (the "Offering Memorandum") relating to the original issuance of the Series 2014A Senior Lien Bonds. The Authorized Officials are, and each of them is, authorized to execute the Offering Memorandum on behalf of the Authority, which shall be in substantially the form of the Preliminary Offering Memorandum 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 of such Offering Memorandum are hereby authorized to be prepared and furnished to the Series 2014A Original Purchasers for distribution to prospective purchasers of the Series 2014A Senior Lien Bonds and other interested persons. The distribution by the Authority and by the Series 2014A Original Purchasers of the Offering Memorandum, 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 Offering Memorandum, with any supplements, available to the Series 2014A Original Purchasers to sell book-entry interests in the Series 2014A Senior Lien 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 2014A Original Purchasers as may be reasonably requested to qualify the Series 2014A Senior Lien 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 2014A 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 complete the Offering Memorandum by affixing to the Preliminary Offering Memorandum or inserting therein information to identify the Series 2014A Original Purchasers and to specify the final principal amount, interest rates and redemption provisions of the Series 2014A Senior Lien Bonds, the price of the Series 2014A Senior Lien Bonds to the general public, any credit enhancement provisions with respect to the Series 2014A Senior Lien Bonds and any change in ratings of the Series 2014A Senior Lien Bonds resulting from such credit enhancement, and such other information as is necessary to supplement and complete the Offering Memorandum with the approved and agreed upon terms of Series 2014A Senior Lien Bonds, and (ii) to make such other changes to the Preliminary Offering Memorandum as are, in the judgment of an Authorized Official, necessary and appropriate in order to make the Offering Memorandum not materially misleading and to

comply with applicable securities laws or otherwise to enable the Authority to fulfill its obligations regarding the Offering Memorandum 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 2014A Senior Lien Bonds may, and the Trustee may (and, at the request of the Holders of at least 25% in aggregate principal amount of Outstanding Series 2014A Senior Lien 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 submitted to the Authority at or prior to this meeting 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 2014A Original Purchasers of the Series 2014A Senior Lien Bonds a true and certified transcript of all proceedings relating to the authorization and issuance of the Series 2014A Senior Lien Bonds along with other information as is necessary or proper with respect to the Series 2014A Senior Lien Bonds.

Section 9. Tax-Exempt Senior Debt or Subordinate Debt. Notwithstanding anything herein to the contrary, if the Chief Financial Officer of the Authority determines, prior to the issuance of the Series 2014A Senior Lien Bonds as taxable Senior Debt that such structure is not the optimal financing structure for the Authority due to market conditions, the Board authorizes the Authorized Officials to issue the Series 2014A Bonds not as taxable Senior Debt but as either (i) tax-exempt Senior Debt or (ii) fixed or variable rate, taxable or tax-exempt Subordinate Debt, whichever is determined by the Chief Financial Officer as presenting the then optimal financing structure for the Authority; provided, however, that (x) the aggregate principal amount of any such Series 2014A Bonds shall not exceed the amount specified in Section 2, (y) the final principal retirement date of any such Series 2014A Bonds shall be no later than the date specified in Section 3(c) of this Resolution, and (z) the Series 2014A Bonds shall satisfy the requirements and comply with the restrictions of the Indenture. If the Series 2014A Bonds are issued as tax-exempt bonds, 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 2014A Bonds. If the Authority issues the Series 2014A Bonds as tax-exempt Senior Debt, the Board approves the use of the form of the documents executed in connection with the issuance of the Series 2009A Senior Lien Bonds, including, but not limited to, the Tenth Supplemental Indenture,



