



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
202nd MEETING OF THE BOARD OF DIRECTORS**

Thursday, October 2, 2014

9:30 a.m.

5000 Overlook Avenue, SW

Room 407

AGENDA

- I. Call to Order (Vice Chairman Edward Long)**
- II. Roll Call (Linda Manley, Board Secretary)**
- III. [Approval of September 4, 2014 Minutes](#) (Vice Chairman Edward Long)**
- IV. Chairman's Overview**
- V. Committee Reports**
 - [1. Governance Committee \(Ellen Boardman\)](#)
 - [2. Human Resource and Labor Relations Committee \(Edward Long\)](#)
 - [3. Environmental Quality and Sewerage Services Committee \(David Lake\)](#)
 - [4. Water Quality and Water Services Committee \(Rachna Butani\)](#)
 - [5. D.C. Retail Water and Sewer Rates Committee \(Alan Roth\)](#)
 - [6. Audit Committee \(Nicholas Majett\)](#)
 - [7. Finance and Budget Committee \(Timothy Firestine\)](#)
- VI. [General Manager's Report](#)**
- VII. [Summary of Contracts](#)**
- VIII. Consent Items (Joint-use)**
 - [1. Approval to Execute Supplemental Agreement No. 10 of Contract No. DCFA #380-WSA, Malcom Pirnie Engineers, PLLC – Resolution No. 14-60 \(Recommended by Environmental Quality and Sewerage Services Committee 09/18/14\)](#)
 - [2. Approval to Execute Contract No. DCFA #380-WSA, AECOM Services of DC – Resolution No. 14-61 \(Recommended by Environmental Quality and Sewerage Services Committee 09/18/14\)](#)
 - [3. Approval to Execute Contract No. 050110, SAK Construction, LLC – Resolution No. 14-62 \(Recommended by Environmental Quality and Sewerage Services Committee 09/18/14\)](#)
 - [4. Approval to Authorize the Sale and Setting Terms and Details of the Series 2014 Refund Bonds – Resolution No. 14-63 \(Recommended by Finance and Budget Committee 09/25/14\)](#)

IX. Consent Items (Non-Joint Use)

1. [Approval to Execute Option Year Four of Contract No. WASA-10-060-AA-GA, Fastners, RX, Inc. – Resolution No. 14-64](#) (Recommended by Water Quality and Water Services Committee 09/18/14)
2. [Approval to Execute Change Order No. 06 of Contract No. 110210, Corman Construction, Inc. – Resolution No. 14-65](#) (Recommended by Environmental Quality and Sewerage Services Committee 09/18/14)
3. [Approval of the Terms and Conditions for Right-of-Way MOU with the District of Columbia – Resolution No. 14-66](#) (Recommended by DC Retail Water and Sewer Rates Committee 09/23/14)

X. Executive Session – To discuss legal, confidential and privileged matters pursuant to Section 2-575(b) of the D.C. Official Code¹

XI. Adjournment

¹ The DC Water Board of Directors may go into executive session at this meeting pursuant to the District of Columbia Open Meetings Act of 2010, if such action is approved by a majority vote of the Board members who constitute a quorum to discuss: matters prohibited from public disclosure pursuant to a court order or law under D.C. Official Code § 2-575(b)(1); contract negotiations under D.C. Official Code § 2-575(b)(1); legal, confidential or privileged matters under D.C. Official Code § 2-575(b)(4); collective bargaining negotiations under D.C. Official Code § 2-575(b)(5); facility security under D.C. Official Code § 2-575(b)(8); disciplinary matters under D.C. Official Code § 2-575(b)(9); personnel matters under D.C. Official Code § 2-575(b)(10); proprietary matters under D.C. Official Code § 2-575(b)(11); decision in an adjudication action under D.C. Official Code § 2-575(b)(13); civil or criminal matters where disclosure to the public may harm the investigation under D.C. Official Code § 2-575(b)(14), and other matters provided in the Act.

Upcoming Committee Meetings (5000 Overlook Avenue SW (Blue Plains – 4th Floor)

- Special Meeting of the Audit Committee – Thursday, October 2nd at 10:30 a.m. (5000 Overlook Avenue, SW)
- Environmental Quality and Sewerage Services Committee – Thursday, October 16th @ 9:30 a.m. (5000 Overlook Avenue, SW)
- Water Quality and Water Services Committee – Thursday, October 16th @ 11:00 a.m. (5000 Overlook Avenue, SW)
- Joint Meeting of the Finance and Budget/Environmental Quality and Sewerage Services/Water Quality and Water Services/Human Resource and Labor Relations/DC Retail Water and Sewer Rates Committees – Thursday, October 23rd at 9:30 a.m.



**DISTRICT OF COLUMBIA
WATER AND SEWER
AUTHORITY**

BOARD OF DIRECTORS

*Governance Committee
September 10, 2014
9:00 a. m.*

MEETING MINUTES

Committee Members

Ellen Boardman, Chairperson
Rachna Butani
Edward Long
Alan Roth

DC Water Staff

George Hawkins, General Manager
Randy Hayman, General Counsel
Linda Manley, Board Secretary

Chairperson Boardman convened the meeting at 9:05 a.m. The Chairperson turned the Committee's attention to Agenda Item # 2 – Employment Programs Update. Katrina Wiggins, Chief of Staff, summarized the Workforce Hiring Pilot Program Initiative, in which Fort Myer Construction and Capital Paving are participating. Ms. Wiggins reviewed the Program's two-tiered incentive: under Tier 1, a contractor will receive an incentive of 5% of the contractor's DC residential payroll if the DC residential manhours are between 20% and 35% of total manhours; under Tier 2, a contractor will receive a 10% incentive when the DC resident man-hours are greater than 35%.

To date, Fort Myer Construction has used approximately 2,000 of the 4,600 training hours available for this project.. At the start of the project, 11.6% of the Fort Myer workforce were DC residents; as of July 31, 2014 this figure had increased to 33.50%. The Committee asked how much the trainees in the Program were paid relative to the monies allocated to the Program. Ms. Wiggins advised that Fort Meyer was paid \$35.00/trainee. The difference between that rate and the applicable prevailing rate for each worker was used by the contractors to provide special training that would not normally occur on a project. The Fort Myer project has not, as yet, used all the incentive funds set aside. A site visit occurred on May 9, 2014 and both the workers and contractors were interviewed. Fort Myer should discuss ongoing training expectations with the supervisors to ensure that training requirements are met.

Capitol Paving also had 4,600 training hours of which 1,166 hours had been performed to date. At the start of the project, 30.14 % of Capitol Paving's workforce were DC residents. This figure had dropped to 26.91% by July 12, 2014. This drop was explained by the fact that more laborers are needed at certain times in the life of a project. Ms. Wiggins concluded that both projects will end without spending all their hiring funds. The contractors expressed interest in continuing the training programs.

Ms. Wiggins also reviewed the DC Water Greenroofs Project, which took place at Fort Reno with 10 trainees at the start. Eight graduated from the program, 3 of whom were subsequently employed by a project contractor. The Committee asked for a report on next steps for the Project. General Manager Hawkins advised that, while employees had been hired at the design/engineering level for green infrastructure, additional trainees would not be hired until a funding stream is created, which could occur if the proposed modification to the consent decree is approved. Funds currently earmarked for subterranean tunnels and appurtenances would then be used to construct and maintain green infrastructure.

Ms. Wiggins turned the Committee's attention to the 2014 DC Water Goods and Services Contracts' employment data. These contracts are defined as "agreements whereby a contractor/consultant supplies a good (tangible product) time, effort and/or expertise." Examples of services include janitorial services, security and fleet services. Of the 473 job positions in the Goods and Services Contracts, 57% (269 positions) are filled by residents of the user jurisdictions and 24% (114 positions) are filled by DC residents. There were 40 new hires on Goods and Services Contracts in 2014, of which 83% (33) were residents of user jurisdictions and 40% (16) were DC residents.

The employment data for both major construction projects and non-major construction projects were also reviewed. Of the 2,200 positions generated by the major construction projects, 43.3% (952) are residents of user jurisdictions; 9.4% (208) are DC residents; and 56.7 % (1,248) are residents outside the user jurisdictions. The non-major construction contracts generate 3,158 positions, of which 67% (2,135) are filled by residents of user jurisdictions; 13.7% (433) are DC residents; 13.% (431) are from other parts of MD.; 10.9 % (345) are from other parts of VA ; and 7.8 % (247) are outside DC., MD, and VA.

Data was also shared with the Committee showing the total number of new hires (18) reported by opportunity centers.

Data showing the 2014 MBE/WBE participation results was also presented to the Committee. A total of 26 active construction contracts were reviewed which revealed the total overall combined MBE participation to be 37% (goal 32%) and overall combined WBE participation to be 6% (goal 6%).

Chairperson Boardman requested that Randy Hayman, General Counsel, address Agenda Item # 3 - Discussion Regarding L S Caldwell & Associates' DC Water Investigations. The Chairperson requested that upon the completion of the presentation

in open session, the Committee, if needed, would conduct further discussions during executive session. Mr. Hayman reminded the Committee that the legal department had been requested to review for legal sufficiency, the investigative report and accompanying documents produced by L.S. Caldwell, and presented to the Committee July 9, 2014. This investigation covered allegations filed by employees working on three DC Water major projects. Mr. Hayman introduced Mr. Thomas Flaherty and Ms. Alexandra Romero from the Littler law firm. Mr. Flaherty proceeded to discuss each of the 20 allegations raised by the employees against the three DC Water subcontractors: Collins, Dominion Rebar and Lyn-Phill. The majority of the allegations concerned proper job classifications/wages, and safety issues. Mr. Flaherty concluded that the investigations, based upon the documents presented for review, were legally sufficient. The Committee thanked Mr. Flaherty and Ms. Romero

The Chairperson then turned to Agenda Item # 4 – Emerging Issues and Other Business. The General Manager raised the issue of micro- purchases and presented an analysis to the Committee. After summarizing the current micro-purchasing requirements, the Committee was informed that the level of effort to produce micro-purchase orders was disproportionately high compared to the small amount of spending they represented. The General Manager noted that according to the National Institute of Government Purchasing, the average micro-purchase threshold is \$ 25,000.00. The recommendation was made to raise the micro-purchasing limit to \$25,000.00. If adopted by the Board, the Office of Procurement will provide regular reviews and reports of purchasing activity to management. It was noted that the limit on the P-Card would not be raised at this time. The Committee recommended that the proposed increase for micro-purchases be forwarded to the full Board.

The Chairperson asked the Committee members if they had any emerging issues or other business to be discussed. Committee member Roth raised DC Water's participation in a PEPCO rate case. He noted that while he appreciated the exhaustive response to his questions, he nevertheless respectfully disagreed with DC Water's participation in the rate case.

Regarding Agenda Item # 5 - Agenda for Upcoming Committee Meeting – the Chairperson stated that a draft agenda would be generated and presented to the Committee members..

The Committee then went into Executive Session.

The Committee reconvened in Open Session. The Chairperson adjourned the meeting at 10:53 a.m.



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

BOARD OF DIRECTORS
*Human Resources and Labor Relations
Committee*
September 10, 2014

MEETING MINUTES

Committee Members Present

Edward Long, Chairman
Ellen Boardman
Rachna Butani
Robert Mallett

DC Water Staff Present

George Hawkins, General Manager
Randy Hayman, General Counsel
Linda R. Manley, Board Secretary

Union Presidents Present

Barry Carey, AFSCME 2091
Michelle Hunter, NAGE R3-06
Yvette Martin-Groves, Rep., AFGE 631
Jonathan Shanks, AFGE 872
Charles White, AFGE 2553

1. Call to Order

Edward Long called the meeting to order at 11:04 a.m.

2. Succession Planning Presentation

- a). Samuel Bannerman presented the Authority's succession planning roadmap for the authority – Blue Horizon 2020, Goal 1, Initiative 3. The presentation highlighted industry definitions of succession planning; noted the process DC Water would implement to develop its plan; and emphasized leadership's commitment to develop and retain internal talent. The Committee expressed concerns about the tentative timeline for development of the succession plan which is tentatively scheduled to be implemented in 2016. The General Manager clarified that the planned 2016 timeline would be for the comprehensive enterprise-wide plan. Mr. Hawkins noted that the process of identifying critical positions that may transition in the near future was underway. He committed to providing an update on planning efforts in approximately six months.

3. Union Topics for discussion

Michelle Hunter, President, NAGE Local R3-06, expressed concerns regarding planned Committee procedural changes she perceived would limit participation by the union presidents. Mr. Long explained the planned changes were not intended to limit union

Human Resources and Labor Relations Committee
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participation, but instead were meant to give proper consideration to union concerns without having the Committee entertain matters prematurely. Chairman Long indicated that the Committee welcomed an open dialogue with labor but also recognized that certain matters related to policy, collective bargaining and legal requirements needed to have been concluded, before presentation to the Committee.

Jonathan Shanks, President, AFGE Local 872, stated that the changes would effectively diminish the voice of the Unions. Mr. Long offered to consider the matter further and make adjustments as needed. Consistent with this offer the unions were invited to submit an agenda for the November meeting. The Committee will consider matters that are not being grieved and bargained, or the subject of a disciplinary proposal.

Open Discussion

Mr. Long spoke of industry trends and shifts in General Managers role. Mr. Hawkins concurred that the GM's position has evolved into more of a CEO role and function, and CEO should be added to the GM title. At the request of the Committee, the General Manager will update the Committee about the structure of the organization.

The Committee recommends to the full Board the title change for the General Manager to General Manager/CEO. Mr. Long stated with no objection from the Committee, the General Manager's evaluation will be coming up in October and the title change should be rolled up with the General Manager's performance appraisal.

4. Executive Session

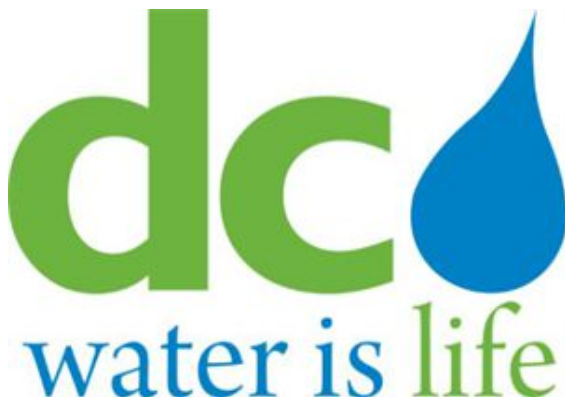
NA

5. Adjournment

The meeting adjourned at 11:54 a.m.

FOLLOWUP ITEMS:

The General Manager to update Committee on the structure of the organization, on a semi-annual basis.



**District of Columbia
Water and Sewer Authority**

Board of Directors

**Environmental Quality and
Sewerage Services Committee**

Thursday, Sept 18, 2014

9:30 a.m.

MEETING MINUTES

Committee Members Present

David Lake
Brenda Richardson
Howard Gibbs
Adam Ortiz
James Patteson

DC Water Staff Present

George Hawkins, General Manager
Len Benson, Chief Engineer
Randy Hayman, General Counsel
Linda Manley, Secretary to the Board

I. Call to Order

Mr. David Lake, Interim Chairperson, called the meeting to order at 9:30 AM.

II. AWTP STATUS UPDATES

1. BPAWTP Performance

Mr. Aklile Tesfaye, Director for Wastewater Treatment, reported that the monthly average influent flow was 271 MGD. 2.4-inches of precipitation fell during the August reporting period, with an excess flow volume of 43MG from one wet weather event. Biosolids production was 1006 wet tons per day. Total nitrogen concentration averaged 3.1 mg/l for the month, well below the Chesapeake Bay goal. Overall, plant performance was excellent, with 100% permit compliance.

Mr. Tesfaye informed the Committee that commissioning activities are progressing on major projects. The Enhanced Nitrogen Removal facilities are now operational, and Mr. Tesfaye presented a short video clip showing flow through the new facilities. Seeding of the first digester is scheduled for September 30th.

The Committee asked when we expect to be producing Class A biosolids. Mr. Tesfaye

advised that Class A biosolids would begin to be produced by the end of October with 100% Class A biosolids production by February 2015. The Committee welcomed the good news and congratulated everyone involved, and requested an update on Class A biosolids marketing at a future Committee meeting.

III. UPDATES: POTOMAC INTERCEPTOR SEWER

1. Odor Abatement Project

Mr. David McLaughlin, Director of Engineering and Technical Services, reported that periodic odor complaints from Old Angler's Inn continue despite the recent modifications to the odor abatement systems and the sealing of the manholes on the WSSC sewers. Observations indicate that odor complaints from the restaurant are received both when the odor control facility is operating and when it is shut off, leading to staff concerns that other sources of odor are present. Mr. McLaughlin stated that DC Water remains committed to investigating and resolving the odor complaints at this location.

Mr. McLaughlin informed the Committee that construction at the Fairfax County site is behind schedule due to subcontractor performance issues. The project should be completed by December 30th. The Loudon County site is expected to be operational by the end of October.

IV. ACTION ITEM - JOINT USE

1. Contract No. 14-PR-PCM-01, M.C. Dean
2. Contract No. DCFA #380-WSA, Malcolm Pirnie Engineers, PLLC
3. Contract No. DCFA 463-WSA, AECOM Services of DC
4. Contract No. 050110, SAK Construction, LLC

DeNerika Johnson, Manager of Construction Contracts in the Department of Procurement, presented action item 1, a one-year contract to provide services for maintaining and repairing industrial instruments and equipment.

The Committee asked why the low bidder wasn't selected for this contact. Mrs. Johnson replied that the solicitation was based on best value to DC Water and the selection panel determined that M.C. Dean provided the best overall combination of price and technical expertise.

Mr. Len Benson, Chief Engineer, presented joint use action items 2, 3 & 4, and non-joint use item 1.

Action item 2 is a supplemental agreement to a contract with Malcolm Pirnie for engineering services to upgrade the filtration and disinfection facilities. Mr. Benson noted the extended duration of this contract (10 supplemental agreements) and provided background on the contract scope and the consultant's specific expertise at

these filtration and disinfection facilities for the Committee. It was noted in the materials provided that no further supplemental agreements are anticipated.

Action item 3 is a contract to provide construction management of the Poplar Point Pumping Station replacement project. Mr. Hawkins, General Manager, commented on the need to replace the existing pump station and the lengthy coordination with DDOT needed to finalize the site selection.

Action item 4 is a contract to rehabilitate over four thousand linear feet of the Potomac Interceptor pipe in Loudoun County using a pipe lining system. Mr. Benson pointed out that this contract was solicited with preference for local businesses and does not have goals for minority and women owned businesses. Mr. Benson explained that the reason for this approach was the specialized nature of the work that requires licensed rehabilitation contractors who are qualified to provide the pipe lining service, and that limited opportunities exist for sub-contracting. Mr. Benson also noted that the cost shares for this contract are in accordance with the methodology adopted by the Blue Plains Regional Committee, and that the District of Columbia share was zero.

ACTION ITEM - NON JOINT USE

1. Contract No. 110210, Corman Construction, Inc.

This contract change order is for additional funds for the M Street Diversion Sewer that will convey flow into the Anacostia River Tunnel. During mining of this sewer, the contractor encountered large boulders that were not identified during geotechnical investigations. Mr. Benson stated that this additional work should not delay the overall project completion.

The committee, by consensus, recommended the Joint-Use and Non Joint-Use Action Items to be recommended to the Board for approval.

V. CLEAN RIVERS QUARTERLY REPORT

Mr. Carlton Ray, Director of Clean Rivers, and Mr. Chris Allen, Assistant Director, presented a status report on Clean River's construction schedule, budget status and major accomplishments through the third quarter. Mr. Ray reported that construction contracts awarded to date are approximately 49% completed, and that the program remains on schedule and on budget. He noted that community outreach and involvement with other government agencies and private businesses has been extensive and has been largely successful in addressing community concerns. In short video presentations, Mr. Ray provided a look at the tunnel boring machine in operation and DC Water's commitment to being good stewards of the environment by incorporating green roofs and plantings designed to control water runoff. Clean Rivers staff continues to work with several local schools on green initiative projects.

The Committee asked about the safety record on the Clean Rivers projects. Mr. Allen stated that there have not been any significant injuries and that no time has been lost. The Committee complimented Mr. Ray and his staff on the excellent safety record.

VI. CIP QUARTERLY REPORT

David McLaughlin presented the capital improvement program report through the third quarter. Mr. McLaughlin explained that although actual disbursements are above the baseline predictions in three large projects (DC Clean Rivers, Digestion and the Tunnel Dewatering Pump Station), the projects remain within budget. Mr. McLaughlin noted that all Key Performance Indicators (KPIs) were met in the 3rd quarter. In addition, two 4th quarter milestones were completed ahead of schedule.

VII. OTHER BUSINESS/EMERGING ISSUES

Mr. Lake noted that the Committee had been provided with the information sheet on the Fleet Maintenance property purchase requested at the last meeting, and asked that Committee members submit any additional questions on the issue to Ms. Manley for response.

VIII: ADJOURNMENT

The meeting was adjourned at 11:20 am.

Follow-up Items

1. Provide an update on the progress of marketing Class A biosolids and the potential for costs recovery at a future Committee meeting.



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

**BOARD OF DIRECTORS
WATER QUALITY AND WATER SERVICES COMMITTEE**

**MEETING MINUTES
Thursday, September 18, 2014**

Present Board Members

Rachna Butani, Chair
Howard Gibbs
Brenda Richardson
Alan Roth (via Telephone)

Present D.C. Water Staff

George Hawkins, General Manager
Randy Hayman, General Counsel
Charles Kiely, Assistant General Manager,
Customer Care and Operations
Linda Manley, Board Secretary

I. Call to Order

Ms. Butani called the meeting to order.

II. Water Quality Monitoring

A. Total Coliform Rule (TCR) Testing

The monthly reporting on Total Coliform Rule Testing was presented by Charles Kiely, Assistant General Manager for Customer Care and Operations. He stated that in the month of August there were zero TCR positive samples. In September there were two at the same location. There is a sanitation problem at that site and they will replace that sampling site. There is nothing in the distribution system and it has been isolated to that site. Under the TCR procedures they are required to do upstream or downstream testing of the system which is required when there is a positive. Mr. Kiely stated that they will be contacting the U.S. Environmental Protection Agency to report the change. He stated that they found that chicken was being thrown into the sink at the site. If you do not completely disinfect the area where you are drawing from, it is conceivable to receive a positive. The water is hitting that contamination area of the pipe when you are drawing the water into that sample bottle. There were two positives in the same month, at the same building, which is indicative of a problem in the building, not in the system.

