



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Board of Directors

Finance and Budget Committee

Thursday, May 23, 2024

9:30 a.m.

Microsoft Teams meeting

Join on your computer, mobile app

Click here to join the meeting

Meeting ID: 256 840 823 350

Passcode: 2RNeKU

Or call in (audio only)

+1 202-753-6714,831722230#

Phone Conference ID: 831 722 230#

- 1. Call to Order Anthony Giancola, Chairperson
2. Roll Call Michelle Rhodd, Board Secretary
3. April 2024 Financial Report (Attachment 1) Matthew T. Brown
4. Capital Improvement Program Quarterly Update (Attachment 2) Paul Guttridge
5. Release of FY 2023 ESG+R Report (Attachment 3) Matt Ries
6. Property & Casualty Insurance Premiums for 2024 - 2025 (Attachment 4) Tanya DeLeon
7. Summer 2024 Financing Activities (Attachment 5) Ivan Boykin
8. Action Item
A. Recommendation for Approval of Funding for Annual Property & Casualty Insurance Renewals (Attachment 6) John T. PappaJohn
B. Recommendation for Approval of Liquidity Standby Bond Purchase Agreement in Support of VRDBs (Attachment 7) Matthew T. Brown
C. Recommendation for Approval of Letter of Credit in Support of Commercial Paper Program (Attachment 8) Matthew T. Brown
D. Recommendation for Approval of Series 2024A & B Bond Resolutions and Related Documents (Attachment 9) Matthew T. Brown
1. Resolution (Series 2024A)
2. Resolution (Series 2024B)
3. 33rd Supplemental Indenture (Series 2024A)
4. 34th Supplemental Indenture (Series 2024B)
5. Bond Purchase Agreement (Series 2024A)
6. Bond Purchase Agreement (Series 2024B)
7. Preliminary Official Statement (Series 2024A)
8. Preliminary Official Statement (Series 2024B)
9. Escrow Agreement (Series 2024A)

1The 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 certain matters, including but not limited to: matters prohibited from public disclosure pursuant to a court order or law under D.C. Official Code § 2-575(b)(1); terms for negotiating a contract, including an employment contract, under D.C. Official Code § 2-575(b)(2); obtain legal advice and preserve attorney-client privilege or settlement terms under D.C. Official Code § 2-575(b)(4)(A); collective bargaining negotiations under D.C. Official Code § 2-575(b)(5); facility security matters 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); third-party proprietary matters under D.C. Official Code § 2-575(b)(11); train and develop Board members and staff under D.C. Official Codes § 2-575(b)(12); adjudication action under D.C. Official Code § 2-575(b)(13); civil or criminal matters or violations of laws or regulations where disclosure to the public may harm the investigation under D.C. Official Code § 2-575(b)(14); and other matters provided under the Act.

- 10. Escrow Agreement (Series 2024B)
- 11. Dealer Manager Agreement (Series 2024A)
- 12. Remarketing Agreement (Series 2024B)
- 13. SBPA and Reimbursement Agreement (Series 2024B)
- 14. Invitation to Tender
- E. [Recommendation for Approval of the Commercial Paper Program and Related Documents \(Attachment 10\)](#) Matthew T. Brown
 - 1. Authorizing Resolution
 - 2. 35th Supplemental Indenture
 - 3. Offering Memorandum
 - 4. Dealer Agreement
 - 5. Issuing and Paying Agency Agreement
 - 6. LOC and Reimbursement Agreement
- 9. [Agenda for June 2024 Committee Meeting \(Attachment 11\)](#) Anthony Giancola, Chairperson
- 10. **Executive Session***
- 11. **Adjournment** Anthony Giancola

FOLLOW-UP ITEMS – There were no Follow-up items from the Finance and Budget Committee meeting held on March 28, 2024.

This meeting is governed by the Open Meetings Act. Please address any questions or complaints arising under this meeting to the Office of Open Government at opengovoffice@dc.gov.



Fiscal Year 2024

Monthly Financial Report

Period Ending April 30, 2024

DEPARTMENT OF FINANCE

Matthew T. Brown, CFO & Executive Vice President, Finance, Procurement and Compliance

Ivan Boykin, Vice President, Finance

Syed Khalil, Vice President, Rates & Revenue

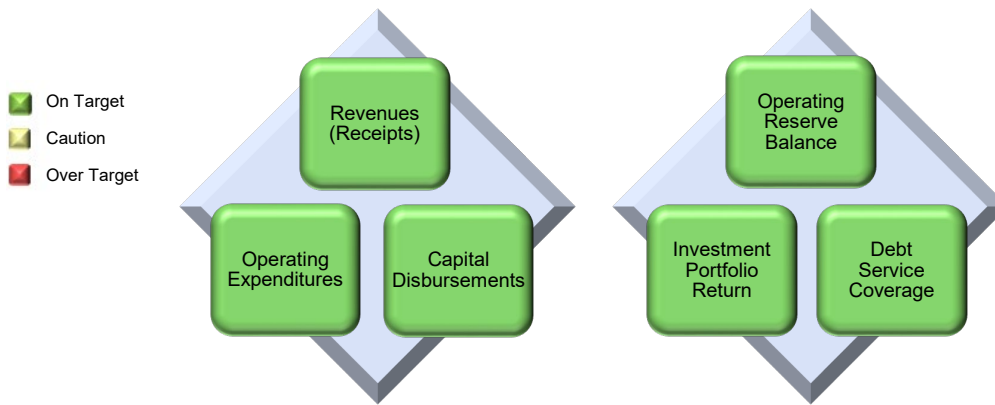
Lola Oyeyemi, Vice President, Budget

Genes Malasy, Vice President, Controller

APRIL 2024

EXECUTIVE SUMMARY

As of the end of April 2024, with 58 percent of the fiscal year completed, we are on track with budgetary expectations and targeted performance metrics.



(\$ in millions)

	Budget	YTD Budget	Actual	Variance		Actual % Budget
				Favorable	(Unfavorable)	
Revenues (Receipts)	\$890.6	\$525.2	\$530.3	\$5.1	1.0%	59.5%
Expenditures	\$737.6	\$396.6	\$376.0	\$20.6	5.2%	51.0%
Capital Disbursements	\$514.7	\$291.5	\$257.2	\$34.3	11.8%	50.0%

Highlights:

- Management will provide detailed discussion on preliminary FY 2024 year-end projections in June 2024
- Public Hearing on the Proposed FY 2025 & FY 2026 rate adjustments was held on May 9th

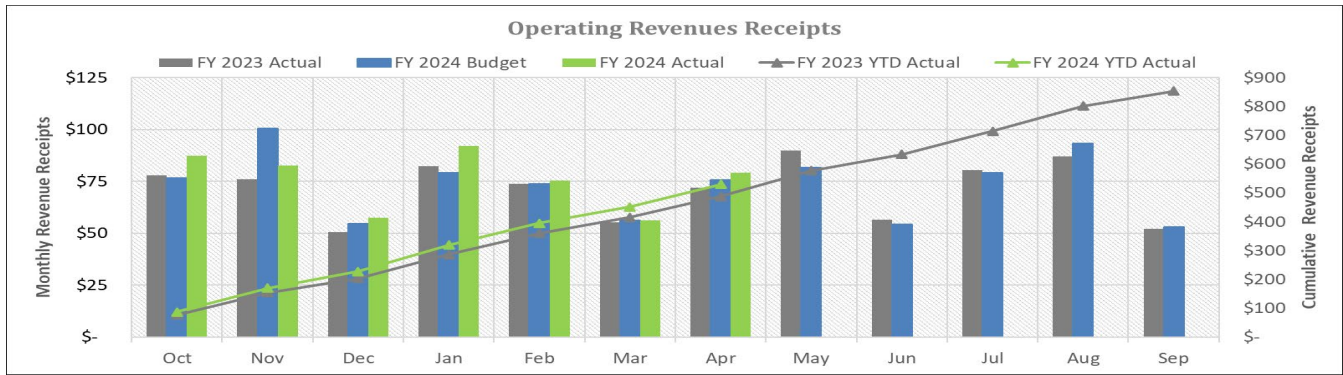
Matthew T. Brown, Executive Vice President & Chief Financial Officer

Monthly Financial Report

Fiscal Year-to-Date
As of April 30, 2024

Operating Revenues (\$000's)

FY 2023		CATEGORY	FY 2024					
Actual			Year-to-Date Performance					
Total Annual	YTD April		Annual Budget	YTD Budget	Actual	% of Budget	Variance \$ Fav(Unfav)	Variance % Fav(Unfav)
\$490,822	\$275,211	Residential / Commercial / Multi-Family*	\$510,581	\$297,840	\$301,679	59.1%	\$3,839	1.3%
83,839	62,879	Federal	90,273	67,705	\$68,504	75.9%	799	1.2%
21,495	11,998	Municipal (DC Govt.)	23,784	13,874	\$13,477	56.7%	(397)	(2.9%)
15,801	9,421	DC Housing Authority	15,925	9,290	\$9,651	60.6%	361	3.9%
24,104	14,393	Metering Fee	24,083	14,308	\$14,520	60.3%	212	1.5%
42,407	25,842	Water System Replacement Fee (WSRF)	40,717	24,694	\$26,201	64.3%	1,507	6.1%
105,250	48,185	Wholesale	106,519	53,260	\$55,723	52.3%	2,463	4.6%
23,760	14,073	PILOT/ROW	23,430	14,175	\$14,981	63.9%	806	5.7%
45,856	25,599	All Other	55,248	30,099	\$25,586	46.3%	(4,513)	(15.0%)
\$853,333	\$487,599	TOTAL	\$890,560	\$525,245	\$530,323	59.5%	\$5,078	1.0%



At the end of April 2024, cash receipts totaled \$530.3 million, or 59.5 percent of the FY 2024 Budget. The YTD budgeted receipts were \$525.2 million. The total receipts for April were \$79.0 million as compared to the budgeted \$81.0 million. Several categories of customers make payments on a quarterly basis, including the Federal Government (which made their third quarterly payment in April 2024), and wholesale customers (who made their second quarterly payment in February 2024).