the form of the Series 2009A Senior Lien Bond; the bond purchase agreement, the official statement and the continuing disclosure agreement substantially in the form approved by the Board for the Series 2009 Senior Lien Bonds with such conforming changes and updates as may be approved by the Authorized Officials executing the same on behalf of the Authority. If the Authority issues the Series 2014A Bonds as fixed-rate Subordinate Debt, the Board approves the use of the form of the documents executed in connection with the issuance of the Series 2013A Bonds including, but not limited to, the Fourteenth Supplemental Indenture, the form of the Series 2013A Bond; the bond purchase agreement, the official statement and the continuing disclosure agreement, with such conforming changes and updates as may be approved by the Authorized Officials executing the same on behalf of the Authority. If the Authority issues the Series 2014A Bonds as variable-rate Subordinate Debt, the Board approves the use of the form of the documents approved by the Board in connection with the issuance of the Series 2014B Bonds including, but not limited to, the Sixteenth Supplemental Indenture, the form of the Series 2014B Bond; the bond purchase agreement, the remarketing agreement, the standby bond purchase agreement, the official statement and the continuing disclosure agreement substantially in the form approved by the Board for the Series 2014B Bonds with such conforming changes and updates as may be approved by the Authorized Officials executing the same on behalf of the Authority.

Section 10. Effective Date. This Resolution shall take effect immediately.

  
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Secretary to the Board of Directors

**Presented and Adopted: July 3, 2014**  
**Subject: Approving the Final Form of Certain Documents,**  
**Authorizing the Sale and Setting Terms and Details of the**  
**Series 2014B Subordinate Bonds**

**#14-43**  
**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 July 3, 2014, 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 fifteen (15) 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 or clarify provisions of the Master Indenture; and

**WHEREAS**, the Authority now intends (i) to issue Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2014B (the "Series 2014B Subordinate Bonds") to finance certain Costs of the System, retire Series C Notes, fund a Series 2014B Debt Service Reserve Requirement (as defined herein), if determined necessary, and pay certain costs of issuance, (ii) to designate the Series 2014B Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) to secure the Series 2014B Subordinate 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**, there have been presented at this meeting drafts of the following documents, all as hereinafter defined: the Sixteenth Supplemental Indenture, the form of the Series 2014B Subordinate Bond (attached as an Exhibit to the Sixteenth Supplemental Indenture); the Bond Purchase Agreement, the Remarketing Agreement, Standby Bond Purchase Agreement, the Official Statement and the Continuing Disclosure Agreement; 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 June 26, 2014, to review the issuance of the Series 2014B Subordinate 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 Sixteenth 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 ascribed to them in this Section:

"Authorized Officials" means the Chairman and Vice Chairman of the Board and the General Manager, Chief Financial Officer, Controller, Director Budget Department and Manager, Treasury, Debt and Risk 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 Series 2014B Original Purchasers and the Authority dated as of the same date as the Certificate of Award.

"Certificate of Award" means the certificate of an Authorized Official awarding the Series 2014B Subordinate Bonds to the Series 2014B Original Purchasers and specifying terms of the Series 2014B Subordinate 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 2014B Subordinate Bonds, as originally executed and as it may be amended from time to time in accordance with its terms.

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

“Interest Payment Dates” means the “Interest Payment Date” as defined for the Series 2014B Subordinate Bonds in the Sixteenth Supplemental Indenture.

“Remarketing Agent” means any Remarketing Agent designated for the Series 2014B Subordinate Bonds under the Sixteenth Supplemental Indenture.

“Remarketing Agreement” means any Remarketing Agreement entered into for the Series 2014B Subordinate Bonds under the Sixteenth Supplemental Indenture.

“Series 2014B Debt Service Reserve Requirement” means a required fund balance, if determined necessary, in the Series 2014B Debt Service Reserve Account or Accounts established under the Sixteenth 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 Section 1.148-2(f)(2) of 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 the opinion of nationally recognized bond counsel to the effect that the required balance in the Series 2014B 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 2014B Debt Service Reserve Account in the amount of the required fund balance will not cause the interest on any Series 2014B Subordinate Bonds that had been excluded from gross income for federal income tax purposes to cease to be so.

“Series 2014B Original Purchasers” for the Series 2014B Subordinate Bonds means the purchasers identified as such in the Bond Purchase Agreement for the Series 2014B Subordinate Bonds.

“Sixteenth Supplemental Indenture” means the Sixteenth Supplemental Indenture of Trust by and between the Authority and the Trustee, dated as of the same date as and relating to the Series 2014B Subordinate Bonds.

“Standby Bond Purchase Agreement” means any Standby Bond Purchase Agreement entered into for the Series 2014B Subordinate Bonds under the Sixteenth Supplemental Indenture.

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 which succeed to their functions, duties or responsibilities by operation of law and also those who at the time may legally act in their place.