B. Lead and Copper Rule Monitoring

Mr. Kiely reported that the LCR monitoring results are very good because generally the highest hits are in the summertime and is because the water warms up and there is more leeching. He stated that they have finished about 80 percent of the sampling and the monitoring result is at 3.8, outstanding for this part of the year. As earlier reported, they came in at the lowest results in the first monitoring period, and they are still at exceptionally low levels.

III. Fire Hydrant Upgrade Program

David Wall, Manager of the Distribution Branch, reported that out of 9,458 public fire hydrants, 123 are out of service. Fifty-two are due to defect, which is down from July, and 51 due to construction. This is a 15 decrease in August and September. Mr. Walls indicated that they had focused more on replacement and making sure there was more coordination on the process of shuts and getting the replacements done. Mr. Gibbs asked about the decrease because it was large. Mr. Wall stated that it was because of the improvements in the replacement process and the fact that at construction sites there might have been two hydrants out of service and they were able to get one back in service faster. Mr. Walls indicated that there were no new clusters on the map, no operational issues with the Fire Department.

Ms. Butani asked about the process for replacements and how it was prioritized. Mr. Walls stated that the length of time out of service is probably the biggest priority but that they do try to coordinate with other work in the area on the same block or nearby to maximize their resources. Ms. Richardson asked about how they coordinate with all the construction at St. Elizabeth's. Mr. Walls stated that he thinks the east campus is not D.C. maintained. Mr. Kiely stated that there is a private side and a District side. The District has been transferring hydrants to D.C. Water on the private side. He is not sure if St. Elizabeth's have been transferred yet. If they do transfer them later, it will become part of D.C. Water's system. Where they are located on the campus was part of the original design submitted for permitting. Ms. Richardson stated that she was under the impression that the east side was owned by the District. If there was a fire, she asked if there were hydrants around the new Pavilion and the Chapel that the Fire Department would hook to. Mr. Walls stated that there are hydrants there and that the location had been permitted to ensure adequate fire hydrants. An upgrade to the water system was made as part of that project and they looked at pressure issues also.

Mr. Roth noted that with the 62 on the chart, more than half have been out of service for more than 4 months and the vast majority are in the categories of need valve investigation for low flow or low flow or pressure or shut tests for replacement. Do they reach a point where it is concluded that more than 4 months something is wrong? Are the hydrants taken out of inventory? If the hydrants are not functional to deal with a fire problem, maybe it is not an appropriate place for a fire hydrant. Ms. Butani stated that she thinks this goes back to conversations held in the past about coordination and getting access to those. Mr. Walls reported that he had that conversation with people in their department and wanted to see what is going on and what needs to be done. There is one issue in that number where there is contaminated soil and they are trying to decide if it should be relocated. They are looking through those and trying to process them correctly. He stated that they will remove them if appropriate. Ms. Butani asked him to report on this in October or November through a spreadsheet that lists the specific problems briefly. Mr. Wall agreed. Mr. Roth recommended reaching an agreement with the Fire Department that after 4 months the hydrant is not available and take it out of the inventory.

IV. Executive Session

Ms. Butani stated that the Committee would go into Executive Session. Mr. Hayman, General Counsel, indicated that they would go into closed session for legal and confidential and privileged matters under D.C. Official Code 2-575(b)(4). It was so moved and agreed upon by Committee members. Ms. Manley called the role for the Executive Session.

V. Action Item (Non-Joint Use)

Mr. Kiely presented an explanation of proposed Contract No. WASA-10-060-AA-GA, Compound Water Meters, to Fastners Rx, Inc., Option Year 4, in the amount of \$1,000,000 (Non-Joint Use). The purpose of the contract is for various sizes of compound water meters for use throughout the District of Columbia service area. These meters are used to measure accurate water consumption at large building properties that traditional turbine water meters cannot catch. Mr. Kiely stated that it is really low flow and can capture 2 or 3 percent of consumption which is approximately \$2.5 million of revenue. Like everything else, they are mechanical and have to be replaced. Generally speaking, they try to stay on top of these because they are the largest revenue meters. These 3,000 meters contribute approximately 60 percent of the revenue. The meters are podded or connected to the register of the meter transmitting unit (MTU), which then becomes an automatic meter reading (AMR) meter.

Mr. Kiely stated that some of the meters are very expensive. He will discuss this further next month or the month after. The meter reading fee that is charged customers each month is to capture the cost of the meter and the MTU, the AMR System. Some of these meters can be up to \$10,000 easily, depending on the size. These go from 3 inches which are the traditional for small 3 to 4 inches, but the 6s, 8s, 10s, 12s, and the 16s just installed on M Street are very expensive. The Pentagon actually installed a 16 inch and they had been wrestling with them for 4 years. The cost depends on the size. Mr. Kiley said that they buy mostly 3s or 4s. If you go to most of the apartment and business office buildings throughout the District of Columbia, there are principally 3 or 4 inch meters. That is the pipe size coming in. If there is a combination domestic and fire service, then obviously the fire service size could be 6 inches and that would become part of the fire service meter which could be a 6 or 8 or 10 inch.

Ms. Butani asked if there were any other questions about the contract. There were none, so she stated that they were recommending the contract for Board approval.

Being no additional business or questions, Ms. Butani adjourned the meeting at .



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

DC Retail Water and Sewer Rates Committee

Tuesday, September 23, 2014

9:30 a.m.

MEETING MINUTES

Committee Members in Attendance

Alan Roth, Chairperson
Ellen Boardman
Rachna Butani
Howard Gibbs
Robert Mallett

DC Water Staff

George Hawkins, General Manager
Mark Kim, Chief Financial Officer
Randy Hayman, General Counsel
Linda R. Manley, Board Secretary

Call to Order

Chairman Roth called the DC Retail Water and Sewer Rates Committee meeting to order at 9:35 a.m.

Update on 2015 Cost of Service/Rate Structure Analysis

Chairman Roth stated that Mark Kim, CFO would be presenting an update on the 2015 Cost of Service Study and Rate Structure Analysis. Mr. Kim gave a brief overview of the 2015 Cost of Service Study and its Objectives. The Cost of Service Study is performed every three years. Mr. Kim noted that the scope of the study had been expanded this year to address the issue of affordability in the following areas:

- Alternative rate structure
- Review of current affordability program
- Additional fees and charges

Mr. Kim then provided the committee with the proposed timeline for the rate setting process and stated that the preliminary recommendation on proposed FY 2016 rates, charges and fees would be presented to the committee at the November meeting.

Mr. Kim stated that on September 4, 2014, the Board approved the General Principles of Affordability for Low-Income Customers Resolution to:

- Consider rate impacts on low-income customers
- Explore affordability alternatives for low-income customers
- Develop a more innovative rate structure

Mr. Kim stated that the goal was to develop alternative rate structures designed to recover DC Water's cost of service in a fair and equitable manner by taking into consideration the burden on low-income,

economically disadvantaged customers. Mr. Kim explained that the 2015 Cost of Service Study methodology involves analyzing customer consumption patterns coupled with demographic and geographic data from the US Census Bureau data and incorporating rate structure recommendations. Mr. Kim and Mr. Davis of Raftelis Financial Consulting, Inc. presented a summary of the analysis:

Income Analysis by Ward:

Mr. Kim showed a chart from the 2012 US Census Bureau Data on Income by Ward of the District of Columbia.

Consumption Analysis by Income:

Mr. Kim explained a chart showing Consumption Analysis by Income and highlighting the top and bottom deciles of residential customers in the District. The analysis showed that the majority of customers in the bottom decile of income used 4 Ccf or less water. Mr. Hawkins noted that this validated the Board's decision to set the cut-off for the CAP program discount at 4 Ccf.

Impervious Area Charge Analysis by Income:

Mr. Kim showed a chart of the Clean Rivers Impervious Area Charge Analysis by Income, which demonstrated that about 95 percent of customers in the bottom decile have 1 ERU or less, and about 35% have 0.6 ERU or less. Mr. Kim noted that since the majority of lower income users had less than 1 ERU, this effectively served as an institutionalized CAP program on the IAC charges. Mr. Mallett suggested that the discount programs should be made more transparent to beneficiaries and policy makers.

Peak Demand Analysis by Customer Class:

Mr. Kim mentioned that peak usage was one of the factors driving system costs and noted that the class peaking factor provides a basis for developing class based rates. Mr. Hawkins noted that most water utilities were dealing with the industry-wide trend of declining consumption. Mr. Kim noted that even with declining consumption, the system infrastructure had to be built to handle peak demand, and the key was to identify the customers responsible for driving peak demand costs. Mr. Hawkins noted that despite falling consumption, more effort would be placed on conservation for low-income customers. Mr. Davis stated that the non-residential customers were primarily responsible for the peaking cost; hence, it may be possible to come up with a volumetric rate class that had lower rates for single and multi-family customers. Chairman Roth inquired as to how peaking factors would be applied to customer rate classes. Mr. Kim explained that peak water usage is the extent to which a customer, or class of customers, regularly exceeds average usage. The excess usage of a class of customers puts extra demand on the system, and therefore, a higher rate is justified for that class. He further added that it would be defensible to charge different rates to customer classes based on peaking factors. The Committee discussed the potential impacts of the use of peaking factors on the various customer classes and the potential feasibility of developing additional classes over time as more data is gathered and experience is gained. Mr. Mallett asked the staff to provide a comparison of class rate structure with other regional water utilities.

Alternative Fees and Charges:

Mr. Kim outlined the following three potential Alternative Fees and Charges.

Redevelopment Impact Fees:

An impact fee would recover the incremental costs of providing service to new development projects. Mr. Kim noted that every utility in the area except DC Water assessed this fee.

Cross Connection Fees:

Mr. Davis gave a brief summary of the proposed Cross-Connection Fee, noting that it would recover the costs of protecting the potable water distribution system from contamination or pollution due to backflow of contaminants at the water service connection. Ms. Boardman suggested that this fee should more precisely be considered a “penalty” instead of a “fee” since improper cross-connections posed a health risk. The Committee agreed that the staff should investigate this option further and report back with a more in-depth proposal.

1% Main Replacement Program Fees/Infrastructure Surcharges:

Mr. Kim stated that an infrastructure surcharge would not be introduced this year, but noted that WSSC had recently introduced a similar fee to defray the costs of their Capital Improvement Program (CIP). He noted that with declining consumption, DC Water had to better align its fixed and variable costs with its fixed and volumetric revenue streams.

Review of Customer Assistance Program (CAP):

Mr. Kim explained that 17% of the District’s 261,000 households are below the Federal Poverty Level (approximately 42,000 households). Assuming 80% of these fall into Multi-Family/DC Housing Authority designations, 10,000 Residential accounts could still be CAP eligible candidates. As of September 2013, approximately 5,206 accounts were designated to receive CAP. Accordingly, management believes that there is still a sizable portion of residents who could potentially benefit from CAP.

Mr. Kim showed a CAP Affordability Analysis chart for the CAP customers and stated that a monthly bill of \$46.47 is affordable for incomes greater than \$13,941 per year based upon US EPA guidelines for affordability. Approximately 97 percent of DC households earned more than this amount. Mr. Kim suggested that the lesson to be drawn from this data is that expanding participation in the DC Water’s current CAP program would probably be more fruitful than increasing the subsidy level to existing CAP customers.

DC Retail Water and Sewer Rates Committee Workplan

Mr. Kim updated the Committee on the FY 2014 and FY 2015 Workplan.

Action Items

The Committee recommended to the full Board approval of the terms and conditions for a renewed Right-of-Way (ROW) MOU with the District of Columbia and that the General Manager be authorized to execute the MOU. This would provide for renewal of the existing ROW agreement for a term of 10 years, from October 1, 2014 to September 30, 2024, at a fixed annual fee of \$5.1 million. DC Water has also agreed to pay the District \$5.1 million from fees collected and held in escrow for FY 2014.

Other Business

No other business to discuss.

Executive Session

The committee did not move to go into executive session.

Adjournment

The meeting was adjourned at 11:25 a.m.

FOLLOW-UP ITEMS – DC Retail Water and Sewer Rates Committee Meeting (September 23, 2014)

1. Prepare CAP customers average usage analysis. (Mr. Gibbs) Status: Fall 2014



**DISTRICT OF COLUMBIA
Water and Sewer Authority
Board of Directors**

Audit Committee

Thursday September 25, 2014

9:30 a.m.

Meeting Minutes

COMMITTEE MEMBERS PRESENT

Nicholas Majett, Chairman
Edward Long, Jr., Committee Member
Shirley Branch, Committee Member

DC WATER STAFF PRESENT

George Hawkins, General Manager
Mark Kim, Chief Financial Officer
Randy Hayman, General Counsel
Katrina Wiggins, Chief of Staff
Thomas Kuczynski, Chief Information Officer
Linda Manley, Secretary to the Board

INTERNAL AUDIT STAFF PRESENT

Joe Freiburger, SC&H Group, LLC

Call to Order (Item 1)

The Audit Committee meeting began at 9:38 a.m. The meeting was called to order by Mr. Majett. Mr. Majett then turned the meeting over to Mr. Freiburger.

Review of Internal Audit Status (Item 2)

Mr. Freiburger began by discussing the status of internal audit activity since the June Audit Committee meeting. He noted that Internal Audit has performed work on a total of eight audit areas since the previous Audit Committee meeting and issued a total of six reports. A total of fifteen reports from the FY2014 Internal Audit Plan have been issued. Mr. Freiburger indicated that two audits have been postponed at the request of DC Water Management. He noted that the two audits were the Maintenance Services audit and the IT – GIS audit.

Mr. Freiburger highlighted the completion dates and the budget versus actual hour comparison, noting that the hours were updated through the end of August. He then asked the committee if there were any questions around the presentation thus far. The committee members responded in the negative.

Mr. Freiburger continued with the presentation of the six audit reports issued since the last Audit Committee meeting. Mr. Freiburger began by discussing the Emergency Management – Mitigation and Response review. He highlighted the differences in scope between this review and the previously completed Emergency Management review that focused on the Authority’s ability to recover from an incident. Mr. Freiburger then walked through the objectives of the audit, discussed the observations that were identified through the Emergency Management – Mitigation and Response review, and noted that the review resulted in four findings.

Mr. Freiburger took a pause from the presentation and asked the committee if there were any questions. Mr. Majett inquired if during Internal Audit’s review did they look into the coordination between DC Water and District Government with respect to Emergency Management. Mr. Freiburger responded in the affirmative. Mr. Hawkins added that DC Water is in the process of adding a new Grant’s position with the Federal Government and the Authority in this area. He also added that DC Water has implemented a new communication system on the plant which is consistent with the system used with the Federal Government and the District.

Mr. Majett then followed up with the question of when the Grants employee is scheduled to begin working. Mr. Hawkins responded that he is not sure of when the employee will start.

Mr. Freiburger then continued with the presentation by walking through the objectives of the IT – Disaster Recovery review. He noted that the audit was focused heavily on DC Water’s ability to recover the various IT functions after an incident. Mr. Freiburger walked through the observations from the IT – Disaster Recovery report, noting that the review resulted in three findings.

Mr. Freiburger then asked the committee if there were any questions regarding this review. The committee responded in the negative.

Mr. Freiburger then provided some background around IT Asset Management, then provided an overview of the objectives for the current IT – Asset Management review that was conducted. He then walked through the findings from the audit. Mr. Freiburger indicated that there were a total of seven findings from this review and the first observation around the segregation of duties was one of the most important areas to address.

Mr. Freiburger then asked the committee if there were any questions regarding the IT – Asset Management review. The committee responded in the negative.

Mr. Freiburger continued with an overview of the objectives for the GIS System audit. He noted that this system has been in place for a few years and that the IT, Engineering and Customer Care & Operations groups all have a role in the operation of the system. Mr. Freiburger walked through the observations from the GIS System review, indicating that there were a total of five findings from this review.

Mr. Freiburger then asked the committee if there were any questions regarding the GIS System audit. The committee responded in the negative.

Mr. Freiburger then provided an overview of the objectives for the Outside Contractor Management – Part Two review. He then walked through the observations from the audit, indicating that there were a total of three findings from this review. Mr. Freiburger noted the importance of the management of DC Water contracts and the risk of errors that could cost DC Water money with the mismanagement of these contracts. Mr. Long pointed out the importance of this report and asked if this report can be shown to the Governance Committee. Mr. Kim responded in the affirmative. Ms. Manley added that all reports from the Audit Committee are sent to all Board members.

Mr. Majett then asked if the General Manager is only individual who has the authority to assign responsibility to manage a contract. Mr. Freiburger answered in the affirmative and added that errors are made when that responsibility is given without the General Manager’s knowledge or approval.

Mr. Freiburger continued with an overview of the objectives for the Warehouse and Inventory audit. Mr. Freiburger indicated that this area was reviewed two years ago and has been reviewed again to ensure that the processes in the new warehouse are operating appropriately. Mr. Freiburger walked through the observations from the Warehouse and Inventory review, indicating that the review resulted in seven new findings. He noted the importance of materials management and his belief that Management should place Materials Management at the top of list to address in the future. Mr. Kim followed up by pointing out that materials management is an area of focus and that Management plans to address the findings. Mr. Kim also identified the challenge they faced with staff turnover. Management plans to create a new position, the Chief Procurement Officer, as well as fill the open position of Procurement Director.

Mr. Majett then asked if there is currently no Chief Procurement Director. Mr. Kim responded that it is a new position and there is currently an Acting Procurement Director leading the department.

Mr. Freiburger then moved to the next item on the agenda: the follow up on open Management Action items. Internal Audit tracks items identified in the reports and make sure that these items are properly implemented by Management. Mr. Freiburger noted that twenty-nine new items have been added to the database, forty-one items are still in progress and that five items are expired.

Mr. Freiburger asked the committee if there were any questions regarding the Follow Up items. The committee responded in the negative.

Mr. Freiburger continued with the other items on which Internal Audit performed work since the last Audit Committee meeting in June. He noted that Internal Audit performed a special project around vendor procurement and an examination of all documentation associated with the selection. Mr. Freiburger then provided a status update on the Fraud Hotline, noting that the Fraud Hotline has had a total of ten new cases since the June meeting, for a total of 29 cases since the inception of the Fraud Hotline. Mr. Freiburger further noted that 27 of the 29 Fraud Hotline cases had been resolved.

SC&H Five-Year Summary (Item 3)

Mr. Freiburger then provided an overview of the Internal Audit activities of the last five years. He provided a background behind the decision to outsource the Internal Audit function, and the audit environment at the time when SC&H began its’ tenure as the Authority’s Internal Audit provider.

Mr. Freiburger discussed the Risk Assessment process and the development of the annual Audit Plans. He also discussed the MAP update process for assuring the audit recommendations were implemented by Management.

Mr. Freiburger noted that 11-15 audits were scheduled each year, and that each of these audits were completed on-time and within budget. He further noted that SC&H also performed other activities on behalf of DC Water, such as the performance of Special Projects throughout the year, and the Fraud Hotline. Mr. Freiburger highlighted the activities that SC&H had completed in an effort to assure the highest level of industry and process-specific knowledge, such as joining the American Water Works Association, which provides the benefit of benchmarking and best practice information provided from other utilities. He also pointed at the Internal Audit team's visit of the Clean Rivers tunnel construction site as ways in which his team worked to expand their knowledge base during their time at DC Water.

Mr. Freiburger noted that a total of 63 audits had been planned and completed during SC&H's time as the Authority's Internal Auditor. Mr. Freiburger also pointed out that a total of 265 audit recommendations have come out of those reports issued, and that 190 of those recommendations have been remediated by Management. Mr. Freiburger highlighted that this indicates that there have been 190 different instances in which SC&H was able to contribute to the betterment of DC Water, something of which SC&H is very proud.

Mr. Long inquired how often the external auditors receive the internal auditor's reports. Mr. Kim responded that Internal Audit's reports are utilized by the external auditors. Mr. Freiburger added that all reports are provided to the external auditors.

Mr. Freiburger resumed the presentation and pointed out the importance of the Fraud Hotline and the effectiveness of the process thus far. Mr. Kim noted that he believes the Fraud Hotline is an excellent process and the activity is reported up to the appropriate level of Management. Mr. Freiburger went on to add that most instances of fraud are identified through some sort of "tip" and the Fraud Hotline provides a means for these tips to be appropriately investigated. Mr. Freiburger went on to acknowledge the assistance provided from the Office of the General Counsel on the issues coming out of the Fraud Hotline. He noted the General Counsel's help in resolving these items goes a long way to ensure that these sensitive cases are handled properly.

Mr. Freiburger concluded his presentation and expressed gratitude toward his team for the work performed at DC Water over the past five years.

Mr. Kim expressed his thanks to SC&H and the Internal Audit team for making DC Water stronger over the years.

Mr. Majett and Mr. Long both expressed their appreciation for the quality of work and the thorough nature of the reports presented to the committee by the SC&H Internal Audit team.

Executive Session (Item 4)

Mr. Majett asked Mr. Kim to confirm that there were no other items on the agenda. Mr. Kim confirmed that there were no other items, and that there was no need for an executive session.

Adjournment (Item 5)

At 10:45a.m., the meeting was adjourned by Mr. Majett.



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

Finance and Budget Committee

Thursday, September 25, 2014

11:00 a.m.

MEETING MINUTES

Committee Members in Attendance

Timothy L. Firestine, Committee Chairperson
Robert Mallett, District of Columbia

Via (Conference – Call)

James Patteson Fairfax County

DC Water Staff

George Hawkins, General Manager
Mark Kim, Chief Financial Officer
Randy Hayman, General Counsel
Gail Alexander-Reeves, Director, Budget
Robert Hunt, Director, Finance (Acting)
David McLaughlin, Director, Engineering
Linda Manley, Secretary to the Board

Other Presenters and Guests

Daniel Hartman, Public Financial Management (PFM)

Call to Order

Chairperson Timothy Firestine called the meeting to order at 11:05 a.m.