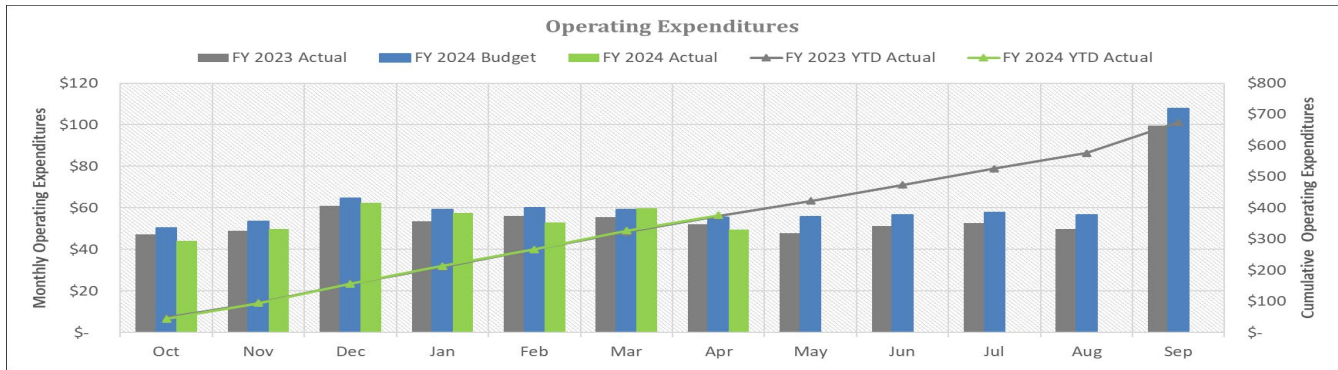
Favorable Variances	Unfavorable Variances
<p>Residential, Commercial, and Multi-Family – Receipts for this category are favorable at \$301.7 million or 59.1 percent of the budget. The higher receipts are mainly due to higher consumption as compared to the budget. The April 2024 receipts were lower by \$1.8 million, as compared to the monthly budget of \$42.5 million.</p> <p>Federal - Actual receipts through April 2024 total \$68.5 million or 75.9 percent of the budget. The Federal government made its third quarter payment in April 2024.</p> <p>DC Housing Authority – Receipts are higher at \$9.7 million or 60.6 percent of the budget. The April 2024 receipts are slightly lower by \$0.5 million as compared to the monthly budget of \$1.3 million.</p> <p>Wholesale – Actual receipts for this category total \$55.7 million or 52.3 percent of the budget. The higher receipts are due to Loudon County's early payment of \$2.4 million in April 2024 instead of scheduled payment in May 2024</p> <p>PILOT/ROW – The receipts for PILOT/ROW are favorable at \$15.0 million or 63.9 percent of the budget. The April 2024 receipts are slightly higher by \$0.3 million as compared to the monthly budget of \$2.5 million.</p>	<p>District Government – Receipts are slightly lower at \$13.5 million or 56.7 percent of the budget mainly due to lower consumption as compared to the budget. The April 2024 receipts are lower by \$0.2 million as compared to the monthly budget of \$2.0 million.</p> <p>Other Revenue - Receipts are lower at \$25.6 million or 46.3 percent of the budget mainly due to lower Developer Fees, System Availability Fee, and Washington Aqueduct Backwash as compared to the budget.</p>

Monthly Financial Report

Fiscal Year-to-Date
As of April 30, 2024

Operating Expenditures (\$000's)

FY 2023 Actual		CATEGORY	FY 2024 Year-to-Date Performance					
Total Annual	YTD April		Revised Budget	YTD Budget	Actual	% of Budget	Variance \$	Variance % Fav(Unfav)
\$183,316	\$104,029	Personnel	\$201,581	\$ 116,389	\$112,701	55.9%	\$ 3,688	3.2%
88,309	49,691	Contractual Services	93,070	57,688	53,036	57.0%	4,652	8.1%
33,609	20,298	Water Purchases	44,039	25,133	19,610	44.5%	5,522	22.0%
53,082	32,630	Supplies & Chemicals	54,568	31,881	33,421	61.2%	(1,540)	(4.8%)
37,361	22,917	Utilities	39,233	21,794	19,280	49.1%	2,514	11.5%
1,244	799	Small Equipment	1,437	788	864	60.2%	(77)	(9.7%)
\$396,921	\$230,363	SUBTOTAL O&M	\$433,928	\$253,672	\$238,912	55.1%	\$14,759	5.8%
225,852	130,409	Debt Service	221,635	129,287	123,410	55.7%	5,877	4.5%
23,070	13,458	PILOT/ROW	23,430	13,667	13,667	58.3%	(0)	(0.0%)
35,730	0	Cash Financed Capital Improvements	58,575	0	0	0.0%	0	0.0%
\$681,573	\$374,230	TOTAL OPERATING	\$737,567	\$396,626	\$375,990	51.0%	\$20,636	5.2%
(27,813)	(16,524)	Capital Labor	(31,974)	(19,144)	(18,174)	56.8%	(969)	5.1%
\$653,760	\$357,706	TOTAL NET OPERATING	\$705,593	\$377,482	\$357,815	50.7%	\$19,667	5.2%



VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

Total operating expenditures for this period (including debt service and the Right-of-Way & PILOT fees) totaled \$376.0 million or 51 percent of the FY 2024 revised budget of \$737.6 million.

The revised budget reflects reprogramming of \$10.3 million effected from the debt services to Cash Financed Capital Improvements (CFCI) due to a planned debt that was not issued in FY 2023, coupled with the release of the 1998 debt service reserves. These funds will be applied to PAYGO to reduce future borrowing costs.

These numbers include estimated incurred but unpaid invoices and are subject to revision during year-end close-out.

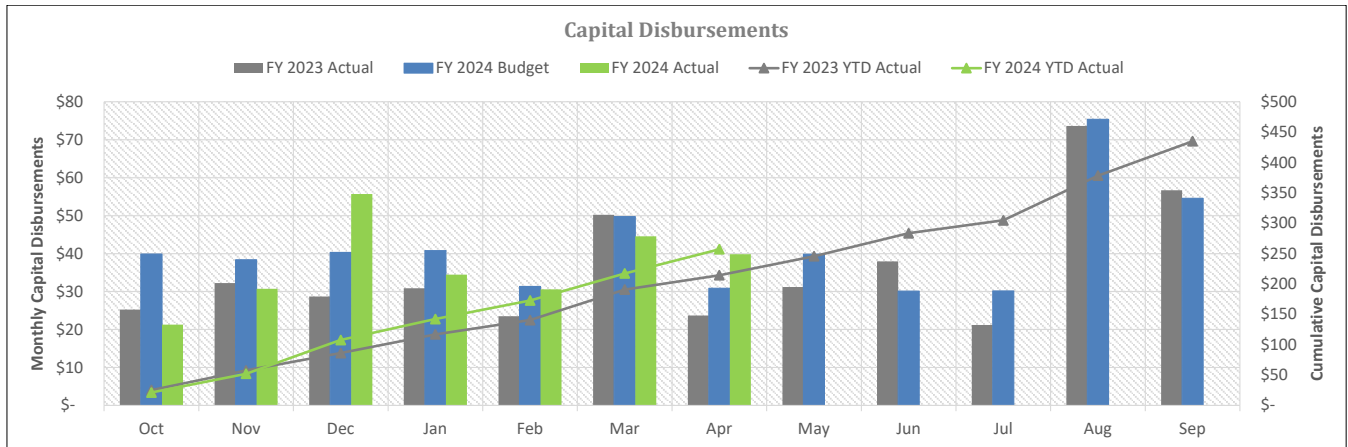
Favorable Variances	Unfavorable Variances
<p><u>Personnel Services</u> – YTD variance is consistent with the current vacancy rate. Of the 1317 positions authorized, 1155 were filled at the end of April. The YTD active vacancy rate (based on vacant positions under active recruit) is 6.2 percent. High overtime variance is due to emergency water and sewer main repairs experienced during the past cold winter season.</p> <p><u>Contractual Services</u> – YTD variance is mainly due to increased cost in Professional Services and inflation.</p> <p><u>Water Purchases</u> – Reflect DC Water’s share of Washington Aqueduct expenditures (approx. 75 percent). Expenditures are expected to increase in the latter part of the year, as we approach the summer months.</p> <p><u>Utilities</u> – YTD variance is primarily due to lower than budgeted energy (electricity) costs.</p> <p><u>Debt Service</u> – YTD variance is mainly due to a credit released from the 1998 Debt Service Reserve Fund in excess of the requirement.</p>	<p><u>Supplies & Chemicals</u> – YTD variance is primarily due to increased costs of critical spare parts and a surge in parts demand for the biosolids area due to aging equipment and other cyclical demands at the Plant.</p> <p><u>Small Equipment</u> – YTD variance is primarily due to the rental of major vehicle equipment for daily operations pending the anticipated delivery of the ordered equipment at the end of the year.</p>

Monthly Financial Report

Fiscal Year-to-Date
As of April 30, 2024

Capital Disbursements (\$'000's)

FY 2023		CATEGORY	FY 2024					
Actual			Year-to-Date Performance					
Total Annual	YTD April		Revised Budget	YTD Budget	Actual	% of Budget	Variance \$	Variance % Fav(Unfav)
\$10,272	\$8,158	Non Process Facilities	\$13,074	\$8,161	\$3,617	27.7%	\$4,544	55.7%
50,359	26,725	Wastewater Treatment	65,150	38,982	27,525	42.2%	11,456	29.4%
93,758	49,676	Combined Sewer Overflow	123,793	67,341	71,826	58.0%	(4,485)	(6.7%)
3,523	1,710	Stormwater	7,293	3,559	3,106	42.6%	453	12.7%
57,696	33,278	Sanitary Sewer	80,599	48,513	35,123	43.6%	13,389	27.6%
118,381	61,568	Water	158,736	85,237	78,625	49.5%	6,613	7.8%
\$333,990	\$181,115	SUBTOTAL CAPITAL PROJECTS	\$448,646	\$251,792	\$219,823	49.0%	\$31,970	12.7%
26,431	12,199	Capital Equipment	30,535	14,532	12,223	40.0%	2,309	15.9%
74,728	21,117	Washington Aqueduct	35,546	25,147	25,147	70.7%	0	0.0%
\$101,159	\$33,317	SUBTOTAL ADD'L CAPITAL PROGRAMS	\$66,081	\$39,679	\$37,370	56.6%	\$2,309	5.8%
\$435,149	\$214,431	TOTAL	\$514,727	\$291,471	\$257,193	50.0%	\$34,278	11.8%



VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of April 2024, capital disbursements totaled \$257.2 million or 50 percent of the FY 2024 revised budget.