Section 2. Authorization, Designation and Purposes of Series 2014B Subordinate Bonds. The Authority is authorized to issue, sell and deliver, as provided in this Resolution and the Certificate of Award, not to exceed (except as provided below) One Hundred Million Dollars (\$100,000,000) principal amount of bonds of the Authority, which shall be designated "Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2014B" and constituting Subordinate Debt for purposes of the Indenture, for the purpose of: (i) financing certain Costs of the System,; (ii) retiring such portion of the Series C Notes as may be specified in the Certificate of Award; (iii) funding a Series 2014B Debt Service Reserve Requirement, if determined necessary; and (iv) paying issuance costs of the Series 2014B Subordinate Bonds. For those purposes the proceeds from the sale of the Series 2014B Subordinate Bonds shall be allocated and deposited, as provided in the Sixteenth Supplemental Indenture. If and to the extent that any Series 2014B Subordinate Bonds are issued for the purpose of funding a Series 2014B Debt Service Reserve Requirement, then the aggregate principal amount of Series 2014B Subordinate Bonds hereby authorized may exceed \$100,000,000 by the aggregate principal amount of the Series 2014B Subordinate Bonds to be issued for that purpose.

Section 3. Terms and Provisions Applicable to Series 2014B Subordinate Bonds.

(a) Form, Numbering, Transfer and Exchange. The Series 2014B Subordinate Bonds: (i) shall initially be issued only in fully registered form and substantially in the form attached as Exhibit A to the Sixteenth 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 Sixteenth Supplemental Indenture.

(b) Denominations and Dates. The Series 2014B Subordinate Bonds shall be dated as of the date of issuance and delivery, but in no event later than December 31, 2014, and there shall be a single Series 2014B Bond representing each interest rate for each maturity of the Series 2014B Subordinate Bonds bearing the same series or subseries designation.

(c) Maturities. The principal of the Series 2014B Subordinate Bonds shall be payable 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 final principal retirement date shall be no later than December 31, 2050.

(d) Interest Rates and Interest Rate Periods for the Series 2014B Subordinate Bonds. The Series 2014B Subordinate Bonds shall initially be issued as Weekly Rate Bonds. The initial interest rate for the Series 2014B Subordinate Bonds will be the rate that the Series 2014B Original Purchasers determine is necessary to sell the Series 2014B Subordinate Bonds at par subject to the Maximum Rate. The Series 2014B Subordinate Bonds initially may be issued in multiple subseries, as determined in the Certificate of Award. The provisions of Section 403 of the Sixteenth Supplemental



Indenture shall govern the interest rates per annum and payment terms of the Series 2014B Subordinate Bonds.

(e) Redemption. The Series 2014B Subordinate Bonds shall be subject to redemption prior to stated maturity as and to the extent provided in the Sixteenth Supplemental Indenture and shall be subject from time to time to optional and mandatory tender for purchase as provided in the Sixteenth Supplemental Indenture.

(f) Places and Manner of Payment, and Paying Agents. The principal and tender price of and the interest and any redemption premium on the Series 2014B Subordinate Bonds shall be payable as specified in the Sixteenth Supplemental Indenture.

(g) Execution. The Authorized Officials are, and each of them is, authorized and directed to execute the Series 2014B Subordinate Bonds, and the Secretary of the Board is authorized and directed to affix the seal of the Authority to the Series 2014B Subordinate Bonds and to deliver them to the Trustee for authentication in accordance with the Indenture.

#### Section 4. Sale of Series 2014B Subordinate Bonds.

(a) General. The Series 2014B Subordinate Bonds shall be awarded and sold to the Series 2014B 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 2014B Bond times the percentage of such principal amount at which such Series 2014B Bond shall be initially offered to the public.