August 2014 Financial Report

Ms. Alexander-Reeves, Budget Director, reported that with approximately 92 percent of the fiscal year completed, receipts and operating expenditures were within budgetary expectations with capital disbursements trending higher than budget. As of the end of August 2014, cash receipts totaled \$445.7 million, or 95 percent of the revised FY 2014 budget and operating expenditures totaled \$383.9 million, or 87 percent of the revised budget. The spending trend for capital disbursements totaled \$622.0 million or 112 percent of the disbursement budget and are consistent with projections reported in prior months. In response to Chairman Firestine’s question, Ms. Reeves noted that the year-end projected expenditures had been updated with the most current figures but essentially remained consistent with the initial mid-year operating projections. Mr. Kim concurred with Mr. Patteson regarding the high vacancy rate in the Authority and explained targeted management steps to bring the rate down to a high single digit in line with industry norms.

Ms. Reeves also informed the Committee that the Authority received the Government Finance Officers’ Association (GFOA) award for the fiscal year starting October 1, 2014 (FY 2015) for the fourteenth consecutive year. She also noted that staff continue with the FY 2014 year-end close out process, start up of FY 2015 and budget planning for FY 2016.

Cash Reserves and Investments

Mr. Hunt, Acting Finance Director, reported that as of August 30, 2014, the operating reserve balance was \$152.9 million well above the reserve level objective of \$125.5 million. There have been two withdrawals from the 2014A&B constructions funds to reimburse the Authority for capital expenses. The remaining balance in the construction funds is \$303.3 million and it is projected that these funds will be sufficient until the next bond sale scheduled for July 2015. With DC Water’s investment portfolio now being actively managed by Public Financial Management – Asset Management (PFAM Group), the overall yield on investments for August was 0.37%.

Mr. Hunt also stated that the approved year-end cash transfers are being executed in September to utilize the projected cash surplus for FY 2014 comprising of \$6.5 million transfer from the Rate Stabilization Fund to the Concentration account (operating funds) and \$7.6 million transfer from the Concentration account to the PILOT reserve. He stated that the PILOT reserve balance will be \$30.1 million with anticipated transfer of 50% to the District Government early in FY 2015 consistent with the Memorandum of Understanding (MOU).

Capital Improvement Program (CIP) Quarterly Update

Mr. David McLaughlin, Director of Engineering and Technical Services, reported that current projected CIP disbursements are \$646.3 million or 23 percent above the baseline disbursement projections of \$524.7 million for capital construction projects. This represents cash disbursements budget shortfall of \$121.6 million due impact of prior year invoice payments in FY 2014 and the shift in the timing of delayed projects in FY 2014. He explained that higher than planned disbursements for major program areas above the baseline are as follows: Wastewater (\$76.2 million mainly attributed to the Digester and Enhanced Nitrogen Removal Programs); Combined Sewer Overflow (\$59.5 million).

Mr. McLaughlin reported the status of all Priority 1 Projects, which are on schedule and within budget. He also stated that the CIP’s Key Performance Indicators (KPI), which measures the completion of critical project milestones for large capital projects during the year, were met during the third quarter. In response to Chairman Firestine’s enquiry on the overall CIP projections, Mr. Kim noted that these projected costs are exclusive of the Washington Aqueduct and Capital Equipment cost estimates.

Digester Project Financial Impact

Mr. McLaughlin briefed the Committee on the status of the Digester Project and on-going monitoring plan to mitigate major fiscal impacts. He explained the reasons for the project delay were due to scope changes, instrumentation challenges for complex interfaces, weather impacts, seeding delays and contractor performance issues. Mr. Kim explained the three primary areas of budgetary risks, due to the delay and the potential impacts on the FY 2015 operating budget are as follows and there exists conservatism within the budget to accommodate any budget shortfall:

- a) Hauling cost - 50% biosolids reduction,
- b) Chemical cost - elimination of the lime stabilization process, and
- c) Electricity savings – generation of energy from the digester

Chairman Firestine enquired about the net cost impact to FY 2015 budget. Mr. McLaughlin estimated the costs to be at \$2 to \$3 million subject to the success of on-going mitigation plans. Chairman Firestine requested that Management should prepare a written action plan to track accomplishments relative to the impact of the delay of the project. In response to Mr. Patterson’s question on independence of the contractor and commissioning agent, Mr. George Hawkins, General Manager, explained that staff will be reviewing liquidated damages available on the contract.

Financing Update

The Committee received an update from Mark Kim, CFO and Daniel Hartman, Managing Director, Public Financial Management DC Water's financial advisor. Mr. Kim and Mr. Hartman presented a plan to refund DC Water bonds issued in 2007, 2008, and 2009. Interest rates are currently extremely low and it is an opportune time to refund these bonds for significant savings to benefit DC Water ratepayers. It was also proposed that we refund the Series 2012B-1 bonds which are short-term variable rate bonds due to be refunded between December 2014 and June 2015. A draft Board Resolution to authorize the refunding of these bonds was recommended by the Committee for Board action.

Follow-up Items

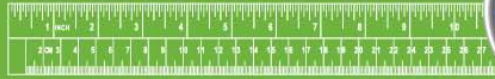
1. Provide a written plan of the of the potential cost and risk of the digester delay to the FY 2015 budget **(Chairman Firestine)**
2. Independent review of the contractor and commissioning agent should be undertaken in assessing liquidated damages **(Mr. Patteson)**

Adjournment

Hearing no further business, Chairperson Firestine adjourned the meeting at 12:04 p.m.



DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY



GENERAL MANAGER'S REPORT

George S. Hawkins
General Manager
October 2014

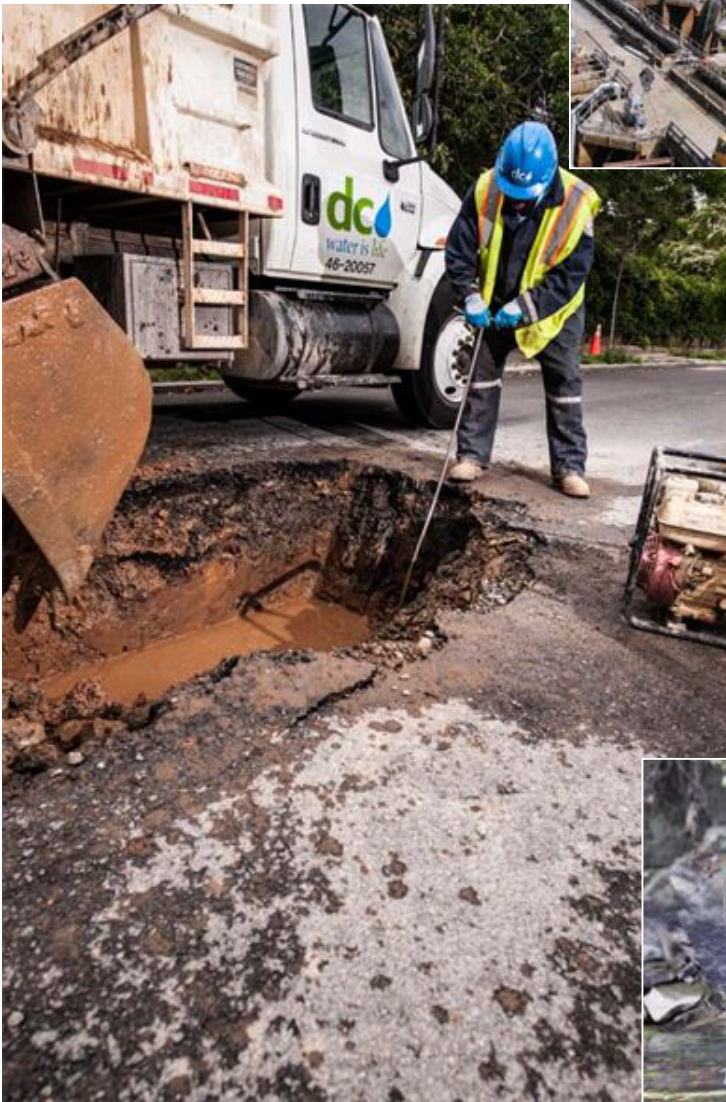


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Interpretation of Charts A

Color Key

Red	Did not meet Target
Yellow	Missed Target but within acceptable range
Green	Met/Exceeded Target
Gray	Budget/Target Value
<transparent>	Green/Yellow/Red based on comparison

EXECUTIVE SUMMARY

Greetings to the Board! We are in full swing after the summer break – if it can be called that for any of us!

PILOT and ROW. Thank you again for the quick review and assessment of the new Payment of Lieu of Taxes Memorandum of Understanding (MOU) we have finalized with the District. After many years of discussions, the final negotiations were completed in a focused burst which required the combined attention of the City Administrator's Office, DC Office of the Chief Financial Officer and our own team – particularly our CFO Mark Kim and his team. I believe this is a relatively unusual moment when the interests of every stakeholder to the negotiations are improved. We are still working resolutely on a similar MOU with the District over the Right of Way fee – and have proposed a second ten year MOU at the same amount as the previous arrangement. Upon completion of that MOU, we would disburse the funds that have been collected for 2014 to DDOT. The prior ROW agreement concluded in 2013 – and while we collected the funds for 2014, we have not had an instrument to trigger the payment to the District until the new MOU is complete.

Bloomingdale MOU. With somewhat less fanfare, but certainly not less importance – the City Administrator and I signed an MOU regarding DC Water's work in Bloomingdale. As most Board members will recall, several major flooding events in 2012 caused serious road flooding and sewer back-ups in the Bloomingdale and LeDroit Park neighborhoods. I toured the neighborhood with Councilmember McDuffie the morning after the worst flood, and walked through a basement apartment where the sewer had backed up with such force that it broke the sewer lateral, broke open a bathroom wall, and pushed the basement furniture toward the front and back doors where flow was pushing *out* of the basement! City Administrator Lew and I co-chaired a Task Force established by the Mayor to develop a response to this type of flooding event. We published a report in December 2012 that outlined a three-part response:

- Immediate – backwater valves, engineering consultations and rain barrel installations;
- Intermediate – low impact development, the repurposing of a McMillan sand filter and an accelerated building of a redesigned First Street Tunnel; and,
- Long-Term – accelerating by three years the massive Northeast Boundary Tunnel that will connect to the Clean Rivers tunnels all the way down to Blue Plains.

DC Water has lived up to its part by funding and implementing each stage of this plan – with the intermediate portion being constructed and planning underway for the Northeast Boundary Tunnel. The District agreed at the onset to cover any incremental costs that are above and beyond what DC Water would have already been spending to build the Clean Rivers project. We have now successfully concluded negotiating the MOU which memorialized the obligations of the parties in the Bloomingdale response, including \$58.6 million in additional costs that the District will reimburse DC Water. CFO Mark Kim will negotiate the exact details of this reimbursement with the District CFO. This has been an intensive and detailed negotiation that has unfolded since 2012, and has relied on the remarkable diligence and determination of Carlton Ray and his team, as well as Chief Engineer Len Benson, General Counsel Randy Hayman and CFO Mark Kim.

EXECUTIVE SUMMARY

Green Infrastructure Consent Decree Package. After successfully completing the MOUs for PILOT and Bloomingdale, we hope to turn equal attention to the Consent Decree package to modify our Clean Rivers Project. In short, we propose to downsize the tunnel planned for the Potomac River along the Georgetown waterfront and eliminate the tunnel for Rock Creek by capturing stormwater using green infrastructure in the areas that drain to the combined sewers that currently overflow. There are only a few remaining negotiating points with the District that we expect to resolve shortly. The next step is to submit our comment package to USEPA and the US Department of Justice – so we can engage in negotiations over the final Consent Decree modification package. I am hopeful to have an update on this score in the next GM Report.

Water Works! I joined my colleague Harlan Kelly, GM of the San Francisco Public Utilities Board (water, sewer and power) and Tony Parrott, Executive Director of the Metropolitan District of Greater Cincinnati to launch a national effort to convene the chief executives of water utilities to focus on one principal issue: the economic and community benefits that spring from our work, to parallel the obvious attention that is given to the costs. In every jurisdiction, water and sewer rates – however configured – are rising as old infrastructure is updated and new regulatory mandates and technological opportunities are implemented. We felt that attention has to be focused not just on rising costs, but on the opportunities we provide for good jobs, improved neighborhoods, and new businesses. From initial meetings in early 2014, we completed a study – founded on a survey of 30 municipal authorities – of our economic and community characteristics. On September 10, the Water Environment Research Foundation (WERF) and the Water Research Foundation (WRF) released a report that highlights the economic activity driven by these 30 utilities. The report found that:

- 30 of the largest water and wastewater agencies will invest more than \$230 billion over next decade; and
- these agencies support 289,000 permanent good-paying jobs, annually, strengthening America’s middle class; and
- DC Water will contribute \$13.1 billion in economic activity over ten years; and
- The Authority will provide 7, 090 jobs over the next years.

You will be pleased to note that this group chose to adopt the name DC Water uses for its own jobs program – DC Water Works – by calling the national effort “Water Works!” The entire report can be found on the [Water Works! website](#), and a DC Water-specific fact sheet is available [online here](#). We will continue to emphasize the importance our organizations play in the communities we serve.

QR Codes Streamline the Report-a-Problem Process. In the past, DC Water customers could only report problems via phone or through our Report-a-Problem feature on the main page – www.dewater.com. While this has been effective, it requires the user to know the DC Water phone number or website and know the Report-a-Problem feature is available. That will soon change thanks to QR or quick response codes that are soon to appear on DC Water hydrants and catch basins. QR Codes will enable individuals to scan a code with a smart phone and directly connect the person with DC Water’s Report-a-Problem application. The user can quickly describe the problem, tag the location of the hydrant or catch basin, include a photo and submit the report to the DC Water Command Center in real-time. Simplifying the process of reporting

EXECUTIVE SUMMARY

problems in our system increases the number of reported problems and allows DC Water to improve the time in which we can respond to issues.



Government Relations. Office of External Affairs staff facilitated and participated in a tour for the White House Office and Management and Budget (OMB) budget examiners at the Washington Aqueduct Dalecarlia facility. The examiners are responsible for developing budgets for the EPA and U.S. Army Corps of Engineers respectively. The tour, which was hosted by the General Manager of the Aqueduct, helped educate them on the drinking water treatment process, capital budgeting for water projects, and the unique structure of the Washington Aqueduct.

The General Manager participated in an invitation-only Build America Summit hosted by the Obama Administration. At the Summit, leaders from industry, finance, philanthropy, and local and state governments convened with senior White House officials to build partnerships and develop strategies to increase public and private investment in infrastructure projects. In a minor victory, the discussion included water infrastructure investments which is often left out of federal infrastructure policy discussions.

External Affairs

Website

Session totals for the period of August 16, 2013 through September 15, 2014:

- Total Sessions: 79,721
- Total New Sessions: 44,595

Media coverage and inquiries included:

- Green century bonds continue to garner press coverage with mentions in *Boston Globe*, *Water Online* and others.
- A *Washington Post* article on the lower demand for water causing the need to raise rates included a quote from DC Water's Chuck Sweeney on DC Water's consumption.
- DC Water's Cured in Place Pipe (CIPP) program featured as cover story of *Municipal Sewer and Water* titled: "A Cure for What Ails."
- Connect 4 Climate (August 15, online blog) ran a story about DC Water's biosolids program entitled, "There is no such thing as waste, only wasted resources."
- OEA worked with National Park Service on a release regarding the dry weather overflow at 20th and Biltmore. This received media attention.

EXECUTIVE SUMMARY

- The following press releases and media or traffic advisories were issued:
 - September 10: DC Water joins water leaders on Capitol Hill to rally for support for investment in US cities, jobs and competitiveness
 - September 9: Heavy Construction for First Street Tunnel Project is Underway- Commuters/Through Traffic Travelers are Advised to Seek Alternative Routes
 - September 8: MEDIA ADVISORY: CONGRESSIONAL, CITY AND WATER SECTOR LEADERS CELEBRATE HOW MASSIVE WATER INFRASTRUCTURE INVESTMENTS ARE STRENGTHENING AMERICAN CITIES, JOBS, COMPETITIVENESS
 - September 3: DC Water's George S. Hawkins awarded prestigious Fuller Award by the American Water Works Association
 - August 29: DC Water Repairing Sewer Line Near Rock Creek Park: Blockage caused sewage to overflow into Rock Creek
 - August 22: Westbound Mt. Olivet Road Lane Closure Continues Through September 5

Digital Communications

OEA welcomed Andy Le to the newly created position of Digital Communications Manager. Andy comes to DC Water from DCPS where he expanded the school system's digital following, engagement and influence. He is currently developing a social media strategy document to guide OEA's digital work for the next 12 months. The priority will be on content development and audience growth. DC Water also adopted a social media analytics tool to help us track DC Water's growth and effectiveness. We're also now Verified by Twitter. Along with NY and SF Water, we are one of a handful utilities that have been verified.

Emergency Management Communications

The DC Water Drinking Water Public Notification Plan was distributed internally and a training session was held for staff. Now the DC Water Sewer Publication Notification Plan development is underway.

Customer Newsletter

The August customer newsletter included a cover story on the Fort Reno green roof celebration, DC Water's free water education programs for students, leaves and catch basins, SPLASH, and a spotlight on the Alliance for the Chesapeake Bay. The GM Message focused on the historic sale of DC Water's green century bonds.

Community Meetings/Press Events

- DC Water held this year's "Water Wednesdays" Taste Test Challenges, in Ward 3, 4, 5 and 6. A total of 355 participants took the challenge.
- DC Water provided its Cooling Station, Misting Tent, "Wendy the Water Drop" Mascot, literature and giveaways during the Bellevue Public Library's annual Back to School Event.
- As a show of support for the 10th Annual DCPS Beautification Day Event, DC Water helped to keep volunteers at Charles R. Drew Elementary School refreshed with tap water while they worked.

EXECUTIVE SUMMARY

- As part of ongoing outreach efforts to the Bloomingdale and LeDroit Park neighborhoods in support of the First Street Tunnel Project, DC Water convened its monthly First Street Tunnel community Forum to review and address resident concerns regarding the construction project, its impacts to the surrounding community, and possible mitigation measures.
- DC Water provided its Cooling Station, Misting Tent, “Wendy the Water Drop” Mascot, literature and giveaways during the First Baptist Church Marshall Heights’ Community Back To School Festival.
- DC Water attended the Single-Member District 4A01 Monthly Meeting to provide an update on the Clean Rivers Project, more specifically the Green Infrastructure Modification proposal, as it directly affects residents within that immediate ANC area.
- As part of its ongoing partnership with the University of the District of Columbia, DC Water attended its Live Green Expo 2014, providing the Cooling Station, mobile Water Conservation Unit and team, “Wendy the Water Drop” Mascot, literature and giveaways.
- DC Water participated in the annual Adams Morgan Day Festival, providing the Misting Tent, Cooling Station, “Wendy the Water Drop” Mascot, Quench Buggy, literature and giveaways.
- DC Water attended the ANC 6A Transportation & Public Space Committee Monthly Meeting to provide an update on its soon-to-start Small Diameter Water Main Replacement Project on 17th Street, from C Street NE to Potomac Avenue SE. Of particular interest to both ANC’s 6A and 6B is the coordination of this project with DDOT’s 17th and 19th Streets Safety Improvement Project.

Drinking Water Marketing and Communications

- Office of External Affairs provided an overview of DC Water sustainability efforts to American University students to compliment their tour of Blue Plains.
- DC Water participated in an emerging contaminants workgroup meeting convened by the Potomac Drinking Water Source Protection Partnership.
- DC Water promoted TapIt Metro D.C. at the Georgetown New Student Orientation with water quality trivia and reusable water bottle giveaways.
- DC Water attended the quarterly Potomac Drinking Water Source Protection Partnership meeting as an official member.
- DC Water chaired the monthly Metropolitan Washington Council of Governments - Community Engagement Campaign Committee meeting.

Tours

- 20 students from American University Sustainability
- 28 guests from Water Environment Research Foundation (WERF)
- 4 guests from American Society of Civil Engineers
- 5 guests from Federal Aviation Administration Security

Internal Communications

- The Office of External Affairs is working with the Department of Occupational Safety and Health to launch a video contest. Employees are asked to submit a creative 2-3 minute video about safety. The contest ends on Oct. 24.
- The Office of External Affairs produced a two-minute video featuring the biosolids program and the DC Water garden as a supplement to the August issue of FOCUS. The

EXECUTIVE SUMMARY

video was also made available on the Authority's social media networks (e.g., YouTube, Twitter, etc).

- The September issue of FOCUS included stories about several awards the Authority received and a photo of General Manager George Hawkins taking the ice bucket challenge.

SUMMARY OF FINANCIAL ACTIVITIES FROM THE CFO

At the end of August, with approximately 92 percent of the fiscal year completed, we are on track with budgetary expectations, with the exception of significant over spending in capital disbursements as reported in prior months. Additional information is available in the monthly financial report.

Operating Revenues & Receipts

Cash receipts totaled \$445.7 million, or 95 percent of the revised FY 2014 budget of \$467.2 million. Several categories of customers make payments on a quarterly basis, including the Federal and District governments, and wholesale customers.

Operating Expenditures

Operating expenditures (including debt service and the right of way and PILOT fees) totaled \$383.9 million, or 87 percent of the revised FY 2014 budget of \$441.7 million. These numbers include estimated, incurred but unpaid, invoices and are subject to revision in subsequent reports.

Capital Disbursements

For the month of August 2014, actual disbursements totaled \$35.7 million, with year-to-date disbursements totaling \$622.0 million or approximately 12 percent over the revised FY 2014 disbursements budget of \$557.1 million. Planned capital disbursements through August 2014 were \$520.4 million. The spending variance is higher by \$101.5 million due to higher spending in the Wastewater and Combined Sewer Overflow service areas as previously reported.

Cash Reserves and Investments

The operating reserve balance was \$152.9 million as compared to the FY 2014 operating reserve level objective of \$125.5 million. The balances in the Rate Stabilization and DC PILOT Funds remained unchanged at \$28.9 million and \$22.4 million, respectively, since September 2013, while the DC ROW Fund is at \$5.1 million. The CSO LTCP Appropriations Account balance is \$37.1 million.