Overall project performance will be reviewed in detail as part of the quarterly CIP update by the Department of CIP Infrastructure Management to the Environmental Quality & Operations and Finance & Budget Committees in May 2024.

Fiscal Year-to-Date
As of April 30, 2024

Cash Investments (\$ in millions)

Cash Balances

Rate Stabilization Fund Balance	\$35.64
DC Insurance Reserve Balance	1.00

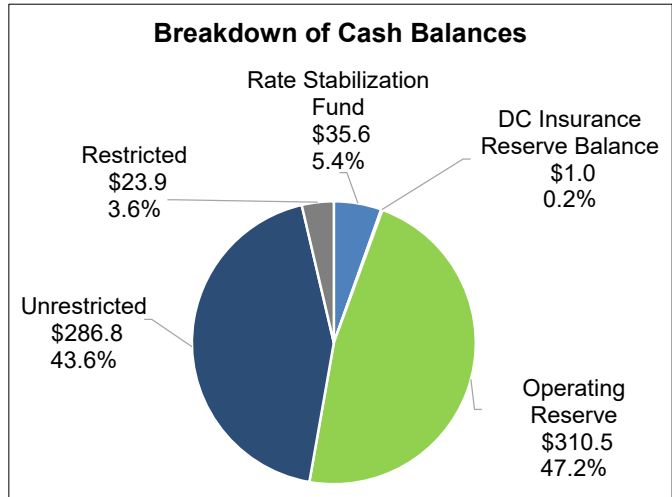
Operating Reserve Accounts	
Renewal & Replacement Balance	35.00
O & M Reserve per Indenture	64.72
267 Days of Cash O&M Reserve	196.88
267 Days of Cash O&M Reserve Target FY2024	296.60
Excess Above 267 Days of Cash O&M Reserve	11.86
Operating Cash Balance	310.46

Operating Cash Balance Including RSF 347.11

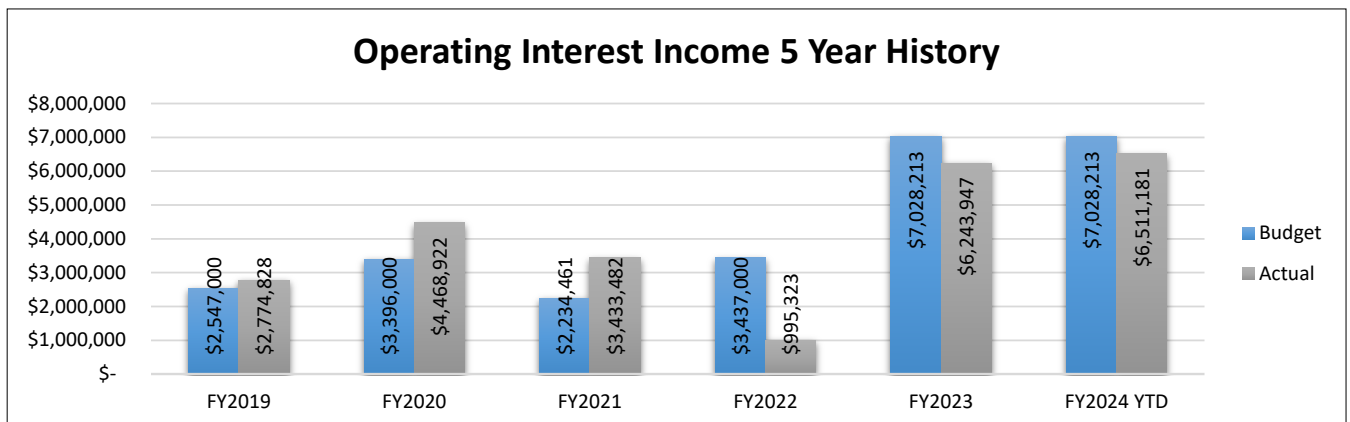
Additional Reserve Accounts	
Unrestricted	
DC Water - FY2024 CSO Funding	8.10
Bond Fund - Construction 2022B	21.28
Bond Fund - Construction 2022C	100.69
Bond Fund - Construction 2022D	50.11
Bond Fund - Construction 2022E	106.62
Unrestricted Total	286.79

Restricted	
Debt Service Reserve - Series 1998	8.23
DC Water - CARES Residential Relief Fund	0.85
DC Water - CARES Multi-Family Relief Fund	0.28
DC Water - CARES FY2022 Targeted Assistance	0.17
DC Water - DDOT Projects	10.73
District Funds	0.67
DOEE - CRIAC Res + Emergency Res Relief	0.05
DOEE - CRIAC Non-Profit Relief	0.91
DOEE - Lead Pipe Replacement (LPRAP)	2.05
DOEE - Lead Service Line Replacement (ERW)	0.00
Restricted Total	23.94

Total All Funds \$657.84



- Overall Portfolio Performance**
- The operating reserve balance was \$310.5 million as compared to the revised operating reserve management target level of \$282.6 million for FY 2024
 - Average cash balance for the month of April was \$325.6 million
 - Total investment portfolio was in compliance with the Authority's Investment Policy
 - Operating funds interest income for April (on a cash basis) was \$1,117,822; YTD \$6,511,181
 - A detailed investment performance report is attached



Monthly Financial Report

Fiscal Year-to-Date
As of April 30, 2024

FY 2024 Cash Flow Summary (\$000's)

	Annual Budget Cash Basis	YTD Cash Budget	YTD Actual Cash Oct. 1, 2023 - Apr. 30, 2024	Variance Favorable (Unfavorable)	
OPERATING BUDGET					
Cash Provided					
Retail	\$705,363	\$421,578	\$434,032	\$12,454	3%
Wholesale	106,519	53,260	55,723	2,463	5%
Other	78,233	44,295	40,425	(3,870)	-9%
Total Cash Provided	890,115	519,133	530,180	11,047	2%
Operating Cash Used					
Personnel Services	169,607	116,389	93,305	23,084	20%
Contractual Services	93,070	57,688	70,591	(12,903)	-22%
Chemicals & Supplies	54,568	31,881	40,754	(8,873)	-28%
Utilities	39,233	21,794	18,782	3,012	14%
Water Purchases	44,039	25,133	19,624	5,509	22%
Small Equipment	1,437	788	745	43	5%
Total Operating Cash Used	401,954	253,673	243,800	9,873	4%
Defeasance D.S./Cash Financed Capital Construction	58,575	34,169	0	34,169	100%
Other Cash Used					
Debt Service	221,635	129,287	123,410	5,877	5%
Payment In Lieu of Taxes/Right of Way	23,430	11,715	11,715	()	0%
Total Other Cash Used	245,065	141,002	135,125	5,877	4%
Total Cash Used	705,593	428,843	378,925	49,918	12%
Net Cash Provided (Used) by Operating Act.	184,522	107,638	151,254	43,616	
CAPITAL BUDGET					
Cash Provided					
Debt Proceeds	197,342	115,116	65,707	(49,409)	-43%
Proceeds from WIFIA Loan	26,000	15,167		(15,167)	-100%
Capital Equipment Financing (for 4 yrs @ 3.25%)	0				0%
System Availability Fee	7,700	4,492		(4,492)	-100%
EPA Grants	13,005	7,586	8,063	476	6%
CSO Grants					0%
Interest Income	7,946	4,635	8,670	4,035	87%
Wholesale Capital Contributions	77,404	38,702	36,334	(2,368)	-6%
Total Cash Provided	329,397	185,698	118,774	(66,924)	-36%
Cash Used					
DC Water Capital Program	479,181	289,372	231,994	57,378	20%
Washington Aqueduct Projects	35,546	33,762	25,147	8,615	26%
Total Cash Used	514,727	323,134	257,141	65,993	20%
Net Cash/PAYGO Provided (Used) by Cap. Act.	(\$185,330)	(\$108,109)	(\$138,367)	(\$30,258)	
Beginning Balance, October 1 (Net of Rate Stab. Fund) Projected					
	\$287,695		\$287,695		
Plus (Less) Operating Surplus	184,522	107,638	151,254		
Wholesale Customer Refunds for Prior Years	(9,000)	(5,250)	12,984		
Transfer to Rate Stabilization Fund					
Transfer to CAP Fund					
Transfer from CAP Fund					
Transfer from SAF					
Interest Earned from Bond Reserve	445	334	143		
AP Voided Check/ACH Returns for Previous Years					
Prior Year Federal Billing Reconciliation	(4,330)	(1,082)	(3,247)		
Project Billing Refunds	(2,000)	(1,167)			
Cash Used for Capital	(160,732)	(93,760)	(138,367)		
Balance Attributable to O&M Reserve	\$296,600		\$310,462		
OTHER CASH RESERVES					
	Current				
Rate Stabilization Fund	\$35,644				
DC Insurance Reserve	1,000				
Unrestricted Reserves	286,789				
Restricted Reserves	23,944				

APPENDIX

Operating Revenues Detail	9
Retail Accounts Receivable.....	10
Overtime Spending.....	11
Capital Disbursements Detail	12
Developer Deposits (Permit Operations).....	13
Investment Performance Summary Report	15

Monthly Financial Report

Fiscal Year-to-Date
As of April 30, 2024

Operating Revenues Detail

(\$ in millions)

Revenue Category	FY 2024 Budget	YTD Budget	Actual	Variance Favorable / (Unfavorable)		Actual % of Budget
Residential, Commercial, and Multi-family	\$510.6	\$297.8	\$301.7	\$3.9	1.3%	59.1%
Federal	\$90.3	\$67.7	\$68.5	0.8	1.2%	75.9%
District Government	\$23.8	\$13.9	\$13.5	(0.4)	-2.9%	56.7%
DC Housing Authority	\$15.9	\$9.3	\$9.7	0.4	4.0%	60.6%
Customer Metering Fee	\$24.1	\$14.3	\$14.5	0.2	1.5%	60.3%
Water System Replacement Fee (WSRF)	\$40.7	\$24.7	\$26.2	1.5	6.1%	64.3%
Wholesale	\$106.5	\$53.3	\$55.7	2.5	4.6%	52.3%
Right-of-Way Fee/PILOT	\$23.4	\$14.2	\$15.0	0.8	5.7%	63.9%
Subtotal (before Other Revenues)	\$835.3	\$495.1	\$504.7	\$9.6	1.9%	60.4%
IMA Indirect Cost Reimb. For Capital Projects	6.1	3.5	2.6	(0.9)	-25.7%	42.6%
DC Fire Protection Fee	11.5	5.8	5.8	(0.0)	0.0%	50.4%
Stormwater (MS4)	1.1	0.6	0.5	(0.1)	-16.7%	45.5%
Interest	8.5	5.0	6.7	1.7	34.0%	78.8%
Developer Fees (Water & Sewer)	9.0	5.3	3.8	(1.5)	-28.3%	42.2%
System Availability Fee (SAF)	7.7	4.5	1.6	(2.9)	-64.4%	20.8%
Washington Aqueduct Backwash	2.6	1.5	0.0	(1.5)	-100.0%	0.0%
Others	6.8	3.9	4.6	0.7	17.9%	176.9%
Subtotal	\$53.3	\$30.1	\$25.6	-\$4.5	-15.0%	48.0%
Rate Stabilization Fund Transfer	\$2.0	\$0.0	\$0.0	\$0.0	0.0%	0.0%
Other Revenue Subtotal	\$55.3	\$30.1	\$25.6	(\$4.5)	-15.0%	46.3%
Grand Total	\$890.6	\$525.2	\$530.3	\$5.1	1.0%	59.5%