(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 2014B Original Purchasers, substantially in the form presented to this Authority, 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 2014B Subordinate Bonds and the sale thereof, all as provided in this Resolution, the Bond Purchase Agreement, the Certificate of Award, and the Sixteenth 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 2014B Subordinate Bonds approved in the Certificate of Award shall be incorporated into the Sixteenth Supplemental Indenture. The Certificate of Award, subject to the restrictions set forth herein, shall: (i) state, with respect to the Series 2014B

Subordinate Bonds, the aggregate principal amount, the purchase price, the Interest Payment Dates, the principal retirement dates, the mandatory sinking fund requirements (if any), the redemption dates, and the redemption prices thereof; (ii) specify what, if any, portion of the Series C Notes are to be retired; (iii) specify whether a municipal bond insurance policy, letter of credit, or other credit or liquidity facility shall be obtained with respect to the Series 2014B Subordinate Bonds and, if so, from whom and on what terms; (iv) specify the amount, if determined necessary, of the Series 2014B Debt Service Reserve Requirement and determine whether it shall be met entirely with (X) cash and Permitted Investments; (Y) a Qualified Reserve Credit Facility (as defined in the Sixteenth Supplemental Indenture); or (Z) a specified combination of (X) and (Y); and (v) 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. A separate Certificate of Award may be delivered for each subseries of the Series 2014B Subordinate Bonds, and each reference in this Resolution to the Certificate of Award shall refer to each and all such Certificates of Award. A separate Bond Purchase Agreement, Remarketing Agreement, Standby Bond Purchase Agreement and Continuing Disclosure Agreement may be entered into for each subseries of the Series 2014B Subordinate Bonds, and each reference in this Resolution to the Bond Purchase Agreement, Remarketing Agreement, Standby Bond Purchase Agreement or to the Continuing Disclosure Agreement shall refer to each and all such Bond Purchase Agreements Remarketing Agreements, Standby Bond Purchase Agreements or Continuing Disclosure Agreements, respectively.

(d) Authorization of Bond Insurance and Qualified Reserve Credit Facilities. The submission of 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 2014B Subordinate 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 2014B 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 2014B Subordinate 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, and only in those capacities, to execute and deliver to the Series 2014B 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 2014B Original Purchasers to establish the date, location, procedure and conditions for the delivery of the Series 2014B Subordinate Bonds to the Series 2014B 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 2014B Subordinate Bonds, and the execution, authentication and delivery of the Series 2014B Subordinate Bonds to DTC for the accounts of the Series 2014B 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 2014B Subordinate Bonds; Tax Covenants.

(a) Allocation of Proceeds of the Series 2014B Subordinate Bonds. The proceeds from the sale of the Series 2014B Subordinate Bonds, including any accrued interest, shall be allocated, deposited and credited for the purposes approved in this Resolution and as specified in the Sixteenth 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 2014B Subordinate Bonds.

Section 6. Sixteenth Supplemental Indenture and Other Documents. The Authorized Officials are, and each of them is, authorized in connection with the issuance of the Series 2014B Subordinate Bonds, to execute, acknowledge and deliver in the name of and on behalf of the Authority, the Sixteenth Supplemental Indenture, the Remarketing Agreement and the Standby Bond Purchase 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 approved by the Authorized Officer executing the document on behalf of the Authority. The approval of those changes shall be conclusively evidenced by the execution of the document by an Authorized Official.

The Authorized Officials are, and each of them is, authorized at the time required under the Sixteenth Supplemental Indenture to designate the Remarketing Agent and to execute, acknowledge and deliver, in the name of and on behalf of the Authority, the Remarketing Agreement in a form determined by the Authorized Officer executing the document on behalf of the Authority to be consistent with the Indenture and this Resolution. The determination of such consistency shall be conclusively evidenced by the execution of the document by an Authorized Official.

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 2014B Subordinate 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 Sixteenth Supplemental Indenture, the Bond Purchase Agreement, the Remarketing Agreement, the Standby 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 2014B Subordinate 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 2014B Subordinate 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 submitted to the Authority at this meeting, 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 2014B Original Purchasers for distribution to prospective purchasers of the Series 2014B Subordinate Bonds and other interested persons.

The distribution by the Authority and by the Series 2014B Original Purchasers of 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 2014B Original Purchasers to sell book-entry interests in the Series 2014B Subordinate 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 2014B Original Purchasers as may be reasonably requested to qualify the Series 2014B Subordinate 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 2014B Original Purchasers; provided, however, that the Authority shall not be required to register as a dealer or broker in any such state or

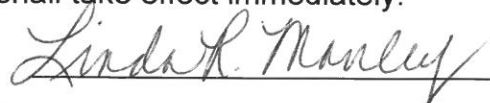
jurisdiction or become subject to the service of process in any jurisdiction in which the Authority is not now subject to such service.