Public Financial Management – Asset Management (PFAM) invested approximately \$60 million of operating reserve funds and will manage the proceeds from the 2014A&B bond sales.

Overall Portfolio Performance







DC Water's total investment portfolio performed well and complied with the Authority's Investment Policy. Returns exceeded the established benchmarks for short term (less than one year) and core (one plus years) funds. Operating funds interest income for August (on a cash basis) was \$7,909, with year-to-date totals of \$294,029 as compared to the budget of \$380,527 for the year.

ORGANIZATIONAL PERFORMANCE DASHBOARD (AUGUST, 2014)

Financial Highlights

Net Operating Cash Actual 65187 Target 35123 (\$ tho)	Operating Revenues Actual 446 Target 428 (\$ mil)	Operating Expenses Actual 384 Target 405 (\$ mil)	Capital Disbursements Actual 622 Target 520 (\$ mil)
Operating Cash Balance Actual 169 Target 126 (\$ mil)	Delinquent Account Receivables Actual 1 Target 3 (%)	Core Investments Yield Actual 0.56 Target 0.48 (%)	Short Term Investment Yield Actual 0.35 Target 0.03 (%)

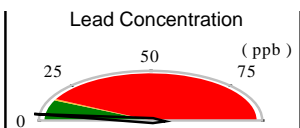
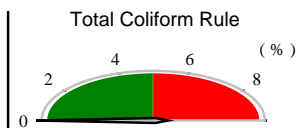
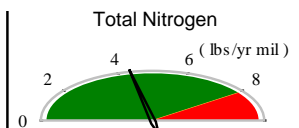
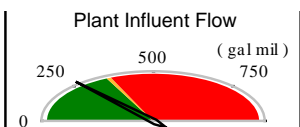
Customer Care and Operations Highlights

Call Center Performance  Aug 85 85 (% of calls rec)	Command Center Performance  Aug 92 85 (% of calls rec)	First Call Resolution  Aug 79 75 (% of calls rec)	Emergency Response Time  Aug 91 90 (% of calls rec)
Fire Hydrants out of Service  Aug 62 96 (count)	Fire Hydrant Inspection 0 (count)	Fire Hydrants Repaired 53 (count)	Fire Hydrants Replaced  Aug 171 250 (YTD count)
Permit Processing within SLA 91 (%)			

Low Income Assistance Program

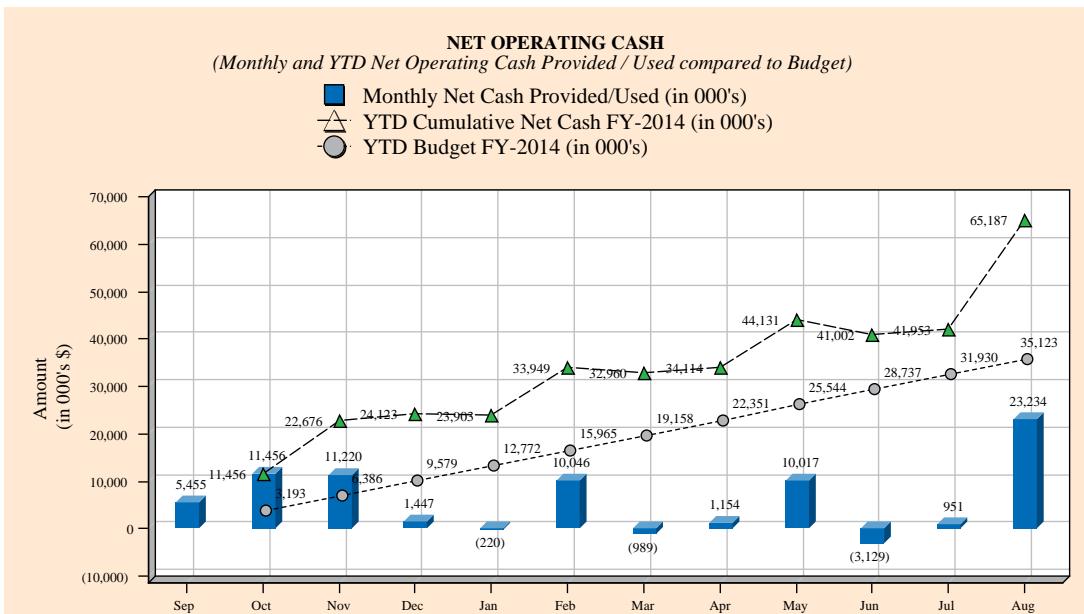
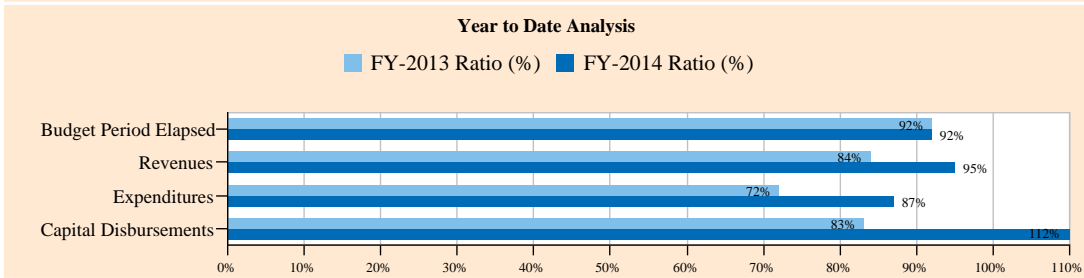
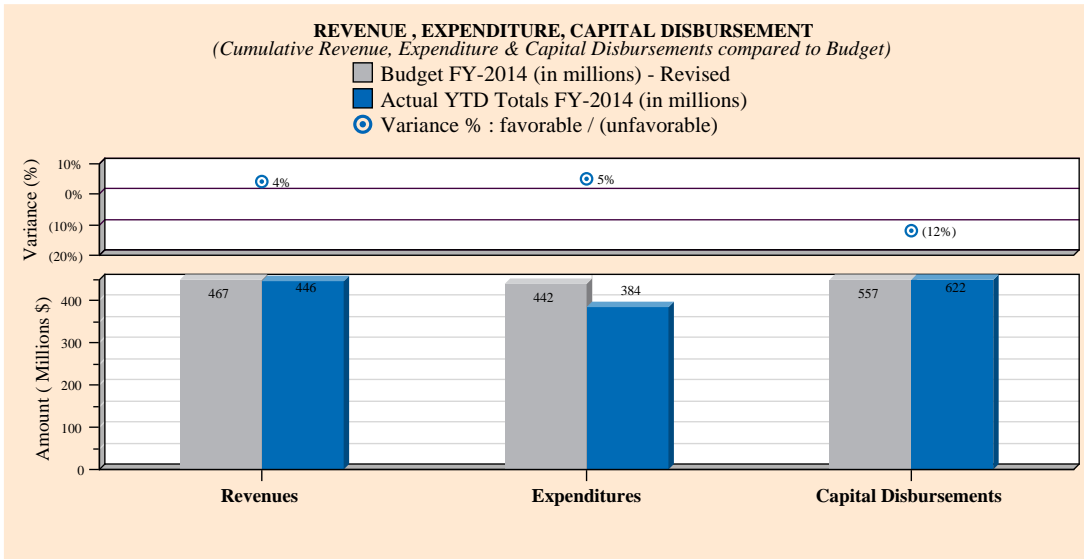
Splash Contributions Actual 100 Target 73 (\$ tho)	Customer Assistance Program Previous 135 Current 148 (\$ tho)
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Operational Highlights

Lead Concentration 	Total Coliform Rule 	Biosolids Production 967 (wet tons)	Total Nitrogen 
Plant Influent Flow 	Excess Flow 43 (gal mil)	Water Main Leaks 30 (count)	Water Valve Leaks 0 (count)
Non-Revenue Water Sold 8 Purchased 12 (CCF mil)	Sewer Main Backups 5 (count)	Sewer Lateral Backups 202 (count)	Dry Weather CSO 1 (events)
Recruitment Activity Filled 5 Open 133 (count)	Electricity Usage 20711 (MWh)	Employee Lost Time Accidents 13 (count)	Vendor Payments Actual 99 Target 97 (%)

FINANCIAL HIGHLIGHTS

FINANCIAL PERFORMANCE SUMMARY



Net cash to date for August was above budget by \$30 Million

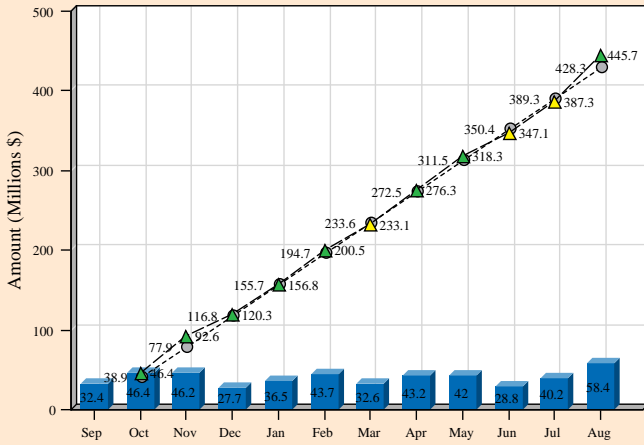
FINANCIAL HIGHLIGHTS

REVENUES AND OPERATING EXPENSES

OPERATING REVENUES

Monthly & Cumulative Revenue compared to YTD Budget

- Actual Monthly Revenue
- △ YTD Cumulative Revenue FY-2014
- YTD Cumulative Budget FY-2014

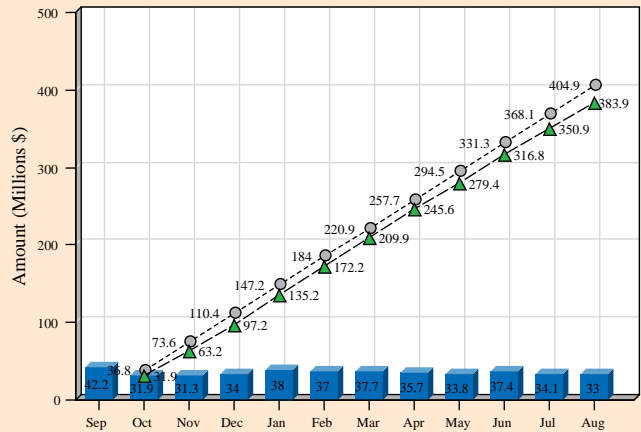


Revenue to date for August was above budget by \$17 Million

OPERATING EXPENSES

Monthly & Cumulative Expenditure compared to YTD Budget

- Actual Monthly Expenses
- △ YTD Cumulative Expenditure FY-2014
- YTD Cumulative Budget FY-2014



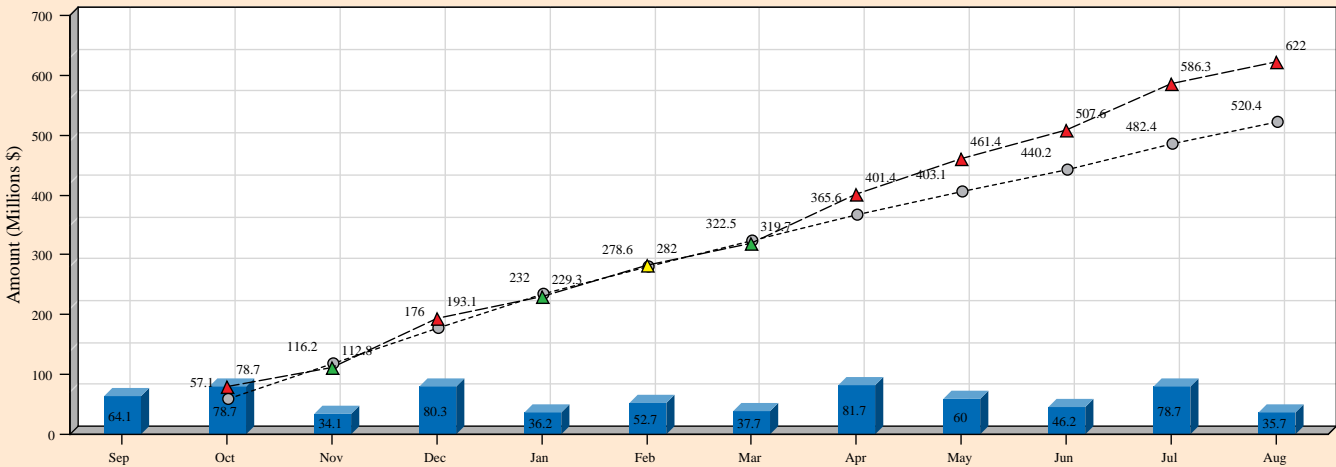
Expenditure to date for August was below budget by \$21 Million

CAPITAL SPENDING

CAPITAL DISBURSEMENTS

Monthly & Cumulative Disbursements compared to YTD Budget

- Actual Monthly Disbursements
- △ YTD Cumulative Disbursements FY-2014
- YTD Cumulative Budget FY-2014



Disbursements to date for August were above budget by \$102 Million

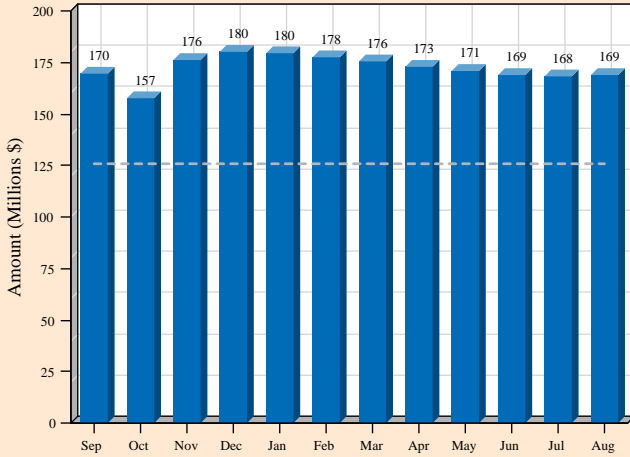
FINANCIAL HIGHLIGHTS

OPERATING CASH AND RECEIVABLES

OPERATING CASH BALANCE

Average Daily Cash Balance compared to Operating Reserve Target

- Actual Cash Balance
- - - Operating Reserve Target - (126 Million)

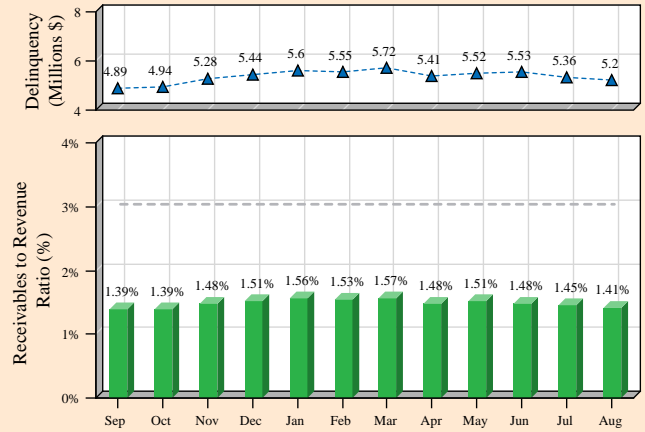


Cash Balance for August was above target by \$44 million

DELINQUENT ACCOUNT RECEIVABLES

Delinquency & Receivables to Revenue Ratio compared to Target

- Receivables to Revenue Ratio
- ▲ Delinquencies (in millions)
- - - Target: Receivables to Revenue Ratio (3%)



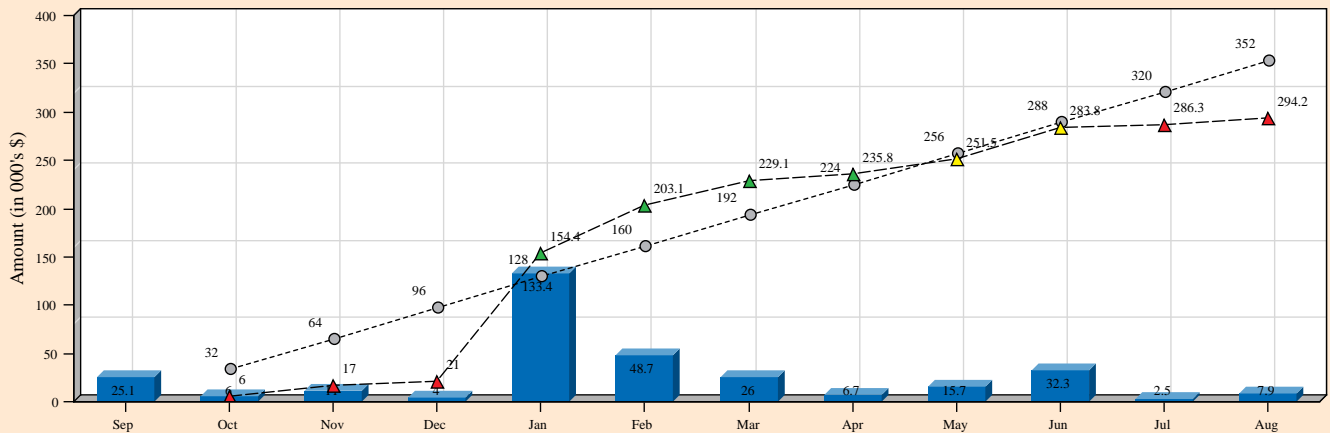
August Receivables to Revenue Ratio 1.4%, Delinquency \$5.2 Million

INVESTMENT EARNINGS

INVESTMENT CASH EARNINGS

Monthly & Cumulative Earnings compared to YTD Budget

- Monthly Earnings (in 000's)
- ▲ YTD Cumulative Earnings FY-2014 (in 000's)
- YTD Cumulative Earnings Budget FY-2014 (in 000's)



Earnings to date for August were below Projected Budget by \$58,000

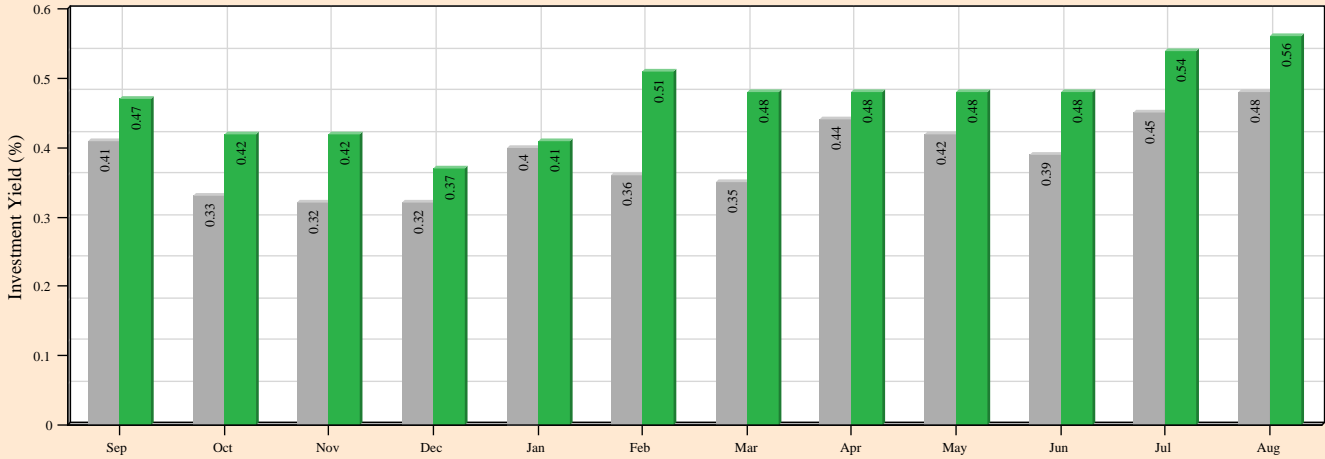
FINANCIAL HIGHLIGHTS

INVESTMENT YIELD

CORE INVESTMENTS YIELD

Monthly Yield compared to Merrill Lynch Benchmark

- Actual Monthly Yield (%)
- Merrill Lynch 1-3 Year Treasury Index - Book Value (%)

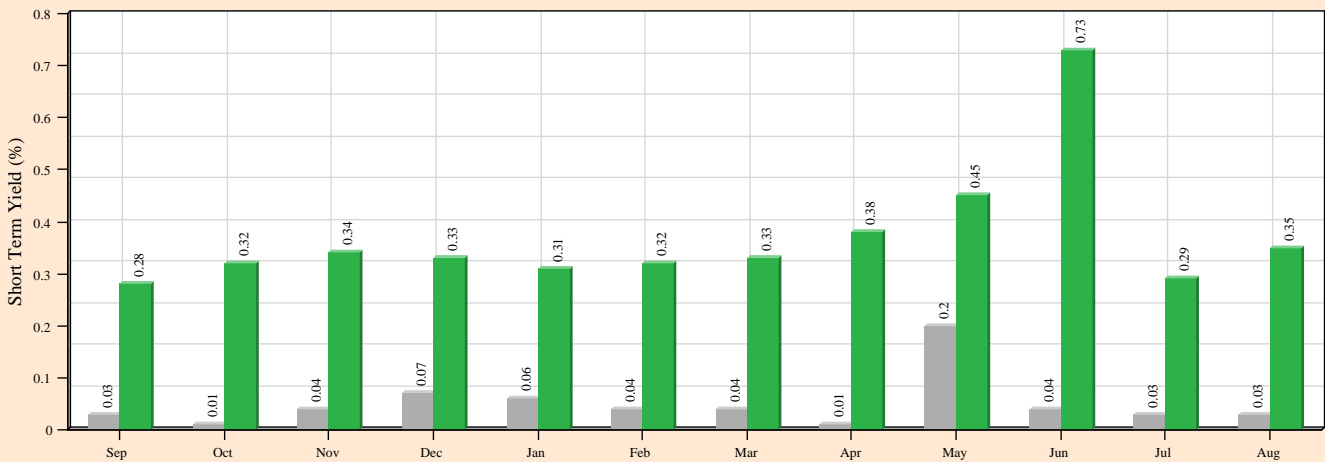


Yield for August was higher than the treasury index by 0.08%

SHORT TERM INVESTMENT YIELD

Short Term Yield compared to Merrill Lynch Benchmark

- Actual Monthly Yield (%)
- Merrill Lynch 3-Month Treasury Index - Book Value (%)