BREAKDOWN OF RETAIL RECEIPTS BY CUSTOMER CATEGORY
(\$ in 000's)

Customer Category	Water	Sewer	Clean Rivers			Total
			IAC	Metering Fee	WSRF	
Residential	\$25,863	\$40,795	\$17,583	\$6,322	\$5,694	\$96,258
Commercial	49,060	55,546	21,475	4,295	10,128	140,504
Multi-family	32,777	50,413	8,166	2,098	4,694	98,148
Federal	24,921	28,329	15,253	1,168	4,246	73,917
District Govt	3,523	4,767	5,187	487	1,200	15,163
DC Housing Authority	3,609	5,346	696	151	240	10,042
Total:	\$139,754	\$185,196	\$68,361	\$14,520	\$26,201	\$434,032

Note: The breakdown of Collections into Residential, Commercial, & Multi-family and Water and sewer is approximate as it is based on percentages of historical data and does not take into account adjustments and timing differences

Clean Rivers IAC - Actual vs Budget
(\$ in 000's)

Customer Category	FY2024 Budget	Year-To-Date Budget	Actual Received	Variance Favorable / <Unfavorable>	Variance % of YTD Budget	Actual % of Budget
Residential	\$29,527	\$17,224	\$17,583	\$359	2%	60%
Commercial	35,697	20,823	21,475	651	3%	60%
Multi-family	14,147	8,252	8,166	(86)	-1%	58%
Federal	20,338	15,254	15,253	(0)	0%	75%
District Govt	9,255	5,399	5,187	(212)	-4%	56%
DC Housing Authority	1,212	707	696	(11)	-2%	57%
Total:	\$110,176	\$67,659	\$68,361	\$702	1%	62%

Monthly Financial Report

Fiscal Year-to-Date
As of April 30, 2024

Retail Accounts Receivable (Delinquent Accounts)

The following tables show retail accounts receivable over 90 days (from the billing date) including a breakdown by customer class.

Greater Than 90 Days by Month

	\$ in millions	# of accounts
September 30, 2012	\$5.5	13,063
September 30, 2013	\$4.9	11,920
September 30, 2014	\$5.3	12,442
September 30, 2015	\$6.5	11,981
September 30, 2016	\$7.7	12,406
September 30, 2017	\$8.4	11,526
September 30, 2018	\$13.4	16,273
September 30, 2019	\$10.6	8,744
September 30, 2020	\$17.9	13,775
September 30, 2021	\$26.3	13,065
September 30, 2022	\$29.1	12,168
September 30, 2023	\$28.0	10,420
October 31, 2023	\$28.3	10,540
November 30, 2023	\$28.5	10,099
December 31, 2023	\$29.9	10,536
January 31, 2024	\$30.8	10,322
February 29, 2024	\$31.7	10,472
March 31, 2024	\$32.4	10,720
April 30, 2024	\$32.6	10,912

Notes: The increase in the accounts receivable over 90 days (from the billing date) is due to the temporary suspension of collections procedures because of the new billing system VertexOne, which was implemented in December 2017. The increase in accounts receivable from March 2020 to September 2022 is primarily due to increased delinquencies and deferred payments due to the impact of COVID-19.

	Number of Accounts			Month of Apr (All Categories)				Total Delinquent				
	W & S a/c	Impervious Only a/c	Total No. of a/c	Active		Inactive		Mar		Apr		
				No. of a/c	Amount (\$)	No. of a/c	Amount (\$)	No. of a/c	Amount (\$)	No. of a/c	Amount (\$)	%
Commercial	9,026	1,985	11,011	900	\$6,085,032	97	\$423,182	1,009	\$6,416,589	997	\$6,508,214	20%
Multi-family	8,734	313	9,047	1,222	\$17,761,868	36	\$237,005	1,307	\$17,729,196	1,258	\$17,998,873	55%
Single-Family Residential	107,353	2,091	109,444	8,514	\$7,845,953	143	\$204,427	8,404	\$8,205,274	8,657	\$8,050,380	25%
Total	125,113	4,389	129,502	10,636	\$31,692,853	276	\$864,614	10,720	\$32,351,058	10,912	\$32,557,467	100%

Notes: Included in the above \$32.6M (or 10,912 accounts) of the DC Water Over 90 days delinquent accounts, \$5,130,883.77 (or 1,029 accounts) represents Impervious only accounts over 90 days delinquent.

- Reportable delinquencies do not include balances associated with a long-standing dispute between DC Water and a large commercial customer.
- Delinquent accounts (10,912) as a percentage of total accounts (129,502) is 8.4 percent.
- Delinquent impervious only accounts (1,029) as a percentage of total accounts (129,502) is 0.8 percent.
- Delinquent impervious only accounts (1,029) as a percentage of total delinquent accounts (10,912) are 9.4 percent.
- Delinquent impervious only accounts (1,029) as a percentage of total impervious only accounts (4,389) are 23.4 percent.

Fiscal Year-to-Date
As of April 30, 2024

Overtime by Department

Department	FY 2024			
	Budget	Actual	YTD Actual % of Budget	% of Regular Pay
Secretary to the Board	0	0	0.0%	0.0%
CIP Infrastructure Management	10,000	15	0.2%	0.0%
Clean Rivers	0	0	0.0%	0.0%
Clean Water and Technology	158,000	44,915	28.4%	6.2%
Compliance	0	0	0.0%	0.0%
Customer Service	405,000	250,203	61.8%	4.8%
Engineering and Technical Services	938,000	483,640	51.6%	6.8%
Facilities Management	366,000	277,196	75.7%	10.7%
Finance	52,000	34,058	65.5%	0.8%
Fleet Management	6,000	4,011	66.9%	0.8%
Information Technology	10,000	2,436	24.4%	0.1%
Government and Legal Affairs	3,000	1,214	40.5%	0.1%
Marketing & Communication	0	1,676	0.0%	0.2%
Maintenance Services *	600,000	525,359	87.6%	10.8%
Occupational Safety	0	0	0.0%	0.0%
Office of OCEO	0	0	0.0%	0.0%
Office of OCAO	0	0	0.0%	0.0%
Office of OCOO	0	0	0.0%	0.0%
Office of Emergency Management	5,000	0	0.0%	0.0%
People and Talent	5,000	3,139	62.8%	0.1%
Permit Operations **	45,000	36,759	81.7%	2.1%
Process Engineering	50,000	20,920	41.8%	1.1%
Procurement ***	80,000	64,390	80.5%	2.5%
Pumping and Sewer Operations ****	2,068,000	1,771,811	85.7%	19.1%
Resource Recovery	161,000	87,989	54.7%	17.0%
Security	0	2,129	0.0%	0.4%
Strategy and Performance	0	0	0.0%	0.0%
Wastewater Engineering	9,000	41	0.5%	0.0%
Wastewater Treatment Operations	1,643,000	861,608	52.4%	14.0%
Water Operations *****	1,897,000	2,325,996	122.6%	23.4%
Total DC WATER	\$8,511,000	\$6,799,505	79.9%	9.2%

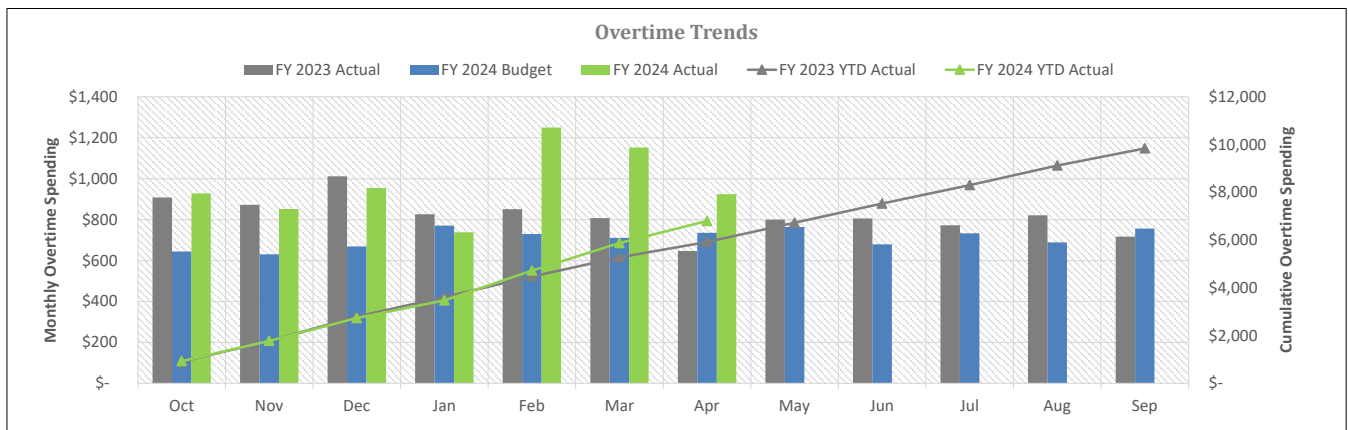
*Maintenance Services - Overtime used to mitigate delays in the upgrade of the filtration facility

**Permit Operations - Overtime used to cover payment reimbursements

***Procurement - Overtime used for after-hour calls from various departments

****Pumping and Sewer - Overtime used for shift coverage and additional support due to pump outage at Rock Creek PS

*****Water Operations - Overtime used for increased unplanned emergencies and planned water system activities



Monthly Financial Report

Fiscal Year-to-Date
As of April 30, 2024

Capital Disbursements Detail by Program (\$000's)