The Authorized Officials are each hereby further authorized: (i) to supplement and complete the Official Statement by affixing thereto or inserting therein information to identify the Series 2014B Original Purchasers, and to specify the final principal amount, interest rates and redemption provisions of the Series 2014B Subordinate Bonds, the price of the Series 2014B Subordinate Bonds to the general public and such other information as is necessary to supplement and complete the Official Statement with the approved and agreed upon terms of Series 2014B Subordinate Bonds, and (ii) to make such other changes to the Official Statement as are, in the judgment of an Authorized Official, necessary and appropriate in order to make 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 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 2014B Subordinate Bonds may, and the Trustee may (and, at the request of the Holders of at least 25% in aggregate principal amount of Outstanding Series 2014B Subordinate 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 submitted to the Authority at or prior to this meeting 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 2014B Original Purchasers a true and certified transcript of all proceedings relating to the authorization and issuance of the Series 2014B Subordinate Bonds along with other information as is necessary or proper with respect to the Series 2014B Subordinate Bonds.

Section 9. Effective Date. This Resolution shall take effect immediately.



Secretary to the Board of Directors

**Presented and Adopted: July 3, 2014**  
**SUBJECT: FY 2014 Transfer to the DC ROW Reserve Fund**

**#14-44**  
**RESOLUTION**  
**OF THE**  
**BOARD OF DIRECTORS**  
**OF THE**  
**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at the Board meeting held on July 3, 2014, decided by a vote of nine (9) in favor and none (0) opposed, to approve the following action with respect to the transfer of one million and two hundred seventy-five thousand dollars (\$1,275,000) in the Fourth Quarter 2014 to the DC Reserve Fund, for a total of five million and one hundred thousand dollars (\$5,100,000), no later than September 1, 2014.

**WHEREAS**, the Authority and the District have previously entered into a Memorandum of Understanding and amendments (MOUs) regarding the Right-of-Way (ROW), which is intended to compensate the District to the authorized occupancy of the Districts right-of-ways by surface or subsurface conduits ("surface and subsurface conduits" means, by way of example and not limitation, water and sewer mains, tunnels, lines laterals and appurtenant support facilities devices, instrument and structures without regard to their surface or subsurface location) provided to DC Water with specific limitations; and

**WHEREAS**, the Authority has committed to take the position that the District expenses associated with the use of surface and subsurface District infrastructure are already covered, at least in part, by the PILOT agreement; and

**WHEREAS**, the Authority has remitted ROW payments to the District at \$5.1 million per year until the MOU expired on September 30, 2013; and

**WHEREAS**, the Authority will continue to charge the rate payers the full ROW fee, without payment to the District based on advice from outside counsel, and escrow the entire amount for FY 2014; and

**WHEREAS**, the Authority and the District have agreed that they will continue negotiations on permanent changes to the current methodology and approach for assessing the DC ROW; and

**WHEREAS**, in November 2013, the Authority established a DC ROW Reserve Fund to accommodate unanticipated shortfalls, pending resolution of the billing issues and ratification of the MOUs; and

**WHEREAS**, In the first three quarters of FY 2014, the Authority transferred three million and eight hundred twenty-five thousand dollars (\$3,825,000) to the DC ROW Reserve Fund; and

**WHEREAS**, on June 26, 2014, the Finance and Budget Committee received management's recommendation of amounts to consider for transfer to the DC ROW Reserve Fund from FY 2014 estimated operating surplus (cash in excess of operating reserve requirement); and

**WHEREAS**, upon consideration on June 26, 2014, the Finance and Budget Committee recommended the transfer of one million and two hundred seventy-five thousand dollars (\$1,275,000) in the Fourth Quarter 2014 from the Authority's Operating Fund to the DC Reserve ROW Fund, for a total of five million and one hundred thousand dollars (\$5,100,000), no later than September 1, 2014.