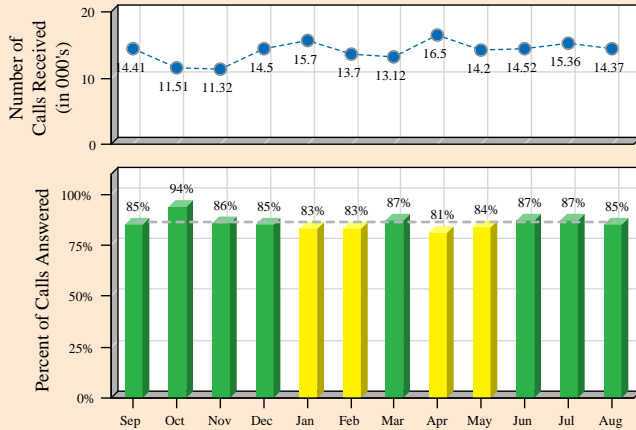
Short Term Yield for August was above than the Merill Lynch yield by 0.32%

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

CUSTOMER SERVICE

CALL CENTER PERFORMANCE
Calls Answered within 40 Seconds compared to Target

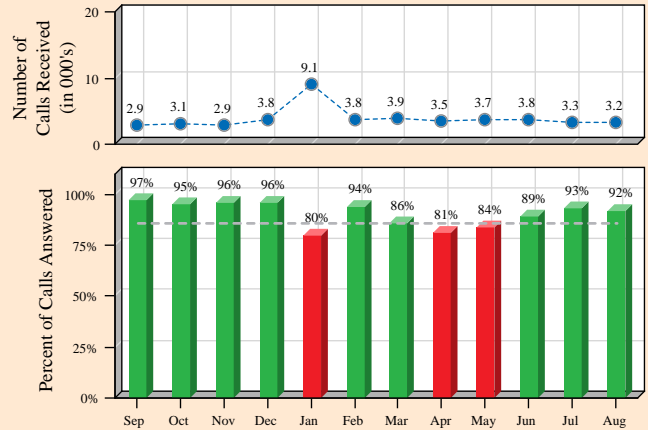
- Call Center: Calls answered (%)
- No of Calls - Call Center (in 000's)
- Target -Call Center (85%)



Performance for August was at target

COMMAND CENTER PERFORMANCE
Calls Answered within 40 Seconds compared to Target

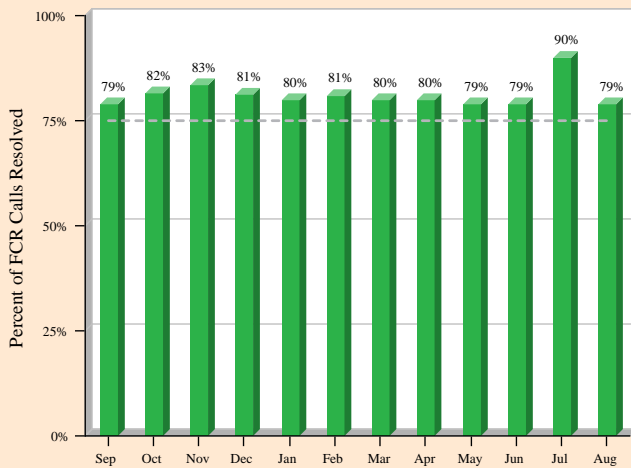
- Command Center: Calls answered (%)
- No of Calls - Command Center (in 000's)
- Target -Command Center (85%)



Performance for August was above target by 7%

FIRST CALL RESOLUTION (FCR)
Calls resolved on first contact compared to Target

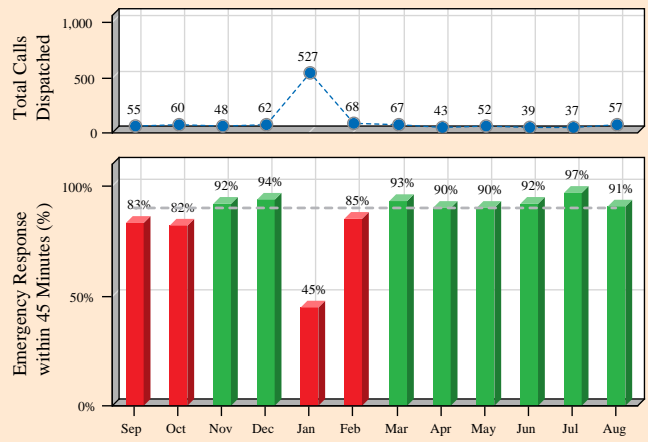
- FCR (%)
- FCR Target (75%)



Performance for August was above target by 4%

EMERGENCY RESPONSE TIME
Calls responded to within 45 Minutes compared to Target

- Response (%) within Target
- Total Emergency Calls Dispatched
- Response Target (90%)



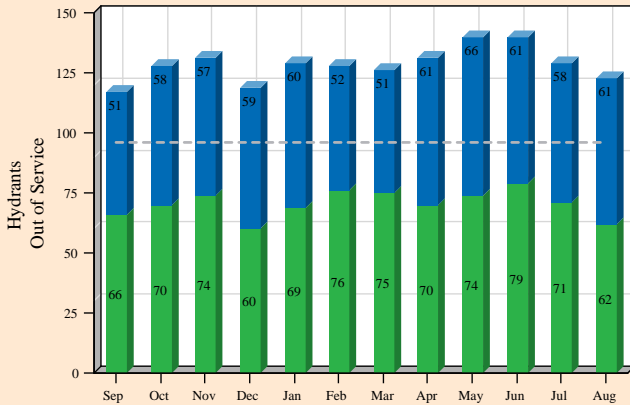
Performance for August was above target by 1%

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

FIRE HYDRANTS

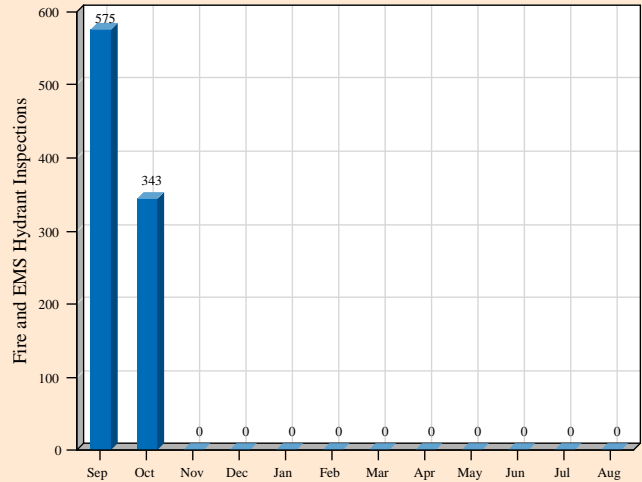
FIRE HYDRANTS OUT OF SERVICE (OOS)
Total Hydrants Out of Service against Target

- Out of Service Fire Hydrants (Defective OOS Hydrants)
- In-Operational - OOS Due to Inaccessibility or Temporary Work
- Out of Service Hydrants Target (96)



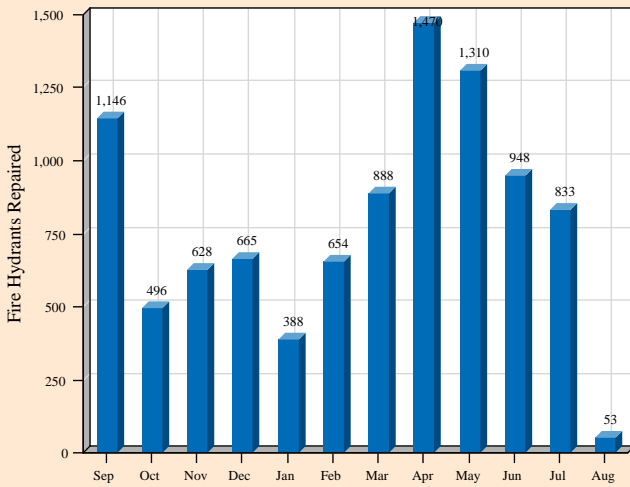
FIRE HYDRANT INSPECTION
Total Hydrants Inspected per Month

- Total No of Fire and EMS Hydrant Inspections



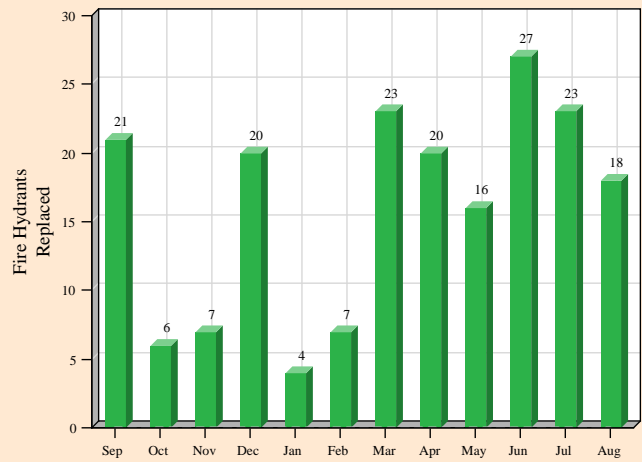
FIRE HYDRANT REPAIRS
Total Hydrants Repaired per Month

- Total No of Hydrants Repaired



FIRE HYDRANT REPLACEMENTS
Total Hydrants Replaced per Month

- Hydrants Replaced
- Annual Replacement Target (250)

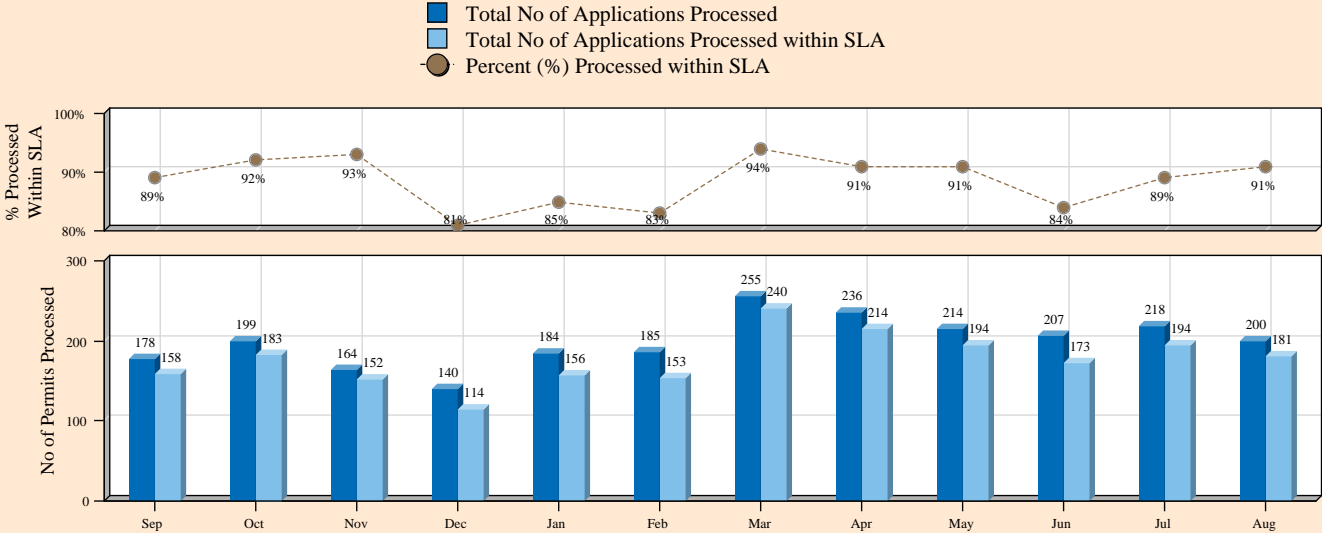


Total replacements as of August were 171 against annual projections of 250

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

PERMIT PROCESSING

TOTAL APPLICATIONS PROCESSED WITHIN SERVICE LEVEL AGREEMENT (SLA)



SLA Examples: Raze Permit - 14days, Sheeting and Shoring - 14 days, Preliminary Plan Review - 45 days
Permits not processed within SLA in August were 9% Note that different SLA's range from 7 days to 45 days

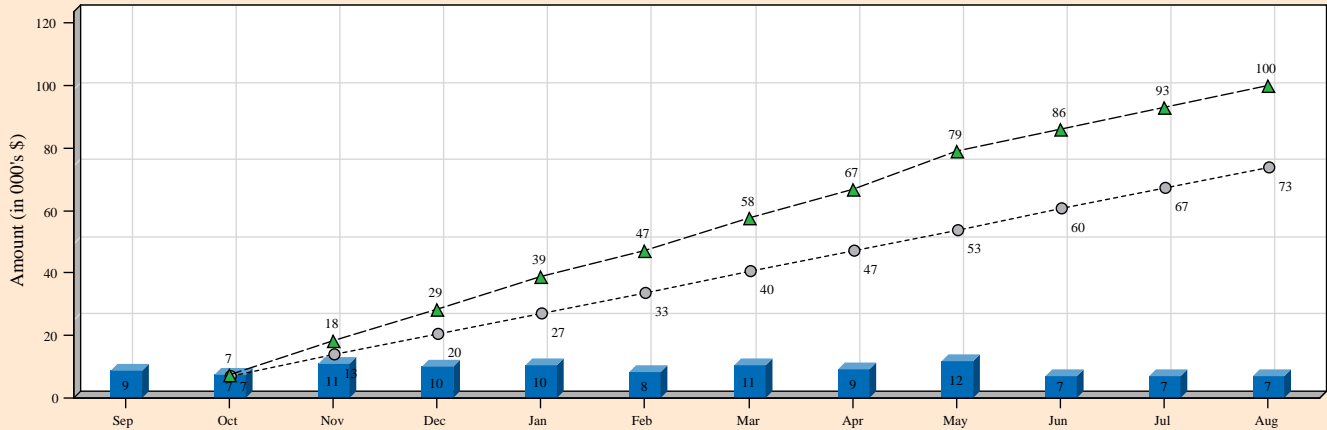
LOW INCOME ASSISTANCE PROGRAM

SPLASH PROGRAM

SPLASH CONTRIBUTIONS

Monthly and Cumulative Contributions compared to YTD Target

- Monthly Contributions (in 000's)
- △ YTD Cumulative Contributions FY-2014 (in 000's)
- Projected YTD Target FY-2014 (in 000's)



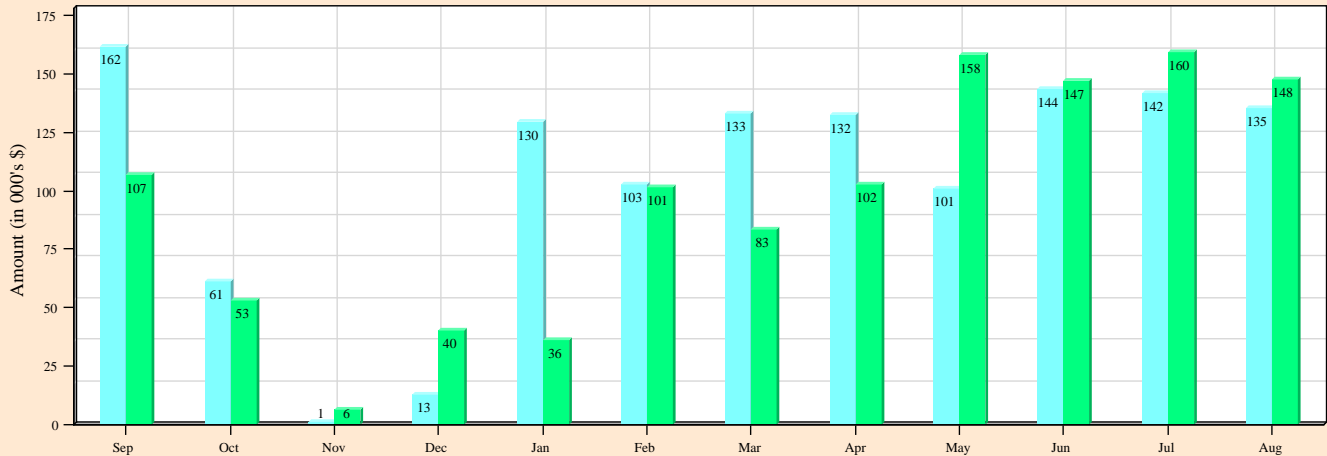
Total SPLASH Contributions to date for August were above target by \$27,000

CUSTOMER ASSISTANCE PROGRAM (CAP)

CUSTOMER ASSISTANCE PROVIDED

Monthly Assistance Provided compared to corresponding Previous Year Periods

- Actual Monthly Amount - Previous Year (in 000's)
- Actual Monthly Amount - Current Year (in 000's)

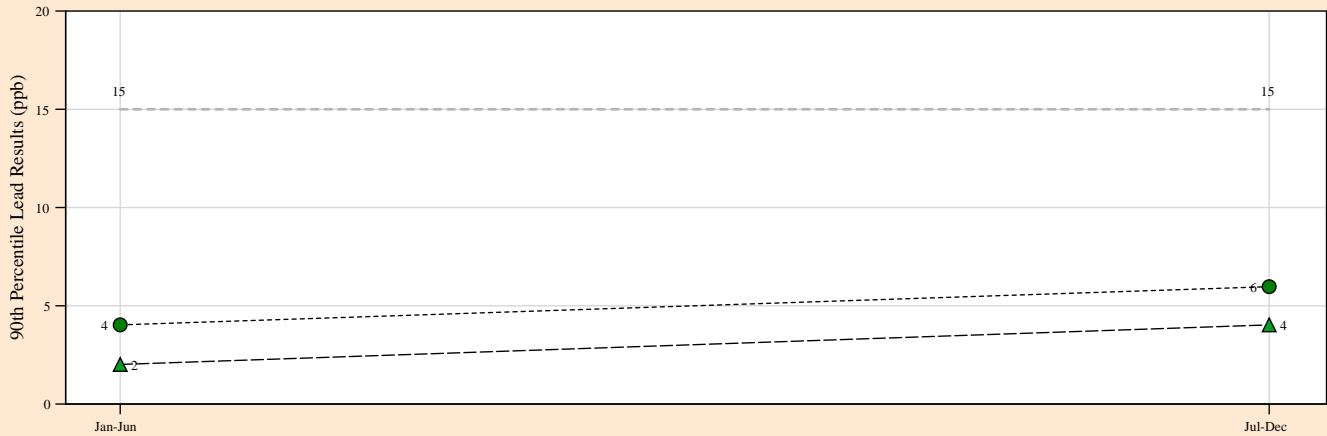


OPERATIONAL HIGHLIGHTS

DRINKING WATER QUALITY

LEAD AND COPPER RULE (LCR) COMPLIANCE
Semi-Annual LCR Monitoring Results

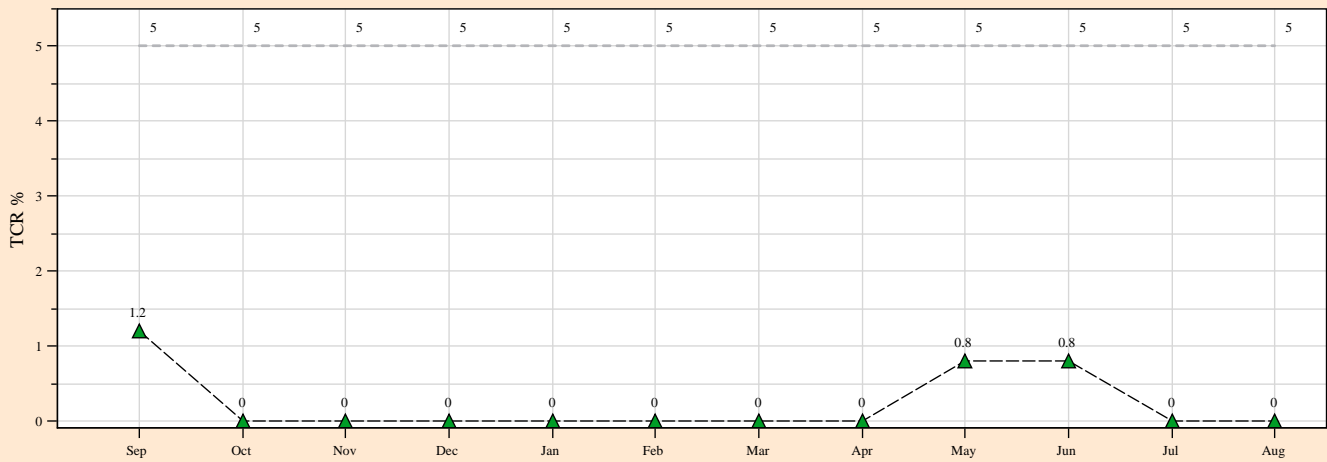
- 2013 LCR Results
- △ 2014 LCR Results
- Action Level : 15 parts per billion (ppb)



Jul-Dec 2014 results to date

TOTAL COLIFORM RULE (TCR)
Total Coliform Positives compared to EPA Maximum Contaminant Level (MCL)

- △ TCR Level
- EPA Maximum Contaminant Level (5%)



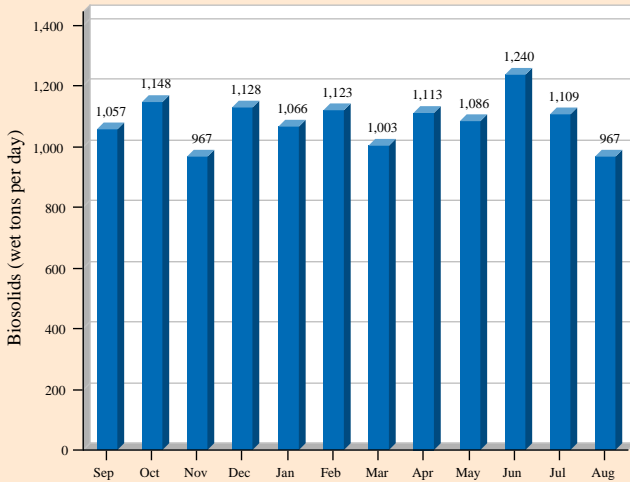
No Coliform Positives were recorded in August