Service Areas	Budget		Actual			Variance		
	REVISED BUDGET	YTD BUDGET	Oct 2023 - Mar 2024	Apr 2024	YTD	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)
NON PROCESS FACILITIES								
Facility Land Use	\$13,074	\$8,161	\$2,932	\$685	\$3,617	27.7%	\$4,544	55.7%
Subtotal	13,074	8,161	2,932	\$685	\$3,617	27.7%	4,544	55.7%
WASTEWATER TREATMENT								
Liquids Processing	31,049	20,397	15,095	2,132	17,227	55.5%	3,171	15.5%
Plantwide	21,440	12,322	6,989	1,934	8,923	41.6%	3,399	27.6%
Solids Processing	11,166	4,876	1,217	3	1,220	10.9%	3,657	75.0%
Enhanced Nitrogen Removal Facilities	1,495	1,386	111	45	156	10.4%	1,230	88.8%
Subtotal	65,150	38,982	23,411	\$4,114	27,525	42.2%	11,456	29.4%
COMBINED SEWER OVERFLOW								
D.C. Clean Rivers	118,913	64,221	58,576	12,216	70,792	59.5%	-6,571	-10.2%
Combined Sewer	4,880	3,120	680	355	1,035	21.2%	2,086	66.8%
Subtotal	123,793	67,341	59,256	12,571	71,826	58.0%	-4,485	-6.7%
STORMWATER								
Local Drainage	491	300	125	1	126	0.0%	174	58.0%
On-Going	225	77	29	7	36	16.0%	41	53.5%
Pumping Facilities	4,847	1,997	1,419	194	1,613	33.3%	384	19.2%
Research and Program Management	1,288	750	117	9	126	9.8%	623	83.2%
Trunk/Force Sewers	442	436	1,186	19	1,205	272.8%	-769	-176.5%
Subtotal	7,293	3,559	\$2,876	230	3,106	42.6%	453	12.7%
SANITARY SEWER								
Collection Sewers	6,087	3,101	736	744	1,480	24.3%	1,621	52.3%
On-Going	13,398	8,476	8,138	1,020	9,158	68.4%	-682	-8.0%
Pumping Facilities	3,639	2,301	848	550	1,398	38.4%	903	39.2%
Program Management	7,495	4,365	1,608	619	2,227	29.7%	2,138	49.0%
Interceptor/Trunk Force Sewers	49,980	30,269	15,545	5,315	20,860	41.7%	9,408	31.1%
Subtotal	80,599	\$48,513	26,875	8,248	35,123	43.6%	13,389	27.6%
WATER								
Distribution Systems	59,596	31,841	31,726	2,774	34,501	57.9%	-2,660	-8.4%
Lead Program	62,339	32,093	19,965	8,338	28,303	45.4%	3,790	11.8%
On-Going	14,107	8,118	9,493	1,341	10,834	76.8%	-2,716	-33.5%
Pumping Facilities	6,277	3,494	1,654	39	1,693	27.0%	1,802	51.6%
Storage Facilities	7,462	4,921	1,086	120	1,206	16.2%	3,714	75.5%
Program Management	8,956	4,771	1,785	303	2,088	23.3%	2,683	56.2%
Subtotal	158,736	85,237	65,709	12,916	78,625	49.5%	6,613	7.8%
Capital Projects	448,646	251,792	181,059	38,764	\$219,823	49.0%	31,970	12.7%
CAPITAL EQUIPMENT	\$30,535	\$14,532	\$11,160	1,063	\$12,223	40.0%	2,309	15.9%
WASHINGTON AQUEDUCT	35,546	25,147	25,147	-	25,147	70.7%	-	0.0%
Additional Capital Programs	66,081	39,679	36,307	1,063	37,370	56.6%	2,309	5.8%
Total	\$514,727	\$291,471	\$217,366	\$39,827	\$257,193	50.0%	\$34,278	11.8%

Monthly Financial Report

Fiscal Year-to-Date
As of April 30, 2024

Developer Deposits

Developer Deposits are funds paid to DC Water for plans that are approved by the Permit Operations Department. They include:

- Flat fees for taps, abandonments, sewer connections, etc.
- Reimbursable fees for inspection labor hours charged to the account.
- Deposits held as security against damage and uncharged accounts.
- Miscellaneous non-commercial account items (hydrant use, groundwater dewatering, waste hauler fees, etc.)
- As of April 30, 2024, developer deposits had \$39.73 million in credit balances (liability) and \$11.20 million in debit balances (receivable).

Balances by Year as of April 30, 2024

Credit Balances (Liability)	Debit Balances (Receivables)
\$39.73 million	\$11.2 million

Year	Credit Balances	Number of Accounts with Credit Balances	Debit Balances	Number of Accounts with Debit Balances	Net Balance
2001	\$ -	-	\$ 960,164.05	1	\$ 960,164.05
2002	\$ -	-	\$ 1,836.00	2	\$ 1,836.00
2004	\$ -	-	\$ 9,066.08	6	\$ 9,066.08
2005	\$ (382,889.24)	84	\$ 268,327.91	89	\$ (114,561.33)
2006	\$ (277,569.36)	30	\$ 284,522.42	78	\$ 6,953.06
2007	\$ (148,340.89)	28	\$ 146,376.99	50	\$ (1,963.90)
2008	\$ (297,931.07)	33	\$ 192,079.13	49	\$ (105,851.94)
2009	\$ (145,863.80)	22	\$ 200,780.65	45	\$ 54,916.85
2010	\$ (151,949.35)	36	\$ 131,788.19	38	\$ (20,161.16)
2011	\$ (251,899.98)	57	\$ 425,167.42	55	\$ 173,267.44
2012	\$ (653,035.99)	154	\$ 433,006.02	87	\$ (220,029.97)
2013	\$ (978,294.21)	139	\$ 253,228.00	78	\$ (725,066.21)
2014	\$ (1,607,569.04)	246	\$ 947,528.09	61	\$ (660,040.95)
2015	\$ (1,490,933.20)	282	\$ 259,923.36	37	\$ (1,231,009.84)
2016	\$ (2,586,872.70)	323	\$ 501,046.77	60	\$ (2,085,825.93)
2017	\$ (2,147,044.61)	397	\$ 434,856.96	109	\$ (1,712,187.65)
2018	\$ (2,979,978.58)	462	\$ 1,382,211.34	118	\$ (1,597,767.24)
2019	\$ (5,300,852.84)	420	\$ 1,646,631.78	167	\$ (3,654,221.06)
2020	\$ (4,629,703.32)	308	\$ 571,145.28	137	\$ (4,058,558.04)
2021	\$ (4,530,677.69)	326	\$ 613,236.94	153	\$ (3,917,440.75)
2022	\$ (5,741,091.06)	323	\$ 848,293.29	176	\$ (4,892,797.77)
2023	\$ (4,038,923.02)	202	\$ 505,832.24	134	\$ (3,533,090.78)
2024	\$ (1,386,838.59)	73	\$ 183,125.05	79	\$ (1,203,713.54)
Total	\$ (39,728,258.54)	3,945	\$ 11,200,173.96	1,809	\$ (28,528,084.58)

Forfeiture Action

Accounts Forfeited on August 16, 2021	(4,838,938.52)	1,011
Accounts Forfeited on September 23, 2022	(1,286,705.10)	348
Accounts Forfeited on March 26, 2024	(1,621,242.25)	262
Accounts pending forfeiture determination and execution.	(4,895,342.93)	829

Fiscal Year-to-Date
As of April 30, 2024

Developer Deposits

Customer Communication

Statements are provided to customers when there is activity on the account. To ensure that all customers are aware of the balances, statements are also mailed annually irrespective of whether there is an activity on the account. For the last three years, annual statements were mailed to customers on March 26, 2024, April 28, 2023, and January 25, 2022.

By law, refunds are to be requested by the account owner within two years of completion (DC Code § 34–2401.10). If not requested in that period, these accounts can be forfeited and closed. DC Water has placed a statement on invoices beginning in November 2019 notifying customers of the District law and that funds would be forfeited unless a refund is requested within two years of project completion or account inactivity. A notification to customers that is posted on our website indicates that unless a refund was requested, funds would be forfeited for projects without activity for ten years. AOBA and DCBIA have been asked to notify their membership to examine the invoices.

For accounts that were forfeited, zero balance statements were mailed out on August 16, 2021, September 21, 2022, and March 26, 2024.

Refund Requests and Forfeiture Disputes

In response to the annual account statements provided to customers in April 2023, it has been determined that refund requests submitted impacts 1,412 accounts. This month, 45 new refund request accounts were received. The increase in the number of requests is due to the mailed annual statements and forfeiture letters sent in March. This has also increased the number of customer service phone calls and inquiries. For FY 24, DC Water has processed almost 1.5 times the number of accounts processed in FY 23 with a total of \$4,603,085.67 refunded in FY 24, which is 162-percent more than what was processed in FY 23.

The table below shows a breakdown of the work performed to date.

Construction Inspection Refund Data

	Number of Accounts	Amount (\$)
Refund request received to date	1412	
Refunded this month	36	\$1,484,834.72
Refunded last month	59	\$379,016.43
Refunded in FY24	253	\$4,603,085.67
Refunded in FY23 (Oct 22 - Sept 23)	105	\$1,756,574.39
Refund requests that are debits (\$0 balance or owe DC Water)	59	\$(149,095.75)

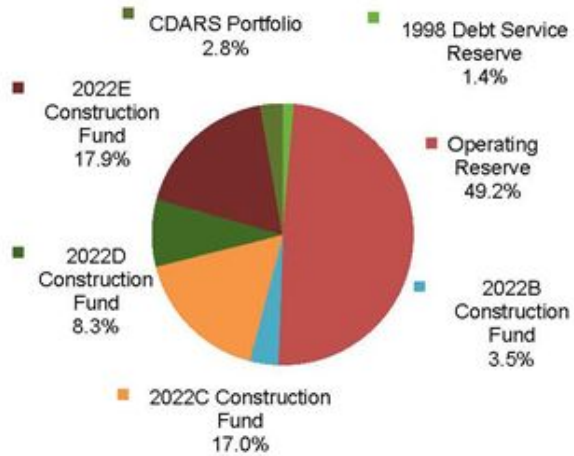


**DC Water
Finance Division
Economic Update & Portfolio Summary**

ECONOMIC COMMENTARY

- The market spent the majority April revising expectations for Fed cuts following stubbornly high inflation data and a slew of Fed speak confirming the need for greater confidence on inflation declines before the next rate action. At the May FOMC meeting, the Fed left the range for the overnight target rate unchanged, as expected, at 5.25% to 5.50%. The trend of hotter-than-expected inflation readings continued in April: the year-over-year change in CPI rose by 0.3% to 3.5% and PCE rose to 2.7% in March, an increase of 0.2% from February.
- Job growth in April came in at 175,000, firmly missing expectations of 240,000 and hitting a 6-month low. The unemployment rate ticked up to 3.9% from 3.8%, matching its highest level in over two years, while wage growth continued to outpace inflation. Yields declined on the jobs news only two days after the hawkish FOMC meeting, as markets pulled forward rate cut expectations.
- **Takeaway:** Chair Powell noted that it is likely going to take longer than previously expected for the Fed to gain greater confidence that inflation is moving sustainably lower toward the 2% target.