**NOW THEREFORE BE IT RESOLVED THAT:**

1. The Board approves the transfer of one million and two hundred seventy-five thousand dollars (\$1,275,000) in the Fourth Quarter 2014 from the Authority's Operating Fund to the DC Reserve ROW Fund, for a total of five million and one hundred thousand dollars (\$5,100,000), no later than September 1, 2014.
2. This resolution is effective immediately.

  
Secretary to the Board of Directors

**Presented and Adopted: July 3, 2014**  
**SUBJECT: FY 2014 Transfer to Pay-As-You-GO Capital Financing**

**#14-45**  
**RESOLUTION**  
**OF THE**  
**BOARD OF DIRECTORS**  
**OF THE**

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at the Board meeting held on July 3, 2014, decided by a vote of nine (9) in favor and none (0) opposed, to approve the following action with respect to transfer of an additional five hundred seventy-three thousand and six hundred sixty-two dollars (\$573,662) approximately from excess operating funds to Pay-As-You-Go (PAYGO) capital projects financing no later than September 1, 2014.

**WHEREAS**, on February 3, 2011, the Board of Directors in Resolution #11-22 approved the PAYGO Capital Financing Policy, which provides "more specific guidance on the critical decision making and use of excess cash for the capital program (PAYGO)"; and

**WHEREAS**, on December 5, 2013, the Board approved a ten-year financial plan that provided for the estimated utilization of twenty-three million and seven hundred forty-nine thousand dollars (\$23,749,000) in PAYGO capital projects financing; and

**WHEREAS**, on June 26, 2014, the Finance and Budget Committee received management's recommendation of amounts to consider for transfer to the PAYGO capital projects financing from FY 2014 estimated operating surplus (cash in excess of operating reserve requirement); and

**WHEREAS**, upon consideration on June 26, 2014, the Finance and Budget Committee recommended the transfer of an additional five hundred seventy-three thousand and six hundred sixty-two dollars (\$573,662) approximately from the Authority's Operating Fund for PAYGO capital project financing no later than September 1, 2014.

**NOW THEREFORE BE IT RESOLVED THAT:**

1. The Board approves the transfer of an additional five hundred seventy-three thousand and six hundred sixty-two dollars (\$573,662) approximately from the Authority's Operating Fund for Pay-As-You-Go capital projects financing no later than September 1, 2014. This brings the estimated total PAYGO utilization for FY 2014 to twenty four million and three hundred twenty-two thousand and six hundred sixty-two dollars (\$24,322,662) approximately.
2. This resolution is effective immediately.

  
Secretary to the Board of Directors



**Presented and Adopted: July 3, 2014**  
**SUBJECT: FY 2014 Transfer to the DC PILOT Reserve Fund**

**#14-46**  
**RESOLUTION**  
**OF THE**  
**BOARD OF DIRECTORS**  
**OF THE**  
**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The District members of the Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at the Board meeting held on July 3, 2014, decided by a vote of nine (9) in favor and none (0) opposed, to approve the following action with respect to the transfer of seven million and six hundred seventy-six thousand and three hundred and thirty-eight dollars (\$7,676,338) from excess operating funds to the DC PILOT Reserve Fund no later than September 1, 2014.

**WHEREAS**, the Authority and the District have previously entered into a Memorandum of Understanding and amendments (MOUs) regarding the Payment in Lieu of Taxes (PILOT), which is intended to compensate the District for various municipal services (including public safety, administrative, and financial services) provided to DC Water with specific limitations; and

**WHEREAS**, the Authority and the District have disputed certain changes in the bill and support for each of the payments/receipts referenced by the various MOUs; and

**WHEREAS**, the Authority has remitted PILOT payments to the District at the FY 2007 level since October 2007 at the direction of the Board of Directors, pending resolution of disputed elements in the billing structure; and

**WHEREAS**, the Authority and the District have agreed that they will continue negotiations on permanent changes to the current methodology and approach for assessing the DC PILOT; and

**WHEREAS**, In September 2011, the Authority established a DC PILOT Reserve Fund with ten million dollars (\$10,000,000) to accommodate unanticipated shortfalls, pending resolution of the billing issues and ratification of the MOUs; and

**WHEREAS**, In September 2012, the Authority transferred additional four million and four hundred and sixty-eight thousand dollars (\$4,468,000) to the DC PILOT Reserve Fund to accommodate unanticipated shortfalls, pending resolution of the billing issues and ratification of the MOUs; and