OPERATIONAL HIGHLIGHTS

WASTEWATER TREATMENT

BIOSOLIDS PRODUCTION
Average Daily Biosolids Production

■ Average Daily Biosolids Hauled

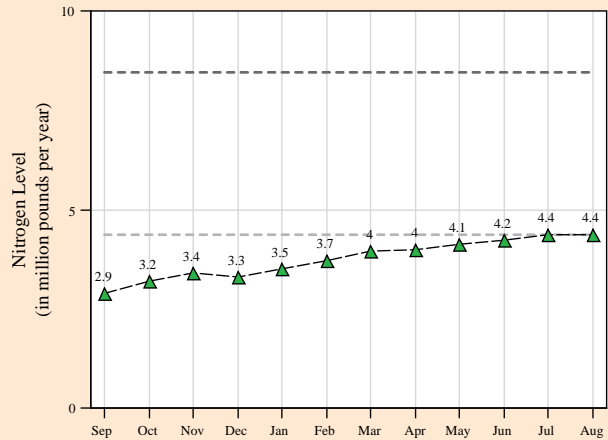


Biosolids Average Daily Production for August was 967 wet tons per day

TOTAL NITROGEN

Total Nitrogen compared to Current and 2015 Permit Levels

△ Nitrogen Rolling 12 months (lbs/yr)
 - - - Proposed Limit for 2015 - 4.38 Million (lbs/yr)
 - - - Current Permit Limit - 8.47 Million (lbs/yr)

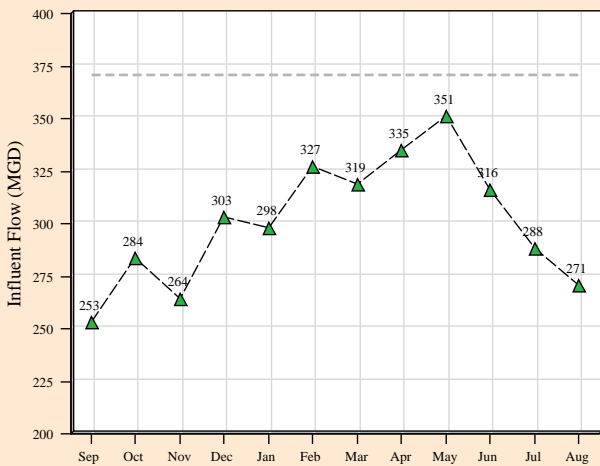


Nitrogen level for August was below permit by 4.1 million lbs/yr

PLANT INFLUENT FLOW

Influent Flow compared to Plant Design Average Limit

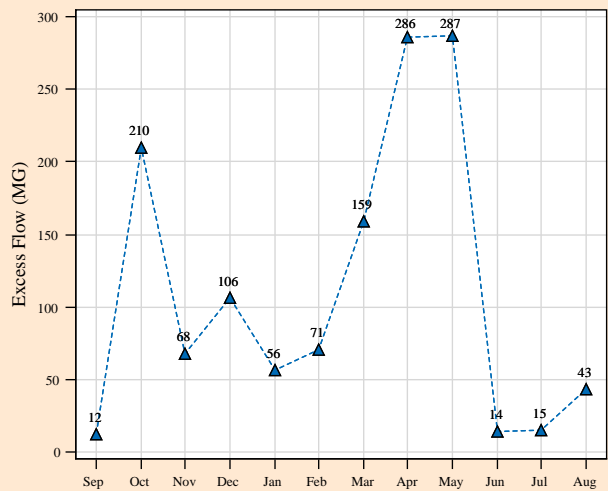
△ Influent Flow
 - - - Design Average (370 mgd)



In August, influent flow was below design by 99 MGD

EXCESS FLOW

△ Excess Flow

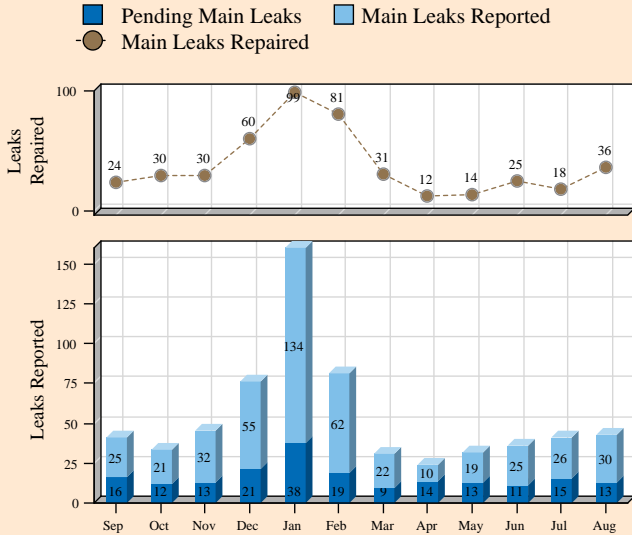


43 Million Gallons per day excess flow were recorded in August 2014

OPERATIONAL HIGHLIGHTS

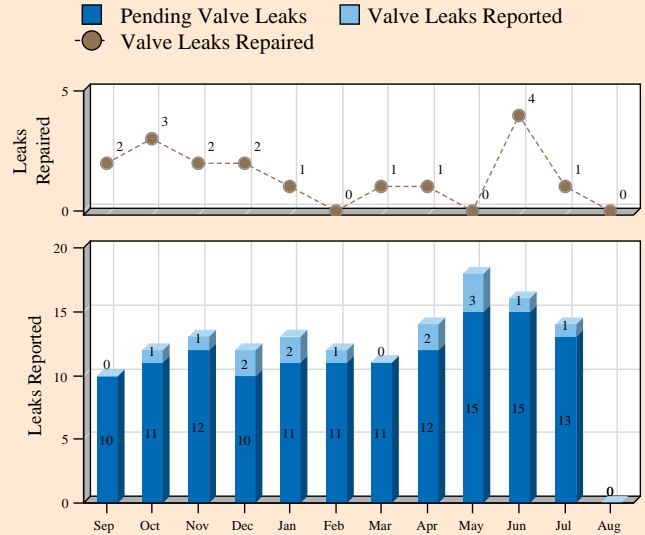
WATER DISTRIBUTION OPERATIONS

WATER MAIN LEAKS



There were 30 main leaks reported in August

WATER VALVE LEAKS



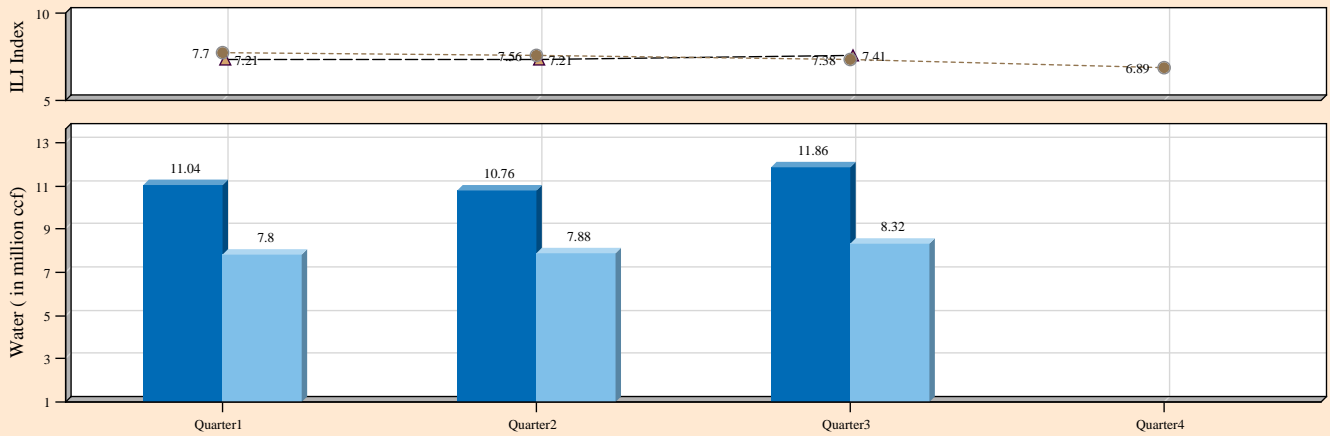
No leak was resolved in August

WATER BALANCE

NON-REVENUE WATER

Volume of Water Purchased and Sold per Quarter

- FY-2014: Water Purchased
- FY-2014: Water Sold
- FY-2013: Infrastructure Leakage Index
- ▲ FY-2014: Infrastructure Leakage Index



In the third quarter 8.3 out of 11.9 million cubic feet of water was sold

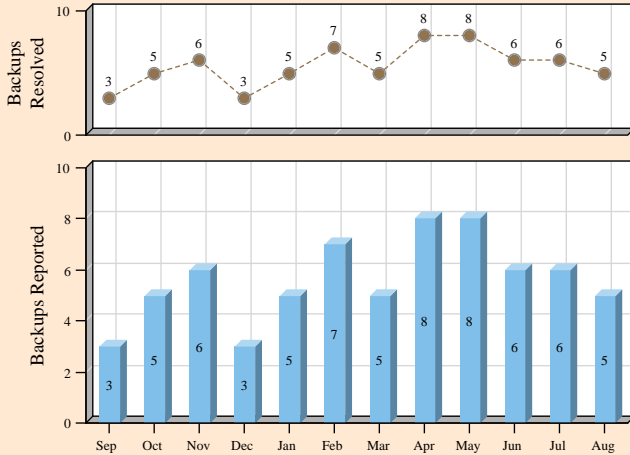
OPERATIONAL HIGHLIGHTS

SEWER SYSTEM OPERATIONS

SEWER MAIN BACKUPS

Sewer Mains Backed Up and Relieved per Month

- Pending Main Backups
- Main Backups Reported
- Main Backups Resolved

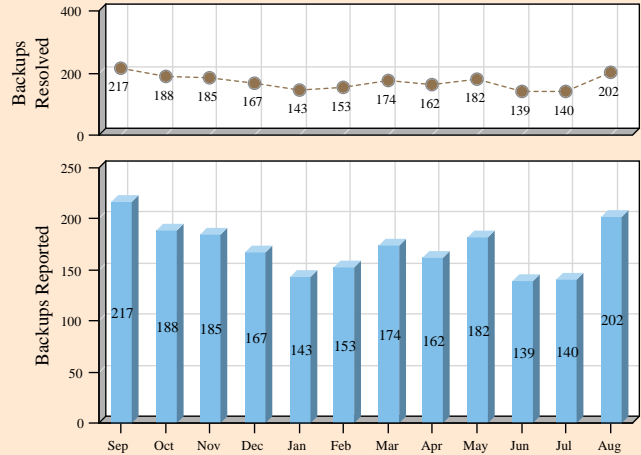


No pending main backups reported

SEWER LATERAL BACKUPS

Sewer Laterals Backed Up and Relieved per Month

- Pending Lateral Backups
- Lateral Backups Reported
- Lateral Backups Resolved



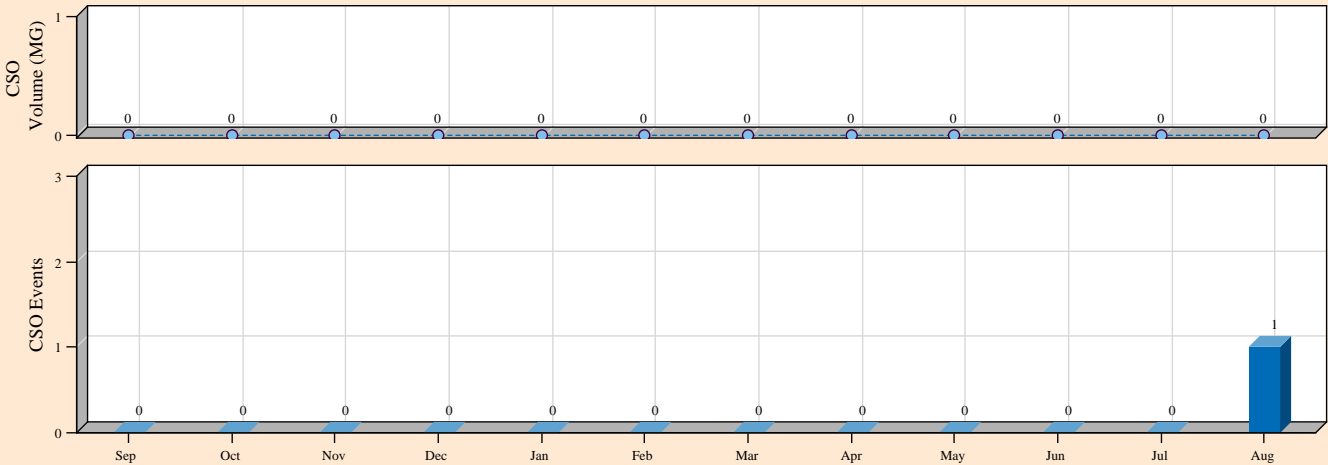
No pending lateral backups reported

COMBINED SEWER SYSTEM

DRY WEATHER CSO EVENTS

Combined Sewer Overflow Volume and No of Events per Month

- Number of CSO Events
- Overflow Volume (MG)



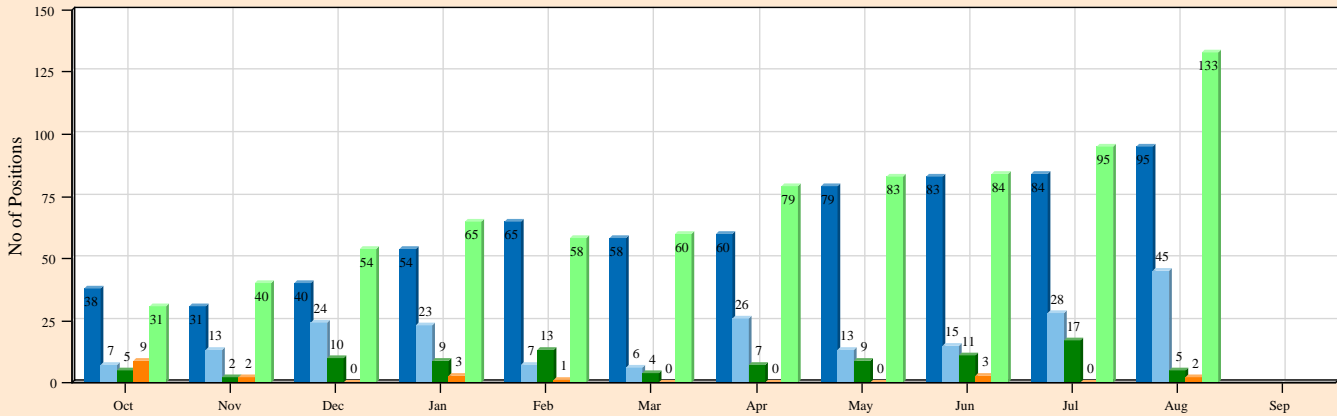
One (1) dry weather Combined Sewer Overflow event was recorded in August 2014

OPERATIONAL HIGHLIGHTS

HUMAN RESOURCES

RECRUITMENT ACTIVITY

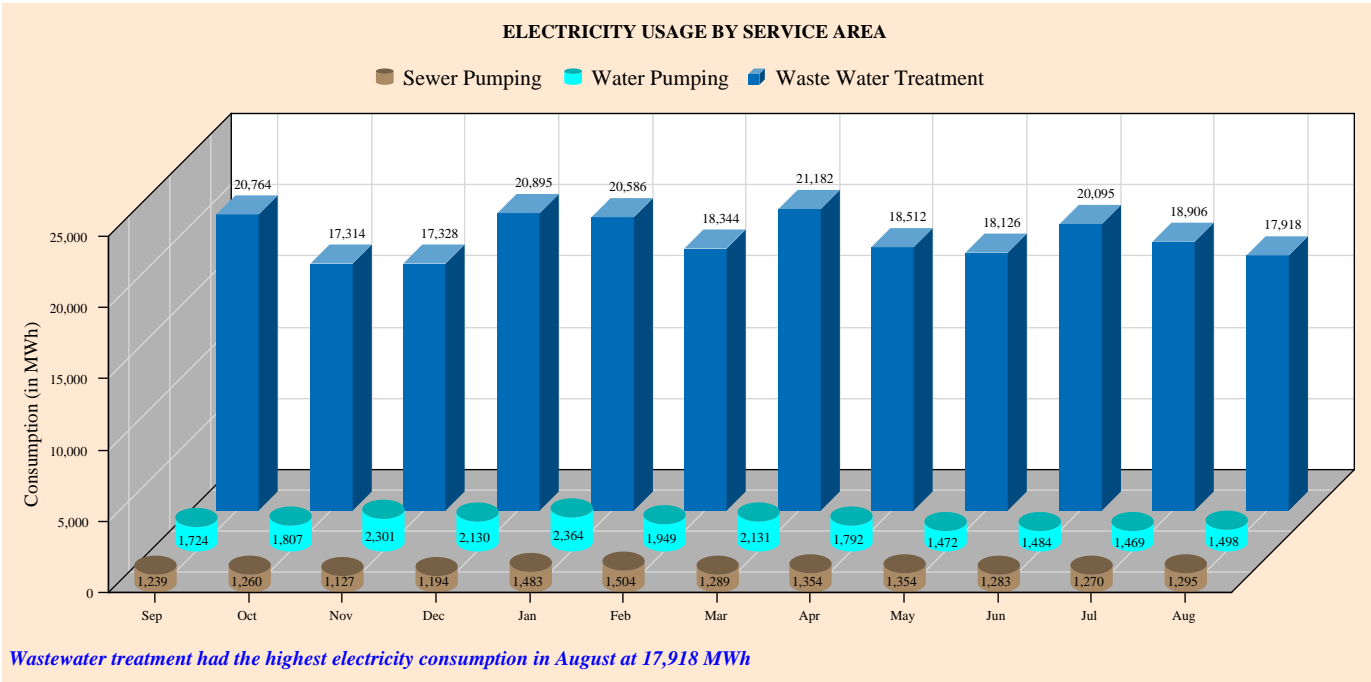
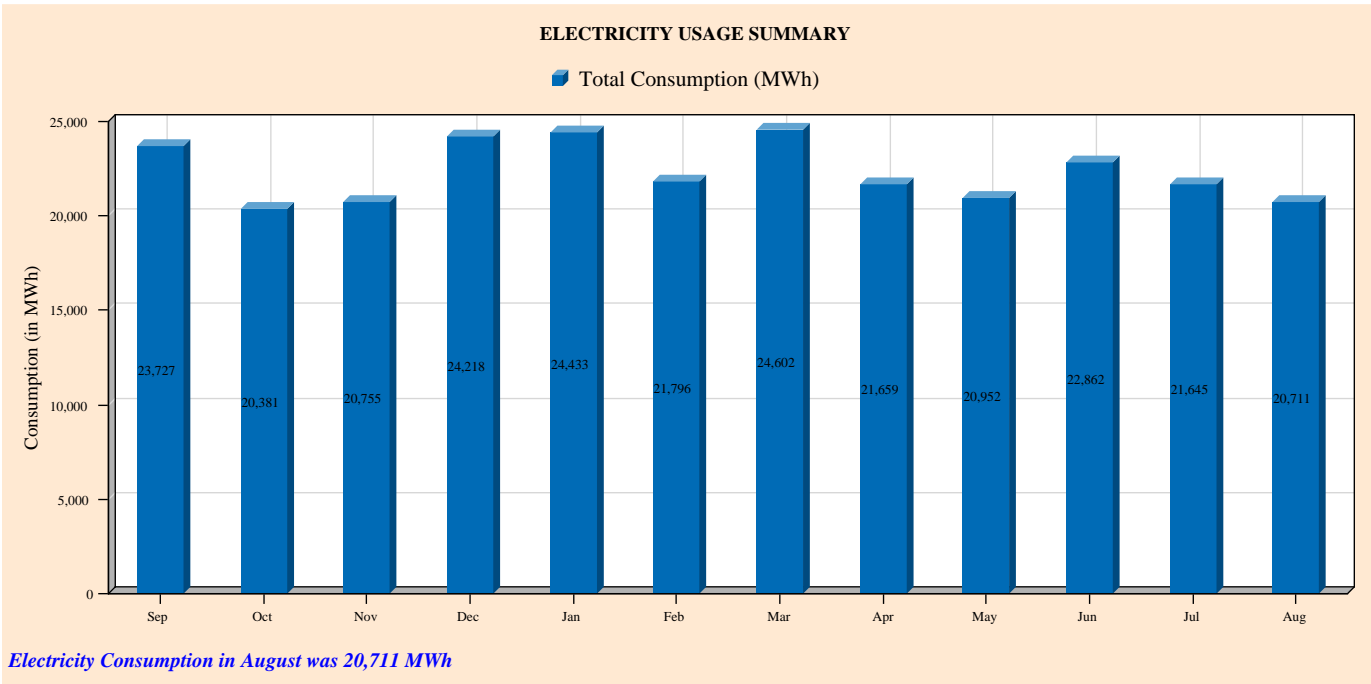
- FY-2014:Rolled Over Open Positions
- FY-2014:New Positions Added
- FY-2014:Positions Filled
- FY-2014:Positions Canceled
- FY-2014:Net Remaining Open Positions



In August, we began the month with 95 positions, received 45 new positions, filled 5, 2 cancellations and ended the month with 133 positions

OPERATIONAL HIGHLIGHTS

ENERGY

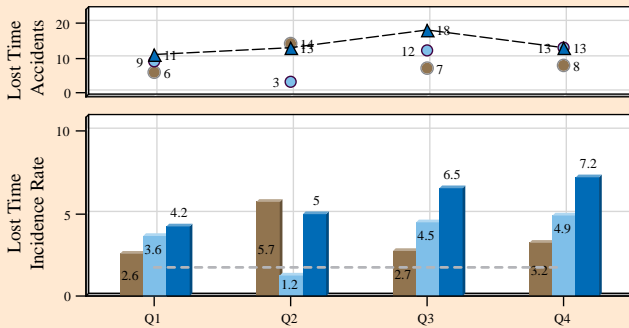


OPERATIONAL HIGHLIGHTS

SAFETY

EMPLOYEE LOST TIME INCIDENCE RATE

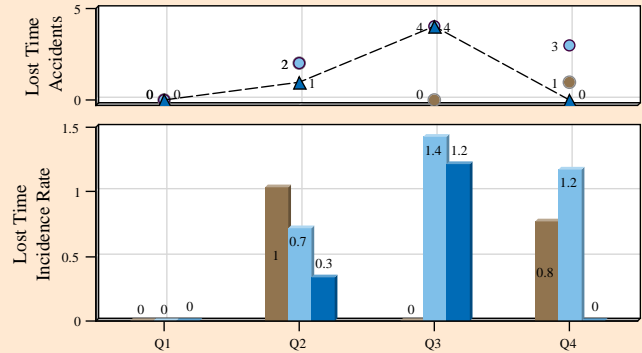
- FY-2012: LT Incidence Rate
- FY-2013: LT Incidence Rate
- FY-2014: LT Incidence Rate
- FY-2012: No of LT Accidents
- FY-2013: No of LT Accidents
- ▲ FY-2014: No of LT Accidents
- Target/National: LT Incidence Rate