INVESTMENT PORTFOLIOS



PORTFOLIO RECAP

- The portfolio is diversified among Bank Deposits, U.S. Treasuries, Federal Agencies, Mortgage-Backed Securities, Supranational Bonds, Negotiable CDs, Corporate Notes/Bonds, Municipal Bonds, FDIC Insured CDs and SEC registered money market funds.
- The overall yield-to-maturity on cost of the portfolio is 3.29%. The short term consolidated composite periodic 1 month return was 0.25% and the benchmark of ICE BofA 3- month Treasury Index periodic 1 month return was 0.44%. The Core Consolidated Composite periodic 1 month return was 0.36% and the benchmark of ICE BofA 1-3 Year Treasury Index periodic 1 month return was 0.42%.

Operating Reserve and Bond Proceeds Portfolios

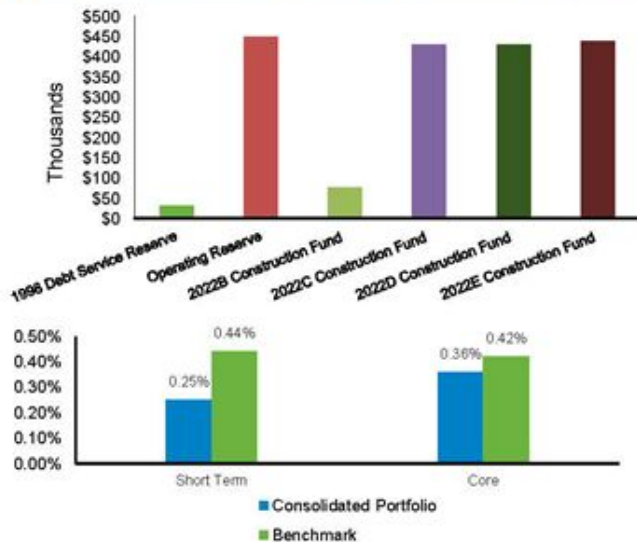
- During April, the investment advisor (PFMAM) purchased \$4.8 million in U.S. Treasuries with yields ranging from 4.51%-4.95% and \$1.9 million in corporate notes with yields ranging from 4.87-4.98%. DC Water reinvested \$5.4 million in CDARs with a yield of 4.25%.

Operating Funds Interest Income Earnings³

- April 2024 - \$1,117,822.16
- Total FY 2024 - \$6,511,180.56

Certificates of Deposit Account Registry Services (CDARs)

MONTHLY EARNINGS¹ AND PERFORMANCE²



1. Monthly earnings shown are total accrual basis earnings based on amortized costs.
 2. Please reference performance details under "portfolio recap" and on Page 10 of the Monthly Board Report.
 3. Operating Funds Interest Income Earnings Reported by DC Water.



CIP Quarterly Update
Finance & Budget Committee
May 23, 2024

ATTACHMENT 2



David Parker, PE, Vice President of Engineering
Paul Guttridge, Director CIP Infrastructure Management



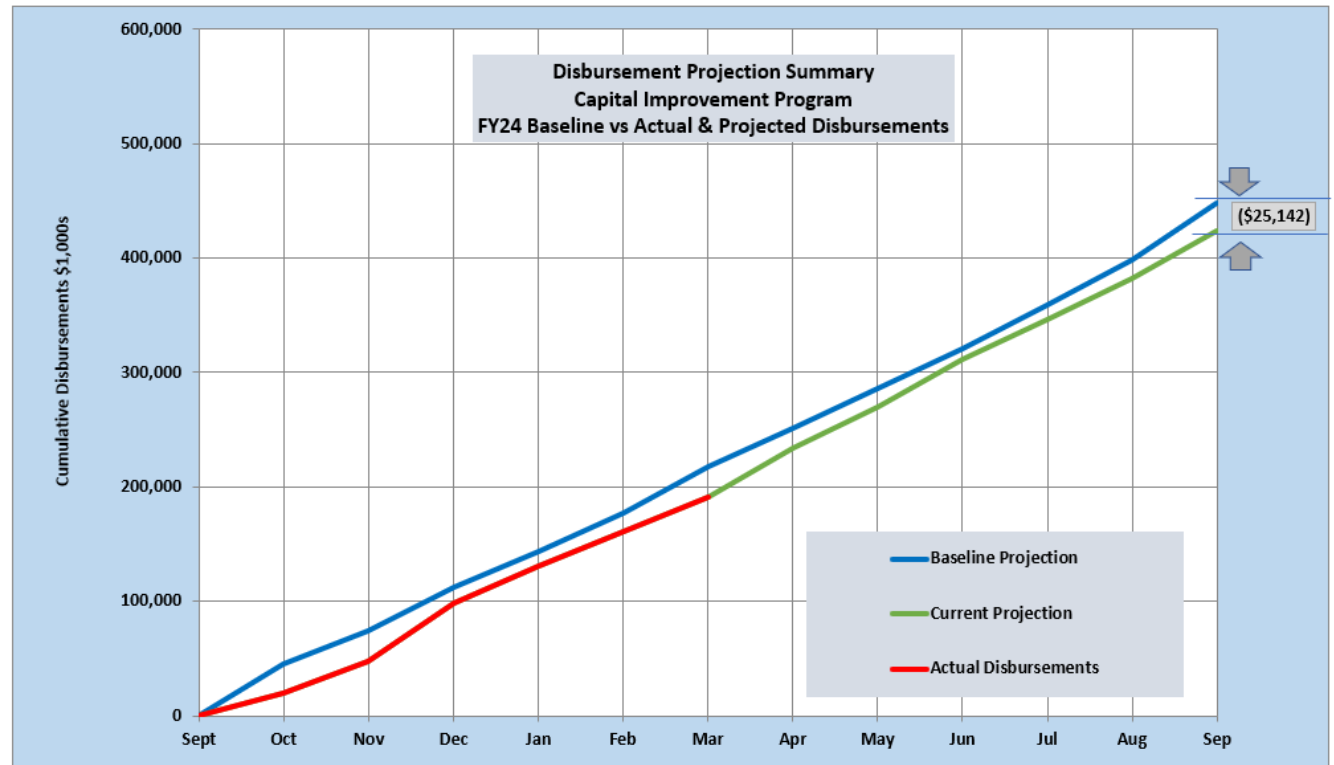
CIP Quarterly Update

FY24 CIP Disbursement Performance

The Baseline projection for FY24 was developed to better align with the anticipated execution of the planned work. Total Baseline budget is \$448.6M

The actual total program disbursements through the end of Quarter 2 compared with the FY24 baseline budget are shown in the chart (right).

The fiscal year 2024 thru Quarter 2 CIP disbursements were **\$191M** through the end of the Quarter.



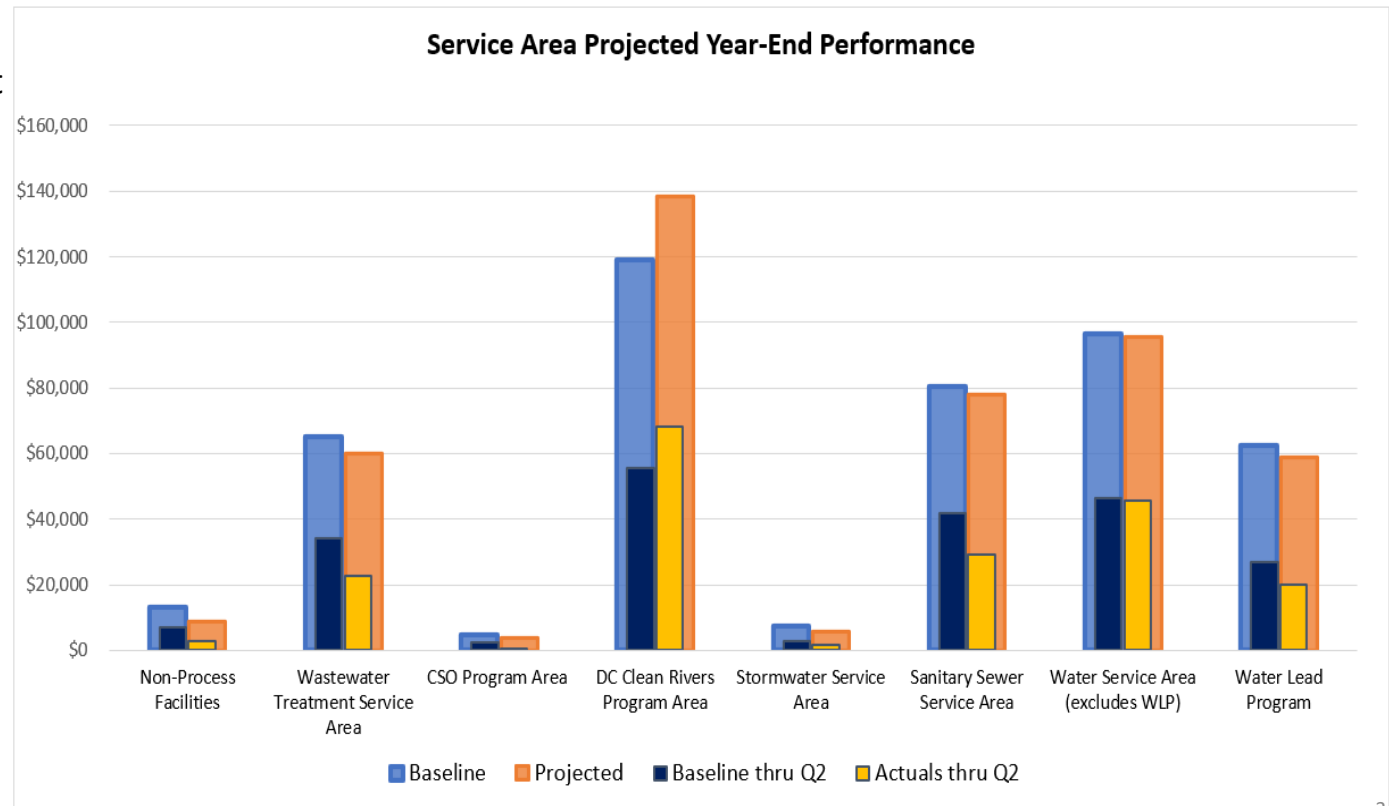


FY24 Performance by Service Area

Service Area Disbursements

As of the second quarter, the forecast is on track to achieve 95% of the baseline, noting individual service area have varying deltas:

- DCCR is progressing slightly ahead of anticipated progress and is expected to end above baseline at year-end.
- The Water program (excluding Lead) is generally on track.
- The Wastewater, Sewer and Lead-Free DC Programs are slightly behind the baseline but are expected to catch-up in the second half of the fiscal year.