**WHEREAS**, In September 2013, the Authority transferred additional seven million and nine hundred thousand dollars (\$7,900,000) to the DC PILOT Reserve Fund to accommodate unanticipated shortfalls, pending resolution of the billing issues and ratification of the MOUs; and

**WHEREAS**, on June 26, 2014, the Finance and Budget Committee received management's recommendation of amounts to consider for transfer to the DC PILOT Reserve Fund from FY 2014 estimated operating surplus (cash in excess of operating reserve requirement); and

**WHEREAS**, upon consideration on June 26, 2014, the Finance and Budget Committee recommended the transfer of seven million and six hundred seventy-six thousand and three hundred and thirty-eight dollars (\$7,676,338) from the Authority's Operating Fund to the DC PILOT Reserve Fund no later than September 1, 2014.

**NOW THEREFORE BE IT RESOLVED THAT:**

1. The Board approves the transfer of seven million and six hundred seventy-six thousand and three hundred and thirty-eight dollars (\$7,676,338) from the Authority's Operating Fund to the DC PILOT Reserve Fund no later than September 1, 2014. This brings the total balance in the DC PILOT Reserve Fund to thirty million and forty-four thousand and three hundred thirty-eight dollars (\$30,044,338).
2. This resolution is effective immediately.

  
Secretary to the Board of Directors

**Presented and Adopted: July 3, 2014**

**SUBJECT: Approval to Execute Purchase of Real Property  
M&N Real Estate Enterprises, LLC – 720 Rhode Island  
Avenue, NE Washington DC**

**#14-47  
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 July 3, 2014, upon consideration of a non-joint use matter, decided by a vote of five (5) in favor and none (0) opposed to execute the purchase of real property, M&N Real Estate Enterprises, LLC – 720 Rhode Island Avenue, N.E., Washington D.C.

**Be it resolved that:**

The Board of Directors hereby authorizes the General Manager to execute the purchase of real property, M&N Real Estate Enterprises, LLC – 720 Rhode Island Avenue, N.E., Washington D.C. The property will be used to construct the Rhode Island Avenue Diversion Structure, part of the Long Term Control Plan Consent Decree. The purchase amount is \$5,419,688.50.

This Resolution is effective immediately.

  
Secretary to the Board of Directors



**Presented and Adopted: July 3, 2014**  
**SUBJECT: Approval to Execute Contract No. 130200**  
**Capitol Paving of D.C., Inc.**

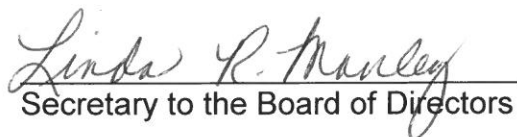
**#14-48**  
**RESOLUTION**  
**OF THE**  
**BOARD OF DIRECTORS**  
**OF THE**  
**D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on July 3, 2014, upon consideration of a non-joint use matter, decided by a vote of five (5) in favor and none (0) opposed to Contract No. 130200, Capitol Paving of D.C., Inc.

**Be it resolved that:**

The Board of Directors hereby authorizes the General Manager to execute Contract No. 130200, Capitol Paving of D.C., Inc. The purpose of the contract is to replace water mains and associated appurtenances to improve water quality and performance of the distribution system. The purchase amount is \$13,542,445.

This Resolution is effective immediately.

  
Secretary to the Board of Directors

**Presented and Adopted: July 3, 2014**  
**SUBJECT: Approval to Execute Contract No. 140070**  
**Flippo Construction Company, Inc.**

**#14-49**  
**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 July 3, 2014, upon consideration of a non-joint use matter, decided by a vote of five (5) in favor and none (0) opposed to execute Contract No. 140070, Flippo Construction Company, Inc.

**Be it resolved that:**

The Board of Directors hereby authorizes the General Manager to execute Contract No. 140070, Flippo Construction Company, Inc. The purpose of the contract is to replace large valves and install pressure reducing valves to improve the reliability of the water distribution system. The contract amount is \$3,935,950.

This Resolution is effective immediately.

  
Secretary to the Board of Directors