Thru the 2nd Month of Fourth quarter, 13 lost time accidents were reported

CONTRACTOR LOST TIME INCIDENCE RATE

- FY-2012: LT Incidence Rate
- FY-2013: LT Incidence Rate
- FY-2014: LT Incidence Rate
- FY-2012: No of LT Accidents
- FY-2013: No of LT Accidents
- ▲ FY-2014: No of LT Accidents

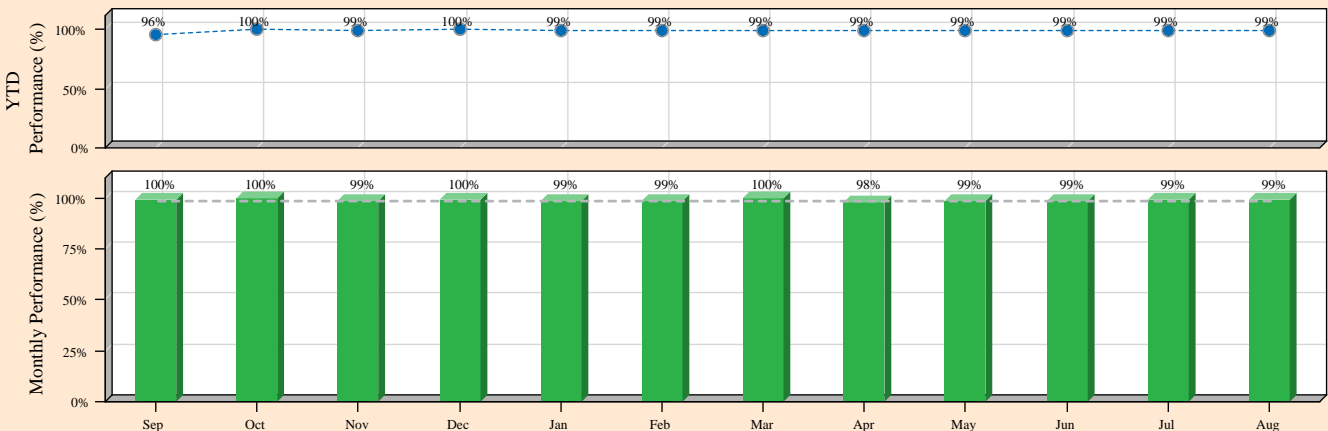


Thru the 2nd Month of Fourth quarter, No lost time accidents were reported

VENDOR PAYMENTS

VENDOR PAYMENT PERFORMANCE
Percentage of Invoices Paid within 30 days

- Monthly Performance (%)
- YTD Performance (%)
- Monthly Target - (97%)



Monthly performance for August was above target by 2%

INTERPRETATION OF CHARTS:

FINANCIAL HIGHLIGHTS

Revenue, Expenditure, Capital Disbursement

- Bulls eye shows the variance for YTD budget against actual for revenues, expenditures and capital disbursements
- Bar graph shows **total** for the fiscal year budgeted(grey)-revenues, expenditures and capital disbursements against YTD actual(blue)
- Horizontal line graph shows a YTD progress analysis as compared to the previous year

Net Operating Cash

- Bar graph shows monthly net operating cash provided/used
- Line graph denoted by (Δ) compares YTD actual against budget (O). This element is dynamically color coded*

Operating Revenues

- Bar graph shows monthly operating revenues
- Line graph denoted by (Δ) compares YTD revenue against budget (O). This element is dynamically color coded*

Operating Expenses

- Bar graph shows monthly operating expenses
- Line graph denoted by (Δ) compares YTD expenditure against budget (O). This element is dynamically color coded**

Capital Disbursements

- Bar graph shows monthly capital disbursements
- Line graph denoted by (Δ) compares YTD disbursements against budget (O). This element is dynamically color coded**

Operating Cash Balance

- Bar graph shows monthly average cash balance compared to the target of \$125 million; indicated by grey dotted line

Delinquent Account Receivables

- Bar graph shows monthly Receivables to Revenue ratio against target of 3%; indicated by grey dotted line. This element is dynamically color coded**
- Line graph denoted by (Δ) shows delinquency in actual dollars

Investment Cash Earnings

- Bar graph shows monthly investment cash earnings
- Line graph denoted by (Δ) compares the YTD earnings against budget (O). This element is dynamically color coded*

Core Investments Yield

- Bar graph shows the monthly investment yield compared to the monthly target (grey) benchmark as set by the US Treasury Bill. This element is dynamically color coded*

Short Term Investment Yield

- Bar graph shows the monthly short term investment yield compared to the monthly short term target (grey) benchmark as set by the US Treasury Bill. This element is dynamically color coded*

Dynamic Color Coding Legend

*	**
<p>Red - when the actual is lower than 3% of budget or target</p> <p>Yellow - when the actual is within 3% of budget or target</p> <p>Green - when the actual is equal to or higher than budget or target</p>	<p>Red - when the actual is higher than 3% of budget or target</p> <p>Yellow - when the actual is within 3% of budget or target</p> <p>Green - when the actual is equal to or lower than budget or target</p>

Symbols where the color code applies- (Δ, □)

A

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

Call Center Performance

- Bar graph shows monthly percentage of calls answered within 40 seconds against target of 85%; indicated by grey dotted line. This element is dynamically color coded***
- Line graph denoted by (O) shows the number of calls received by the call center every month

Command Center Performance

- Bar graph shows monthly percentage of calls answered within 40 seconds against target of 85%; indicated by grey dotted line. This element is dynamically color coded***
- Line graph denoted by (O) shows the number of calls received by the command center every month

First Call Resolution (FCR)

- Bar graph shows monthly percentage of calls resolved on first contact against target of 75%; indicated by grey dotted line. This element is color dynamically coded***

Emergency Response Time

- Bar graph shows the percentage of emergency calls responded to within 45 minutes against target of 90%; indicated by grey dotted line. This element is dynamically color coded***
- Line graph denoted by (O) shows the total calls dispatched per month

Fire Hydrants Out of Service (OOS)

- Bar graph shows total hydrants not available for use against target of 91; indicated by grey dotted line. This element is dynamically color coded****
- The bar graph is stacked (blue) to show hydrants that are inaccessible. Inaccessible hydrants are not measured against the target of 91

Fire Hydrant Inspection

- Bar graph shows the total number of Fire and EMS hydrant inspections per month

Fire Hydrant Repairs

- Bar graph shows the total number of fire hydrants repaired per month

Fire Hydrant Replacements

- Bar graph shows the total number of hydrants replaced per month against target of 21; indicated by grey dotted line. This element is dynamically color coded***

Total Applications Processed within Service Level Agreement (SLA)

- Bar graph shows
 - the number of permits processed per month(dark blue)
 - the number of permits processed within SLA per month(light blue)
- Line graph denoted by (O) shows the percentage of permits processed vs. processed within SLA

Dynamic Color Coding Legend

***	****
Red- when the actual is lower than 5% of budget or target Yellow- when the actual is within 5% of budget or target Green- when the actual is equal to or higher than budget or target	Red- when the actual is higher than 5% of budget or target Yellow- when the actual is within 5% of budget or target Green- when the actual is equal to or lower than budget or target

Symbols where the color code applies- (Δ, □)

LOW INCOME ASSISTANCE PROGRAM

SPLASH Contributions

- Bar graph shows monthly SPLASH contributions
- Line graph denoted by (Δ) shows the YTD contributions against target (O). This element is color coded***

Customer Assistance Program (CAP)

- Bar graph shows monthly CAP assistance
- Line graph denoted by (Δ) shows the YTD contributions against budget (O). This element is color coded***

OPERATIONAL HIGHLIGHTS

Lead and Copper Rule (LCR) Compliance

- Line graph denoted by (Δ, O) shows semi-annual LCR monitoring results against target of 15ppb; indicated by grey dotted line. This element is color coded****

Total Coliform Rule (TCR)

- Line graph denoted by (Δ) shows total coliform positives against the EPA maximum contaminant level of 5%. This element is color coded****

Biosolids Production

- Bar graph shows monthly average daily biosolids production

Total Nitrogen

- Line graph denoted by (Δ) shows monthly total nitrogen level against the current permit (dark grey) and 2015 permit (light grey) levels. This element is color coded****

Plant Influent Flow

- Line graph denoted by (Δ) shows monthly influent flow against the plant design average limit of 370MGD. This element is color coded****

Excess Flow

- Line graph denoted by (Δ) shows monthly excess flow

Water Main Leaks

- Bar graph shows the water main leaks reported
- The bar graph is stacked(dark blue) to show the pending leaks carried over from the previous month if any; bar graph(light blue) shows new water main leaks reported for the given month
- Line graph denoted by (O) shows the number of main leaks repaired per month

Water Valve Leaks

- Bar graph shows the water valve leaks reported
- The bar graph is stacked(dark blue) to show the pending leaks carried over from the previous month if any; bar graph(light blue) shows new water valve leaks reported for the given month
- Line graph denoted by (O) shows the number of valve leaks repaired per month

Dynamic Color Coding Legend

***	****
Red- when the actual is lower than 5% of budget or target Yellow- when the actual is within 5% of budget or target Green- when the actual is equal to or higher than budget or target	Red- when the actual is higher than 5% of budget or target Yellow- when the actual is within 5% of budget or target Green- when the actual is equal to or lower than budget or target

Symbols where the color code applies- (Δ, □)

Non Revenue Water

- Bar graph shows the volume of water purchased(dark blue) and water sold(light blue) per quarter
- Line graph denoted by (Δ, O) shows the Infrastructure Leakage Index(ILI) for the current and previous year

Sewer Main Backups

- Bar graph shows the sewer main backups reported
- The bar graph is stacked(dark blue) to show the pending backups carried over from the previous month if any; bar graph(light blue) shows new sewer main backups reported for the given month
- Line graph denoted by (O) shows the number of main backups resolved per month

Sewer Lateral Backups

- Bar graph shows the sewer lateral backups reported
- The bar graph is stacked(dark blue) to show the pending backups carried over from the previous month if any; bar graph(light blue) shows new sewer laterals backups reported for the given month
- Line graph denoted by (O) shows the number of lateral backups resolved per month

Combined Sewer dry weather Overflow (CSO) Events

- Bar graph shows dry weather CSO events per month
- Line graph denoted by (O) shows the volume in Million Gallons(MG) per dry weather CSO event

Open Positions

- Bar graph (dark blue) shows open positions carried over from the previous month.
- Bar graph (light blue) shows new positions added in the given month.
- Bar graph (olive green) shows positions filled in the given month.
- Bar graph (orange) shows positions cancelled in the given month.
- Bar graph (light green) shows net remaining open positions at the end of the given month.

Electricity Usage Summary

- Bar graph shows total electricity consumption per month

Electricity Usage by Service Area

- Shows a monthly breakdown by service area of electricity usage
- Dark blue shows for Waste Water Treatment Service Area
- Light blue shows Water Pumping Service Area
- Brown shows Sewer Pumping Service Area

Employee Lost Time Incidence Rate

- Bar graph shows quarterly Employee Lost Time (LT) incidence rate as compared to the National average LT rate of 2.0; indicated by grey dotted line. Light blue represents the previous year, brown represents the year before previous and dark blue the current fiscal year.
- Scatter graph denoted by (Δ, O) shows the number of Lost Time accidents and comparison is also made between the current year and the previous years.

Contractor Lost Time Incidence Rate

- Bar graph shows quarterly Contractor Lost Time (LT) incidence rate. Light blue represents the previous year, brown represents the year before previous and dark blue the current fiscal year.
- Scatter graph denoted by (Δ, O) shows the number of Lost Time accidents and comparison is also made between the current year and the previous years.

Dynamic Color Coding Legend

***	****
<p>Red- when the actual is lower than 5% of budget or target</p> <p>Yellow- when the actual is within 5% of budget or target</p> <p>Green- when the actual is equal to or higher than budget or target</p>	<p>Red- when the actual is higher than 5% of budget or target</p> <p>Yellow- when the actual is within 5% of budget or target</p> <p>Green- when the actual is equal to or lower than budget or target</p>

Symbols where the color code applies- (Δ, □)

Vendor Payment Performance

- Bar graph shows monthly Vendor Payment Performance percentage against monthly target of 97%; indicated by grey dotted line. This element is dynamically color coded**
- Line graph denoted by (O) shows the YTD vendor payment performance %.

Dynamic Color Coding Legend

<p>***</p> <p>Red- when the actual is lower than 5% of budget or target</p> <p>Yellow- when the actual is within 5% of budget or target</p> <p>Green- when the actual is equal to or higher than budget or target</p>	<p>****</p> <p>Red- when the actual is higher than 5% of budget or target</p> <p>Yellow- when the actual is within 5% of budget or target</p> <p>Green- when the actual is equal to or lower than budget or target</p>
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Symbols where the color code applies- (Δ, □)



District of Columbia Water and Sewer Authority

Summary of Contracts on Consent Agenda

202nd Meeting of the DC Water Board of Directors

Thursday, October 2, 2014

Joint-Use Contract

1. Resolution No. 14-59– Execute 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.
(Recommended by the Environmental Quality and Sewerage Services Committee 09/18/14)
2. Resolution No. 14-60 - Execute Supplemental Agreement No. 10 of Contract No. DCFA #380-WSA, Malcolm Pirnie Engineers, PLLC. The purpose of the supplemental agreement is to provide engineering services for hydraulic modeling of the filter influent pumping system and pre-selection of filter influent pumps. The supplemental agreement amount is \$1,277,451.
(Recommended by the Environmental Quality and Sewerage Services Committee 09/18/14)
3. Resolution No. 14-61 – Execute Contract No. DCFA #463-WSA, AECOM Services of DC. The purpose of the contract is to provide onsite construction Management of Division Z-Poplar Point Pumping Station Replacement (DC Clean Rivers Project) construction contract. The contract amount is \$4,891,074. (Recommended by the Environmental Quality and Sewerage Services Committee 09/18/14)
4. Resolution No. 14-62 – Execute Contract No. 050110, SAK Construction LLC. The purpose of the contract is to ensure the sustainability and service life of the Potomac Interceptor (PI), a major asset serving users from Dulles Airport to Potomac Pump Station. The contract amount is \$2,895,000.
(Recommended by the Environmental Quality and Sewerage Services Committee 09/18/14)

Non-Joint Use Contracts

1. Resolution No. 14-64 - Execute Option Year Four of Contract No. WAS-10-060-AA-GA, Fastners Rx, Inc. The purpose of the option is to provide for the continuing need of compound water meters that are used to measure accurate water consumption at properties located in DC Water service areas. The option amount is \$1,000,000. (Recommended by the Water Quality and Water Services Committee 09/18/14)
2. Resolution No. 14-65 - Execute Change Order No. 6 of Contract No. 110210, Corman Construction. The purpose of the change order is to correct differing site conditions encountered during the tunneling operation for the 108-inch tunnel. The change amount is \$800,000. (Recommended by the Environmental Quality and Sewerage Services Committee 09/18/14)

Presented and Adopted: October 2, 2014

**SUBJECT: Approval to Execute Supplemental Agreement No. 10 of
Contract No. DCFA #380-WSA, Malcolm Pirnie Engineers,
PLLC**

**#14-60
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 October 2, 2014, upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Supplemental Agreement No. 10 of Contract No. DCFA #380-WSA, Malcolm Pirnie Engineers, PLLC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Supplemental Agreement No. 10 of Contract No. DCFA #380-WSA, Malcolm Pirnie Engineers, PLLC. The purpose of the supplemental agreement is to provide engineering services for hydraulic modeling of the filter influent pumping system and pre-selection of filter influent pumps. The supplemental agreement amount is \$1,277,451.

This Resolution is effective immediately.

Secretary to the Board of Directors

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

ENGINEERING SERVICES SUPPLEMENTAL AGREEMENT:

**Filtration And Disinfection Facilities Upgrade
(Joint Use)**

Approval to execute Supplemental Agreement No. 10 for \$1,277,451. The modification exceeds the General Manager's approval authority.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Malcolm Pirnie Engineers, PLLC 701 Town Center Drive Suite 600 Newport News, VA 23606	Milhouse Engineering Washington, DC	MBE 19.2%
	PDH Associates, Inc. Potomac, MD	WBE 2.9%
	Clemson Eng. Hydraulics Anderson, SC	6.1%

DESCRIPTION AND PURPOSE

Original Contract Value:	\$1,118,684
Value of this Supplemental Agreement:	\$1,277,451
Cumulative SA Value, including this SA:	\$8,058,430
Current Contract Value, Including this SA:	\$9,177,114
Original Contract Time:	378 Days (1 Year)
Time extension, this SA:	649 Days (1 Year, 9 Months)
Total SA contract time extension:	5,809 Days (15 Years, 11 Months)
Contract Start Date:	08-02-2002
Contract Completion Date:	07-11-2019

Purpose of the Contract:

Upgrade critical elements of the Filtration and Disinfection Facilities to improve reliability and assure continued compliance with effluent limitations.

Original Contract Scope:

- Provide engineering services to identify upgrades to critical elements of the Filtration and Disinfection Facilities.
- Upgrade filter underdrains, filter media, washwater system
- Provide new air scour blowers and piping.

Previous Supplemental Agreement Scope:

- Design the replacement of existing 4,160 volt switchgear and two existing 1,500 kVA transformers
- Engineering Services during Construction to assist the Construction Manager for the Filtration and Disinfection Facility Upgrades, Phase 3, Electrical Improvements project
- Preliminary design to identify upgrades to the filtration influent pumping system
- Final design services to repair and rehabilitate the filter influent pumps and other miscellaneous facility upgrades
- Engineering services for design and bidding of concrete repairs to the filtration influent channels.
- Engineering services for the preparation of a process O&M Manual for the Filtration and Disinfection Facility

Current Supplemental Agreement Scope:

- Engineering services for hydraulic modeling of the filter influent pumping system and pre-selection of filter influent pumps
- Engineering services for design, bid and services during construction for replacement of the filter influent pumps and miscellaneous facility upgrades.

Future Supplemental Agreement Scope:

No future Supplemental Agreements are anticipated.

PROCUREMENT INFORMATION

Contract Type:	Lump Sum and Cost plus FF	Award Based On:	Highest Ranking Score
Commodity:	Engineering Design Services	Contract Number:	DCFA #380-WSA
Contractor Market:	Open Market		

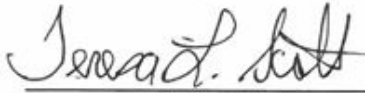
BUDGET INFORMATION

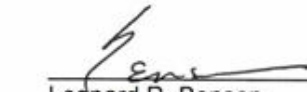
Funding:	Capital	Department:	Engineering and Technical Services
Service Area:	Wastewater Treatment	Department Head:	David McLaughlin
Project:	UC		

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	41.22%	\$526,565.00
Washington Suburban Sanitary Commission	45.84%	\$585,584.00
Fairfax County	8.38%	\$107,050.00
Loudoun County & Potomac Interceptor	4.56%	\$58,252.77
Total Estimated Dollar Amount	100.00%	\$1,277,451.00

 9/4/14
 Gail Alexander-Reeves Date
 Director of Budget

 9/9/14
 Teresa L. Scott Date
 Acting Director of Procurement

 9/8/14
 Leonard R. Benson Date
 Chief Engineer

 9/22/2014
 George S. Hawkins Date
 General Manager

Presented and Adopted: October 2, 2014

**SUBJECT: Approval to Execute Contract No. DCFA #463-WSA,
AECOM Services of DC**

**#14-61
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 October 2, 2014, upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Contract No. DCFA #463-WSA, AECOM Services of DC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. DCFA #463-WSA, AECOM Services of DC. The purpose of the contract is to provide onsite construction management of Division Z-Poplar Point Pumping Station Replacement (DC Clean Rivers Project) construction contract. The contract amount is \$4,891,074.

This Resolution is effective immediately.

Secretary to the Board of Directors

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

ENGINEERING SERVICES:

Construction Management Services, Anacostia River Combined Sewer Overflow (CSO) Control Projects, Division Z – Poplar Point Pumping Station Replacement (Joint Use)

Approval to execute an architectural and engineering services contract for \$4,891,074.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
AECOM Services of DC, a Professional Corporation 3101 Wilson Blvd. Suite 900 Arlington, VA 22201	SZ PM Consultants, Inc. Oakton, VA	MBE 17.3%
	Savin Engineers, PC. Baltimore, MD	MBE 11.0%
	Sigma Associates, Inc. Washington, DC	WBE 14.5%

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed: \$4,891,074.00
 Contract Time: 958 Days (2 Years, 8 Months)
 Anticipated Contract Start Date: 11-15-2014
 Anticipated Contract Completion Date: 06-30-2017
 Number of firms submitting proposals 7
 Other firms submitting proposals/qualification statements: (* Asterisk indicates short listed firm.)
 Gannett Fleming / Hill International (GFHI Joint Venture)
 Gilbane Building Company
 HAKS
 Johnson, Mirmiran & Thompson (JMT)*
 KCI Technologies, Inc.
 The Louis Berger Group, Inc.*

Purpose of the Contract:

To provide onsite construction management of Division Z – Poplar Point Pumping Station Replacement (DC Clean Rivers Project) construction contract.

This work is required by a Consent Decree.