Schedule - Key Performance Indicators (KPIs)

Summary of FY24 Key Performance Indicators:

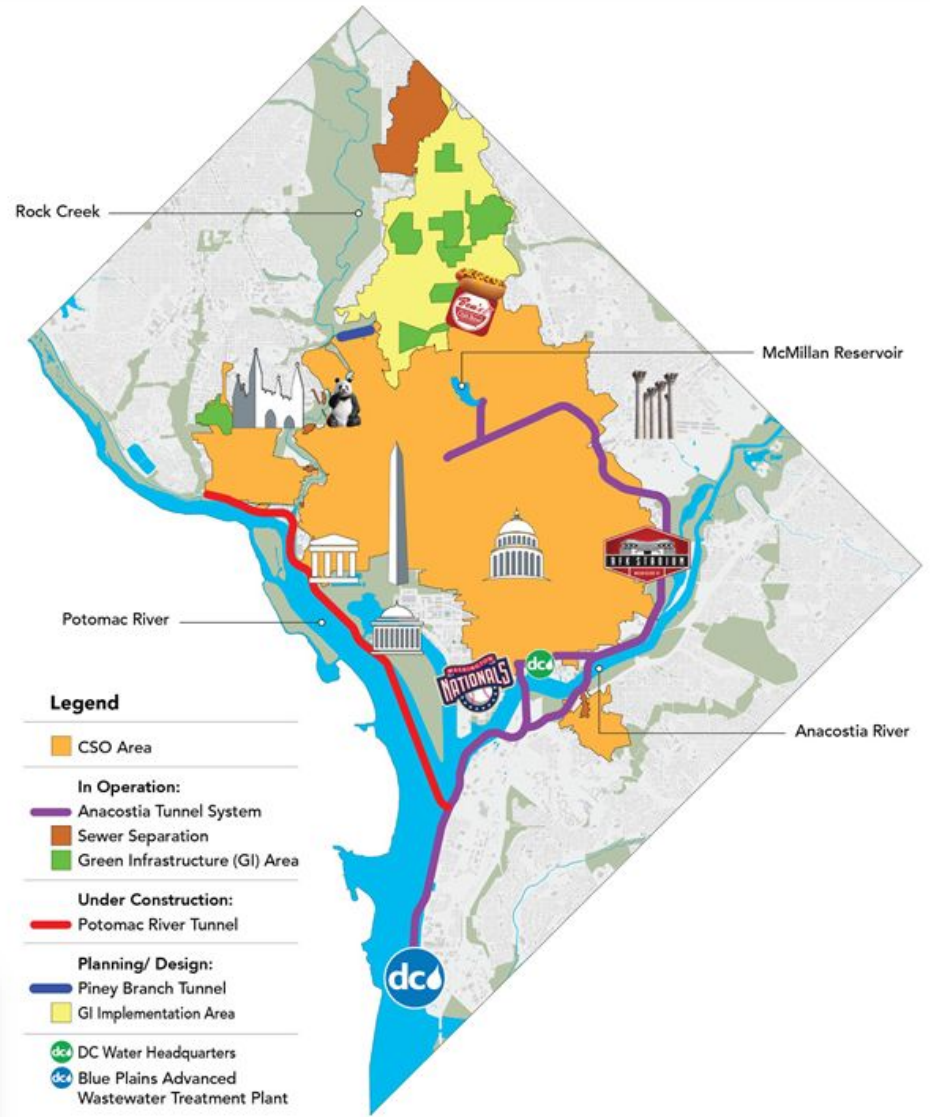
	Performance
36	Total KPIs due this year
12	KPIs completed within threshold
7	KPIs outside threshold (>90 days)

Q2 KPIs achieved within the 90-day threshold:

Job	Job Name	KPI type	Due Date (Baseline)	Actual Completion	Delta (-ve early)
FT03	Out of Service LDWM Elimination Contract 1	Construction Start	16-Sep-24	04-Mar-24	-196
GH01	Service Life Restoration Program (SLRP) 2	Construction Start	15-Mar-24	11-Mar-24	-4
OB01	Inflatable Dams Replacement	Design Start	19-Feb-24	11-Mar-24	21
OR01	Ft. Reno Pump Station Upgrades - Phase II - Pump and Motor Replacements	Design Start	29-Feb-24	9-Jan-24	-51
HX03	SDWM Renewal 16C	Construction Start	16-Jan-24	15-Mar-24	59
JZ04	Critical Valve Replacement Year 2	Design Start	2-Feb-24	17-Jan-24	-16
JZ06	Critical Valve Replacement Year 2	Design Start	2-Feb-24	2-Feb-24	0
KH03	SDWM Renewal 21C	Design Start	1-Mar-24	21-Jan-24	-40

dc DC Clean Rivers Status

Area	Status
Anacostia River CSO Controls	
Anacostia Tunnel System	<ul style="list-style-type: none"> ❖ Completed the construction of all CSO Controls ❖ 90% of site restoration and pavement complete ❖ More than 16.9 billion gallons of CSOs and 10,339 tons of trash and debris captured as of March 2024
Potomac River CSO Controls	
Potomac River Tunnel	<ul style="list-style-type: none"> ❖ Mobilizing at the West Potomac Park ❖ Advancing design packages ❖ Advancing utility investigation & instrumentation
Rock Creek CSO Controls	
Green Infrastructure Project C	<ul style="list-style-type: none"> ❖ Completed 60% design ❖ Industry outreach held on April 23, 2024 ❖ RFQ/P issued on May 6, 2024
Piney Branch Tunnel	<ul style="list-style-type: none"> ❖ Environmental Assessment underway ❖ 90% design underway ❖ Industry outreach held on April 25, 2024 ❖ RFQ/P issued on May 9, 2024





Program Spotlight: Lead Free DC

DC WATER Lead Free DC

Lead Service Line Replacement Program Status*

Lead Free DC Program Status

Display Category	Premise Count	Percent Total
Verified Non-Lead	34,880	27.3%
Suspected Non-Lead	61,704	48.4%
No Information	12,215	9.6%
Suspected Lead	9,635	7.6%
Verified Lead	9,145	7.2%

Lead Service Line Replacement Progress Meter

● Completed ● Remaining

Estimated LSLRs	41,157
Completed LSLRs	5,687
Estimated Remaining LSLRs	35,470
Percent Complete	13.8%

Replacements

Estimated LSLRs	41,157
Completed LSLRs	5,687
Estimated Remaining LSLRs	35,470
Percent Complete	13.8%

Material Verifications

Premises with Material Verified	3,498
Percent of DC Verified	34.5%

Useful Links

[Lead Inventory Map](#) [LFDC Construction Dashboard](#)

* Data displayed is from 10/1/2019 to 5/7/2024



Project Spotlight: Small Diameter Water Main

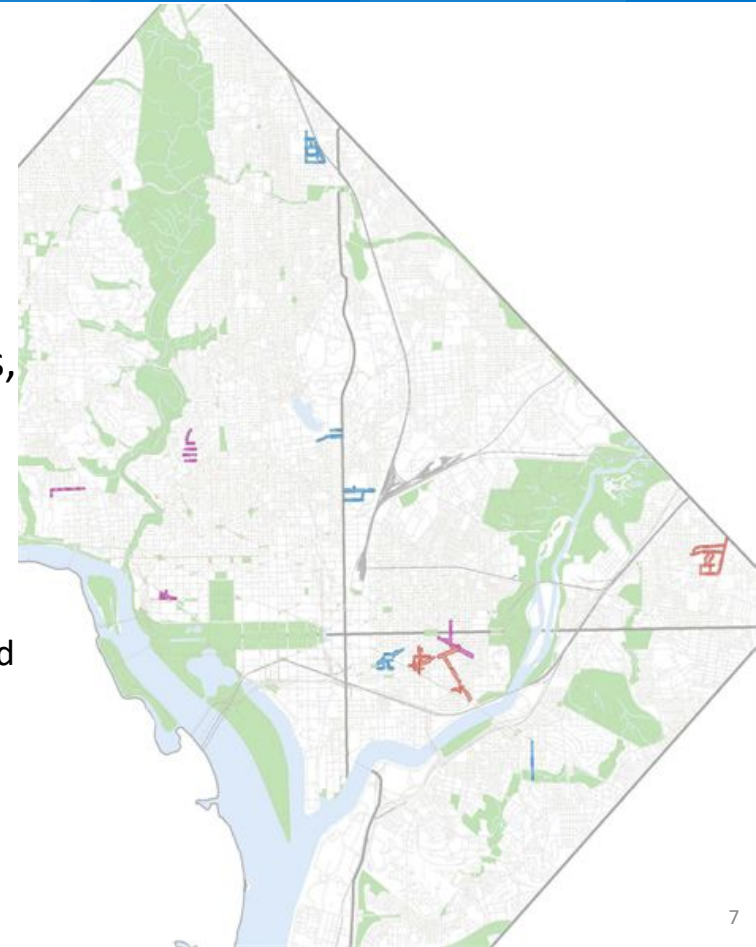
Small Diameter Water Main Replacements 15 (Contracts A, B & D)