Contract Scope:

- Provide construction management and other services to assist DC Water with construction of Division Z. Division Z includes construction of a new 55 MGD Poplar Point Sewage Pumping Station (PP-PS), the Anacostia Main Interceptor (AMI) Diversion Chamber, the AMI Diversion Sewer, the Emergency Overflow Structure, the 42" Force Main, the Discharge Connection Chamber, and the Main Outfall Sewers Diversion Chamber.
- Provide construction management services to assist DC Water with the replacement of the Barry Road sewer.
- Work in cooperation and consultation with DC Water and the DC Clean Rivers Project Program Consultants Organization to effectively manage the construction work required to provide completed Division Z facilities.

- Provide field inspection services for the oversight of the construction work as well as oversight during startup and operational training for the newly constructed PP-PS.

PROCUREMENT INFORMATION

Contract Type:	Cost Plus Fixed Fee	Award Based On:	Highest Ranking Score
Commodity:	Professional Services	Contract Number:	DCFA #463-WSA
Contractor Market:	Open Market		

BUDGET INFORMATION

Funding:	Capital	Department:	DC Clean Rivers Project
Service Area:	Combined Sewer Overflow	Department Head:	Carlton Ray
Project:	CY, G1		

***ESTIMATED USER SHARE INFORMATION**

CY – Anacostia LTCP Allocation (Division Z, MJ20)

User	Share %	Dollar Amount
District of Columbia	88.20%	\$ 4,246,631.00
Federal Funds	0.00%	\$ 0.00
Washington Suburban Sanitary Commission	11.80%	\$ 568,143.00
Fairfax County	0.00%	\$ 0.00
Loudoun County & Potomac Interceptor	0.00%	\$ 0.00
Total Estimated Dollar Amount	100.00%	\$ 4,814,774.00

G1 – Small Local Sewer Rehabilitation (Division Z, CAPM)

User	Share %	Dollar Amount
District of Columbia	100.00%	\$ 76,300.00
Federal Funds	0.00%	\$ 0.00
Washington Suburban Sanitary Commission	0.00%	\$ 0.00
Fairfax County	0.00%	\$ 0.00
Loudoun County & Potomac Interceptor	0.00%	\$ 0.00
Total Estimated Dollar Amount	100.00%	\$ 76,300.00


Total Combined Allocation


User	Share %	Dollar Amount
District of Columbia	88.38%	\$ 4,322,931.00
Federal Funds	0.00%	\$ 0.00
Washington Suburban Sanitary Commission	11.62%	\$ 568,143.00
Fairfax County	0.00%	\$ 0.00
Loudoun County & Potomac Interceptor	0.00%	\$ 0.00
Total Estimated Dollar Amount	100.00%	\$ 4,891,074.00

* Subject to future Federal appropriations. If future Congressional appropriation is received, DC share will decrease.


 Gail Alexander-Reeves
 Director of Budget
 Date 9/4/14


 Leonard R. Benson
 Chief Engineer
 Date 9-8-14


 Teresa L. Scott
 Acting Director of Procurement
 Date 9/9/14


 George S. Hawkins
 General Manager
 Date 9/22/14

Presented and Adopted: October 2, 2014

**SUBJECT: Approval to Execute Contract No. 050110, SAK
Construction LLC**

**#14-62
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 October 2, 2014, upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Contract No. 050110, SAK Construction LLC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 050110, SAK Construction LLC. The purpose of the contract is to ensure the sustainability and service life of the Potomac Interceptor (PI), a major asset serving users from Dulles Airport to Potomac Pump Station. The contract amount is \$2,895,000.

This Resolution is effective immediately.

Secretary to the Board of Directors

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

CONSTRUCTION CONTRACT:

**Rehabilitation of the Potomac Interceptor near Waxpool Rd, Loudoun County
(Joint Use)**

Approval to execute a construction contract for \$2,895,000

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: SAK Construction, LLC 1405 Benson Ct Suite C Arbutus, MD 21227	SUBS:*	PARTICIPATION:
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* Due to the nature of the work, the market for DBE subcontractors was not expected to be sufficient to meet the Fair Share Objective and this contract was advertised as open market with preference for local and small businesses.

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed:	\$2,895,000	
Contract Time:	240 Days	(0 Years, 8 Months)
Anticipated Contract Start Date:	11-17-2014	
Anticipated Contract Completion Date:	07-15-2015	
Bid Opening Date:	09-10-2014	
Bids Received:	5	
Other Bids Received		
Pleasants Construction, Inc.	\$ 3,145,000.00	
Insituform Technologies, LLC	\$ 3,707,451.00	
AM-Liner East, Inc.	\$ 3,894,453.30	
Spiniello Companies	\$ 4,160,000.00	

Purpose of the Contract:

To ensure the sustainability and service life of the Potomac Interceptor (PI), a major asset serving users from Dulles Airport to Potomac Pump Station.

Contract Scope:

- Rehabilitation of 4,720 Linear Feet of the PI with 48-inch diameter Cured-In-Place- Pipe (CIPP) liner
- Bypass Pumping of the Potomac Interceptor to/from Loudoun Water's Broad Run Interceptor – Parallel Potomac Interceptor (BRIPPI) with flow up to 27 MGD, and bypass pumping of the Sterling Trunk and Beaumeade Corporate Park sewers each with flow less than 1 MGD
- Erosion and Sediment Control, including Site Restoration

Federal Grant Status:

- Construction Contract is not eligible for Federal funding.

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Lowest responsive, responsible bidder
Commodity:	Construction	Contract Number:	050110
Contractor Market:	Open Market with preference		

BUDGET INFORMATION

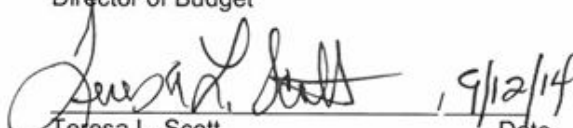
Funding:	Capital	Department:	Engineering and Technical Services
Service Area:	Sanitary	Department Head:	David McLaughlin
Project:	N7		

****ESTIMATED USER SHARE INFORMATION**

User	Share %	Dollar Amount
District of Columbia	0.00%	\$ 0.00
Federal Funds	0.00%	\$ 0.00
Washington Suburban Sanitary Commission	0.00%	\$ 0.00
Fairfax County	73.46%	\$ 2,126,667.00
Loudoun County & Potomac Interceptor	26.54%	\$ 768,333.00
Total Estimated Dollar Amount	100.00%	\$ 2,895,000.00

** Shares are estimated pending approval by IMA Partners.


 Gail Alexander-Reeves
 Director of Budget
 Date: 9/12/14


 Teresa L. Scott
 Acting Director of Procurement
 Date: 9/12/14

for 
 Leonard R. Benson
 Chief Engineer
 Date: 9/12/14


 George S. Hawkins
 General Manager
 Date: 9/22/2014

Presented and Adopted: October 2, 2014
Subject: Authorizing the Sale and Setting Terms and Details of the Series
2014 Refunding Bonds

#14-63
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 October 2, 2014, by a vote of _____ (___) in favor and _____ (___) 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 sixteen (16) 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 2014 (the "Series 2014 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"), Public Utility Senior Lien Revenue Bonds Series

2009A (the "Series 2009A Bonds"), and Public Utility Subordinated Lien Multimodal Revenue Bonds, Subseries 2012B-1 (SIFMA Index Rate Period) (the "Series 2012B-1 Bonds"); (b) fund a Series 2014 Debt Service Reserve Requirement, (as defined herein), if determined necessary; and (c) pay certain costs of issuance; (ii) to designate the Series 2014 Refunding Bonds as Subordinate Debt for purposes of the Indenture (subject to Section 10 hereof); and (iii) to secure the Series 2014 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 September 25, 2014, to review the issuance of the Series 2014 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 Seventeenth 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 2014 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 2014 Refunding Bonds to the Series 2014 Original Purchasers and specifying terms of the Series 2014 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 2014 Refunding Bonds, as originally executed and as it may be amended from time to time in accordance with its terms.

“Escrow Agreement” means the Escrow Agreement, dated the same date as the Series 2014 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 2014 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 2014 Refunding Bonds are Outstanding.

“Refunded Bonds” means any Outstanding Series 2007A Subordinate Bonds, Series 2008 Subordinate Bonds, Series 2009A Bonds or Series 2012B-1 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 2014 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 2014 Refunding Bonds and any other legally available funds, the Authority will achieve an aggregate reduction in bond service charges that has a present value at the time of sale of the Series 2014 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 2014 Debt Service Reserve Requirement” means, if determined to be necessary, a required fund balance in the Series 2014 Debt Service Reserve Account or Accounts established under the Seventeenth 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 2014 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 2014 Debt Service Reserve Account in the amount of the required fund balance will not cause the interest on any

Series 2014 Refunding Bonds that had been excluded from gross income for federal income tax purposes to cease to be so.

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

“Seventeenth Supplemental Indenture” means the Seventeenth Supplemental Indenture of Trust by and between the Authority and the Trustee, dated as of the same date as and relating to the Series 2014 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 2014 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 2014,” 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 2014 Debt Service Reserve Requirement, if determined necessary; and (iii) paying issuance costs of the Series 2014 Refunding Bonds; provided, however, that before an Authorized Official executes a Certificate of Award applicable to the Series 2014 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 2014 Refunding Bonds on the terms set forth in the Certificate of Award and the application of the proceeds of the Series 2014 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 2014 Refunding Bonds shall be allocated and deposited for those purposes and as provided in the Seventeenth Supplemental Indenture.

Section 3. Terms and Provisions Applicable to the Series 2014 Refunding Bonds.

(a) Form, Transfer and Exchange. The Series 2014 Refunding Bonds: (i) shall initially be issued only in fully registered form and substantially in the form or forms attached as Exhibits to the Seventeenth 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 Seventeenth Supplemental Indenture.

(b) Denominations and Dates. The Series 2014 Refunding Bonds shall be dated as of the date of issuance and delivery, but in no event later than March 30, 2015, and there shall be a single Series 2014 Refunding Bond representing each interest rate for each maturity of the Series 2014 Refunding Bonds bearing the same series or subseries designation.

(c) Principal Maturities and Interest Rates. The Series 2014 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 2014 Refunding Bonds shall not exceed a rate that would cause the Refunding Savings Threshold not to be achieved. The principal of the Series 2014 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 2014 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) are not subject to prior optional redemption. Any Series 2014 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 2014 Refunding Bonds to be redeemed.

(ii) *Mandatory Sinking Fund Redemption* - Any Series 2014 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 2014 Refunding Bonds shall be effected in accordance with Article IV of the Master Indenture; provided, however, that notices of redemption of Series 2014 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 2014 Refunding Bonds shall be payable at the places and in the manner specified in the Seventeenth Supplemental Indenture.

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

Section 4. Sale of Series 2014 Refunding Bonds.

(a) General. The Series 2014 Refunding Bonds shall be awarded and sold to the Series 2014 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 2014 Refunding Bond times the percentage of such principal amount at which such Series 2014 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 2014 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 2014 Original Purchasers, substantially in the form which was executed with regard to the Authority's Public Utility Subordinate Lien Revenue Bonds, Series 2013A (the "Series 2013A 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 2014 Refunding Bonds and the sale thereof, all as provided in this Resolution, the Bond Purchase Agreement, the Certificate of Award, and the Seventeenth 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 2014 Refunding Bonds approved in the Certificate of Award shall be incorporated into the Seventeenth 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 2014 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 2014 Refunding Bonds and, if so, from whom and on what terms; (iii) specify the amount, if any, of the Series 2014 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 2014 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 2014 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 2014 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 2014 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 2014 Original Purchasers to establish the date, location, procedure and conditions for the delivery of the Series 2014 Refunding Bonds to the Series 2014 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 2014 Refunding Bonds, and the execution, authentication and delivery of the Series 2014 Refunding Bonds to DTC for the accounts of the Series 2014 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 2014 Refunding Bonds; Tax Covenants.

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

Section 6. Seventeenth 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 2014 Refunding Bonds, to execute, acknowledge and deliver in the name of and on behalf of the Authority, the Seventeenth 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 2014 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 2014 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 Seventeenth 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 2014 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 2014 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 2013A 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 2014 Original Purchasers for distribution to prospective purchasers of the Series 2014 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 2014 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 2014 Original Purchasers to sell book entry interests in the Series 2014 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 2014 Original Purchasers as may be reasonably requested to qualify the Series 2014 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 2014 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 2014 Original Purchasers and to specify the final principal amount, interest rates and redemption provisions of the Series 2014 Refunding Bonds, the price of the Series 2014 Refunding Bonds to the general public, any credit enhancement provisions with respect to the Series 2014 Refunding Bonds and any change in ratings of the Series 2014 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 2014 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 2014 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 2014 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 2013A 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 2014 Original Purchasers of the Series 2014 Refunding Bonds a true and certified transcript of all proceedings relating to the authorization and issuance of the Series 2014 Refunding Bonds along with other information as is necessary or proper with respect to the Series 2014 Refunding Bonds.

Section 9. Multiple Series. Notwithstanding anything herein to the contrary, the Series 2014 Refunding Bonds may be issued in one or more separate series or subseries, each bearing a distinctive designation, provided that Series 2014 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 2014 Refunding Bonds may be issued at the same or different times and so

may have different dates of issuance. The Series 2014 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 Seventeenth Supplemental Indenture shall refer to each and all such Supplemental Trust Indentures, but any Supplemental Trust Indenture subsequent to the Seventeenth 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 2014 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 2014 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 2014 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: October 2, 2014

**SUBJECT: Approval to Execute Option Year Four of Contract No.
WAS-10-060-AA-GA, Fastners Rx, Inc.**

**#14-64
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 October 2, 2014, upon consideration of a non-joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Option Year Four of Contract No. WAS-10-060-AA-GA, Fastners Rx, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Four of Contract No. WAS-10-060-AA-GA, Fastners Rx, Inc. The purpose of the option is to provide for the continuing need of compound water meters that are used to measure accurate water consumption at properties located in DC Water service areas. The option amount is \$1,000,000.

This Resolution is effective immediately.

Secretary to the Board of Directors

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

GOODS AND SERVICES CONTRACT OPTION:

**Compound Water Meters
((Non-)Joint Use)**

Approval to execute option four (4) for Compound Water Meters in the amount of \$1,000,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Fastners Rx, Inc. 9203 Black Dog Alley Easton, MD 21601	SUBS: N/A	PARTICIPATION: N/A
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DESCRIPTION AND PURPOSE

Original Contract Value:	\$765,000.00
Original Contract Dates:	09-10-2010—09-09 -2011
No. of Option Years in Contract:	4
Option Years (01 - 03) Value:	\$1,712,120.00
Option Years (01 - 03) Dates:	11-16-2011- 11-15-2014
Contract Modification Value:	\$434,976.00
Contract Modification Dates:	04-15-2011 – 11-15-2013
Fourth Option Year Value:	\$1,000,000.00
Fourth Option Year Dates:	11-16-2014—11-15-2015

Purpose of the Contract:

To contract for various sizes of compound water meters for use throughout the District of Columbia Water and Sewer Authority's (DC Water) servicing areas.

Contract Scope:

To provide for the continuing need of compound water meters that are used to measure accurate water consumption at properties located in DC Water service areas.

Spending Previous Year:

Cumulative Contract Value:	09-10-2010 to 11-15-2014—\$2,912,096.00
Cumulative Contract Spending:	09-10-2010 to 09-05-2014—\$2,844,388.00

Contractor's Past Performance:

The contractor's past performance has been satisfactory.

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Lowest Responsive Responsible Bidder
Commodity:	Goods and Services	Contract Number:	WAS-10-060-AA-GA
Contractor Market:	Open Market with LBE/LSBE Preference Points		

BUDGET INFORMATION

Funding:	6110	Department:	Customer Care and Operations
Service Area:	Bryant Street	Department Head:	Lauren Preston


ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	100.00%	\$ 1,000,000.00
Washington Suburban Sanitary Commission	0.00%	\$ 0.00
Fairfax County	0.00%	\$ 0.00
Loudoun County & Potomac Interceptor	0.00%	\$ 0.00
Other, Potomac Interceptor	0.00%	\$ 0.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$ 1,000,000.00


 Teresa L. Scott Date
 Acting Director of Procurement


 Gail Alexander - Reeves Date
 Director of Budget


 Charles Kiely Date
 Assistant General Manager
 Customer Care & Operations


 George S. Hawkins Date
 General Manager

Presented and Adopted: October 2, 2014

SUBJECT: Approval to Execute Change Order No. 6 of Contract No. 110210, Corman Construction, Inc.

**#14-65
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 October 2, 2014, upon consideration of a non-joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Change Order No. 6 of Contract No. 110210, Corman Construction, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Change Order No. 6 of Contract No. 110210, Corman Construction, Inc. The purpose of the change order is to correct differing site conditions encountered during the tunneling operation for the 108-inch tunnel. The change amount is \$800,000.

This Resolution is effective immediately.

Secretary to the Board of Directors

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

**CONSTRUCTION CONTRACT CHANGE ORDER:
Division E – M Street Diversion Sewer (CSOs 015, 016 and 017)
(Non-Joint Use)**

Approval to execute Change Order No. 06 for \$800,000.00. The modification exceeds the General Manager's approval authority.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Corman Construction, Inc. 12001 Guilford Road Annapolis Junction, MD 20701		

DESCRIPTION AND PURPOSE

Original Contract Value:	\$29,750,000.00
Value of this Change Order:	\$800,000.00
Cumulative CO Value, including this CO:	\$3,328,868.43
Current Contract Value, including this CO:	\$33,078,868.43
Original Contract Time:	852 Days (2 Years, 4 Months)
Time extension, this CO:	0
Total CO contract time extension:	139 Days (5 Months)
Contract Start Date (NTP):	03-30-2012
Anticipated Contract Completion Date:	12-16-2014
Cumulative CO % of Original Contract:	11.2%
Contract completion %:	81.14%

Purpose of the Contract:

To control the Combined Sewer Overflows (CSOs) into the Anacostia River by diverting CSO flow into a new sewer that will convey flows to the Anacostia River Tunnel.

This work is required by a Consent Decree.

Original Contract Scope:

- Construct diversion chambers to intercept overflows from CSOs 015, 016 and 017.
- Construct a 48-inch and a 108-inch diversion sewer in a tunnel along M Street.
- Construct approximately 300 linear feet of open-cut, cast-in-place 7'-6" x 15'-6" approach channel.
- Reline an existing 6'-3" combined sewer and a 36" water main.

Previous Change Order Scope:

- Multiple requests from DDOT to address traffic field conditions including changing traffic from 11th Street Bridge modifications and Navy Yard access.
- Utility delays at Lower Approach Channel caused by Washington Gas, Pepco and Verizon.
- Remove old shotcrete overspray from East Side Interceptor (ESI) so that the new 60-inch liner pipe can be installed.
- Replacement of 36-inch PCCP with 30-inch DIP and Thrust Block Cap.
- Change of site conditions related to boulder removal for the 48-inch tunneling operation.

Current Change Order Scope:

- Differing site conditions were encountered during the tunneling operation for the 108-inch tunnel.

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Lowest responsive, responsible bidder
Commodity:	Construction	Contract Number:	110210
Contractor Market:	Open Market		

BUDGET INFORMATION

Funding:	Capital	Department:	DC Clean Rivers Project
Service Area:	Combined Sewer Overflow	Department Head:	Carlton M. Ray
Project:	CY		

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	100.00%	\$ 800,000.00
Washington Suburban Sanitary Commission	0.00%	\$ 0.00
Fairfax County	0.00%	\$ 0.00
Loudoun County & Potomac Interceptor	0.00%	\$ 0.00
Total Estimated Dollar Amount	100.00%	\$ 800,000.00

Gail Alexander-Reeves, 9/11/14

Gail Alexander-Reeves
Director of Budget

Teresa L. Scott, 9/11/14

Teresa L. Scott
Acting Director of Procurement

Leonard R. Benson, 9-11-14

Leonard R. Benson
Chief Engineer

George S. Hawkins, 9/22/2014

George S. Hawkins
General Manager

Presented and Adopted: October 2, 2014

Subject: Approval to Execute the Terms and Conditions for ROW MOU with the District of Columbia

**#14-66
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The District members of the Board of Directors (the "Board") of the District of Columbia Water and Sewer Authority ("DC Water"), at the Board meeting held on October 2, 2014, upon consideration of a non-joint use matter, decided by a vote of () in favor and none () opposed to take the following action with respect to the terms and conditions of a 2014 Right-of-Way ("ROW") Memorandum of Understanding ("MOU") with the District of Columbia (the District).

WHEREAS, DC Water, the District, and the District of Columbia Office of the Chief Financial Officer ("DC CFO") entered into the Memorandum of Understanding concerning the Right-of-Way ("ROW") Fee and Fire Protection Service Fee (hereinafter, "2003 ROW MOU"), effective September 12, 2003; and

WHEREAS, pursuant to the 2003 ROW MOU, the District and DC Water agreed to the terms of DC Water's payment of ROW Fees to the District for the occupation of the public rights-of-ways by water and sewer mains maintained and operated by DC Water; and

WHEREAS, DC Water remitted ROW payments of \$5,100,000 annually to the District since October 1, 2003; and

WHEREAS, pursuant to the 2003 ROW MOU, DC Water's obligation to transfer ROW Fees to the District terminated on September 30, 2013; and

WHEREAS, pursuant to D.C. Official Code § 34-2202.07, DC Water is prohibited from transferring ROW Fees to the District unless subject to a contract for goods and services; and

WHEREAS, in response to the continuing claims by the District, the DC Water Board of Directors authorized DC Water to continue to collect ROW Fees, but to hold such funds in a separate account pending the conclusion of DC Water's negotiations with the District, which as of September 30, 2014 is projected to total \$5,100,000; and

WHEREAS, in 2014, DC Water and the DC CFO engaged in numerous discussions and negotiations on the terms and conditions of DC Water's payment of the ROW fee; and

WHEREAS, in September 2014, DC Water and the District reached an agreement on the ROW terms and conditions, which provides that DC Water will make payments totaling \$5,100,00 annually to the District, effective October 1, 2014 through September 30, 2024; and

WHEREAS, DC Water and the District have agreed to transfer to the District \$5,100,000 from the separate ROW account on or about November 15, 2014.

NOW THEREFORE BE IT RESOLVED THAT:

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

This resolution is effective immediately.

Secretary to the Board