Project Description and Cost

- This project is for the rehabilitation of small diameter (12-inch and smaller) deteriorated water pipe to improve available water quality and fire flows. Work includes the elimination of dead-end pipelines in the system and the replacement of appurtenances such as valves, fire hydrants, and house service lines, including lead service lines as they are uncovered.
 - Planned total feet of pipe to be installed: 65,650 linear feet (12.4 Miles)
 - Cost to Date: \$28.6M (62% complete)
 - Total Construction Cost: \$46.1M
 - Contracts are partially funded by Water Infrastructure Finance and Innovations Act. (WIFIA) Loan

Construction Start: December 2021

Projected Final Completion: September 2025





Project Spotlight: Blue Plains AWTP

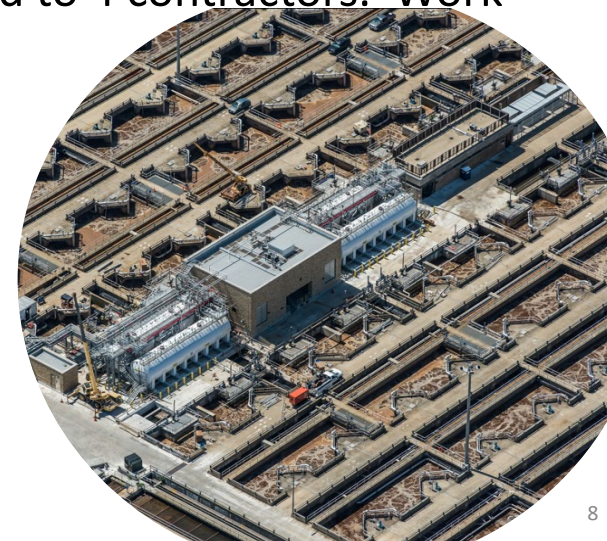
Miscellaneous Facilities Upgrades (MFU) Construction Contracts

Miscellaneous Facilities Upgrades – Currently Contract 8 (MFU-8)

Project Description and cost

- The purpose of these contracts is to perform emergency and non-emergency repairs and upgrades, primarily on vertical facilities (Blue Plains AWTP, water and sewer pumping stations, etc.) The MFU-8 program budget is \$160M, awarded to 4 contractors. Work tasks include:
 - East Primary Sludge Piping Replacement
 - Biosolids Curing Pad
 - Pre-Dewatering Centrifuges
 - PdNA Full Scale Pilot

Project Start: April 2023 Projected Completion: April 2029





Project Spotlight: Blue Plains AWTP

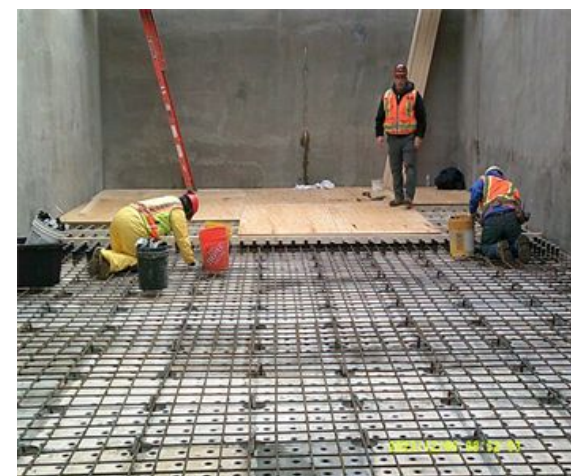
Filter Underdrain and Backwash Systems Upgrade

This \$122M project improves the reliability and integrity of the filtration facility, eliminating the risk of underdrain failures, rehabilitating aging concrete, and improving the efficiency and reliability of the backwash systems.

Project components include:

- Filter Underdrain system, which includes the underdrain, support gravel, media, and air scour system.
- Washwater system, including pumps, flow rate control meter and valves, and pressure reducing valves.
- Air scour system, including blowers, discharge valves, and shut-off valves
- Electrical system upgrades for the new mechanical equipment and to update the existing power distribution system.
- Concrete repairs for the filter and gullet walls and the flume channels and conduits.

Design Start March 2022, Substantial Completion May 2029





Project Spotlight: Piney Branch Sewer Rehab Phase 1

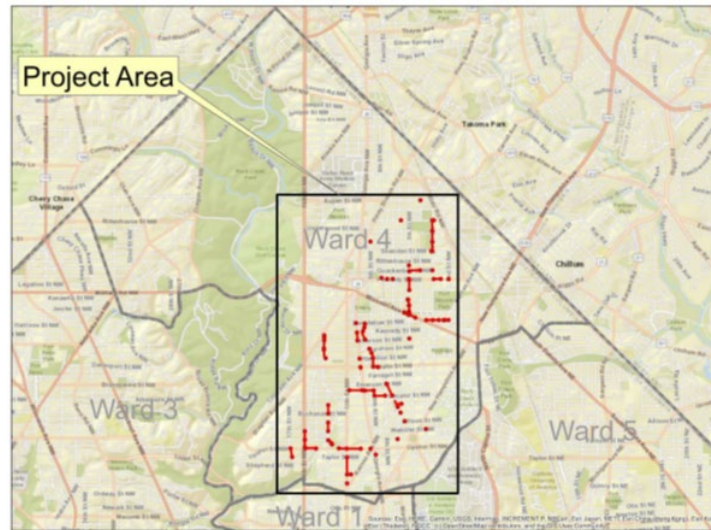
Piney Branch Sewer Rehab Phase 1

Project Description and cost

- This project involves structural rehabilitation of the portion of Piney Branch Sewers, located in Northwest DC using geopolymer liner. The construction cost is \$15.6M

Project Start: June 2023

Projected Completion: September 2026





Project Spotlight: Soapstone Valley Creekbed Sewer Rehab

Soapstone Valley Creekbed Sewer Rehab

- The purpose of this project is to rehab defective sanitary sewer pipes and rehab impacted stream segments.
- The overall project cost is \$8.5M
- Project is 90% complete overall.
 - Stream rehab work is 100%.
 - CIPP lining is 90% complete.
- Work remaining:
 - Permanent restoration of Audubon Terrace is scheduled for completion by May 15.
 - Need to replace manhole in Albemarle which is currently with DDOT for permit review.
 - Cured-in-place pipe (CIPP) lining has three remaining pipe segments.



Project Start: Sept 2021

Projected Completion: Summer 2025



Program Spotlight: Potomac Interceptor

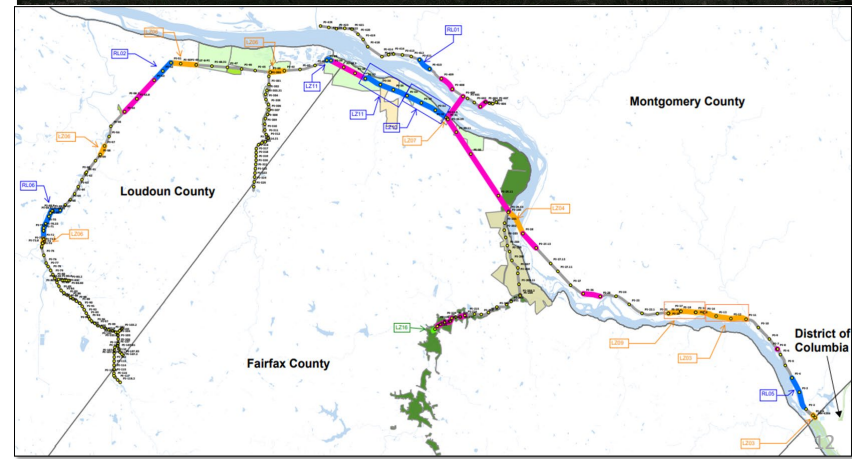
Potomac Interceptor Projects Phase 2 Rehabs

Project Description and cost

- The purpose of this project is to rehabilitate the large diameter pipes and manholes which form the Potomac Interceptor, spanning from Dulles Airport into the District. This work will be accomplished in various stages over 15 years. The overall project cost is \$258M

Project Start: June 2015

Project Completion: Sept 2031





Emergency Project Update: Potomac Interceptor

Potomac Interceptor at Manhole 31

- Sinkhole discovered February 12, 2024. Bypass Pumping initiated.
- New temporary steel pipe installed to convey flow in collapsed segment
- Bypass pumping has been shut down, but pumps remain as contingency
- Heavy cleaning of downstream segment underway.
- Original contract work will resume after heavy cleaning

Anticipated 6 month +/- impact to completion





Emergency Project Update: EWORS

East and West Outfall Relief Sewer

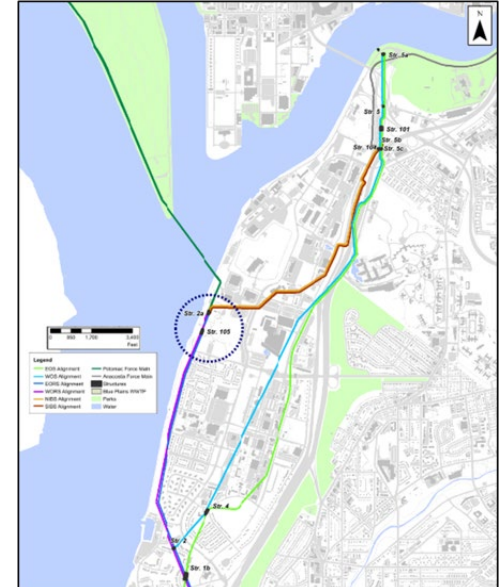
Physical Progress – 26% complete

Ongoing tasks:

- Installation of sheet piling and excavation of bypass channel
- Heavy cleaning of the East and West sewer channels
- Support system for existing communication conduit
- Delivery of Paltem system rings for rehab lining

Critical path includes completion of bypass channel and diverting flow. Estimate this will be initiated in June.

Anticipated completion date: End of 2024





Emergency Project Update: Anacostia Main Interceptor

Anacostia Main Interceptor

Phase 1: Heavy Cleaning:

- Work Started: 02/26/24
- Scope of Work: Heavy Cleaning of ~2,180LF of pipe
- Heavy cleaning completed for 1,750LF as of 04/22/24; Expected Finish of cleaning: late May
- Bypass pumps have been removed

Phase 2: Rehabilitation Work to Address Emergency:

- Approximate Start: July 2024
- Scope of Work: Geopolymer Lining for permanent pipe repair of ~1,460LF, including collapsed segment.
- Progress: DC Water has selected a contractor for the repair. Negotiating final scope and cost.





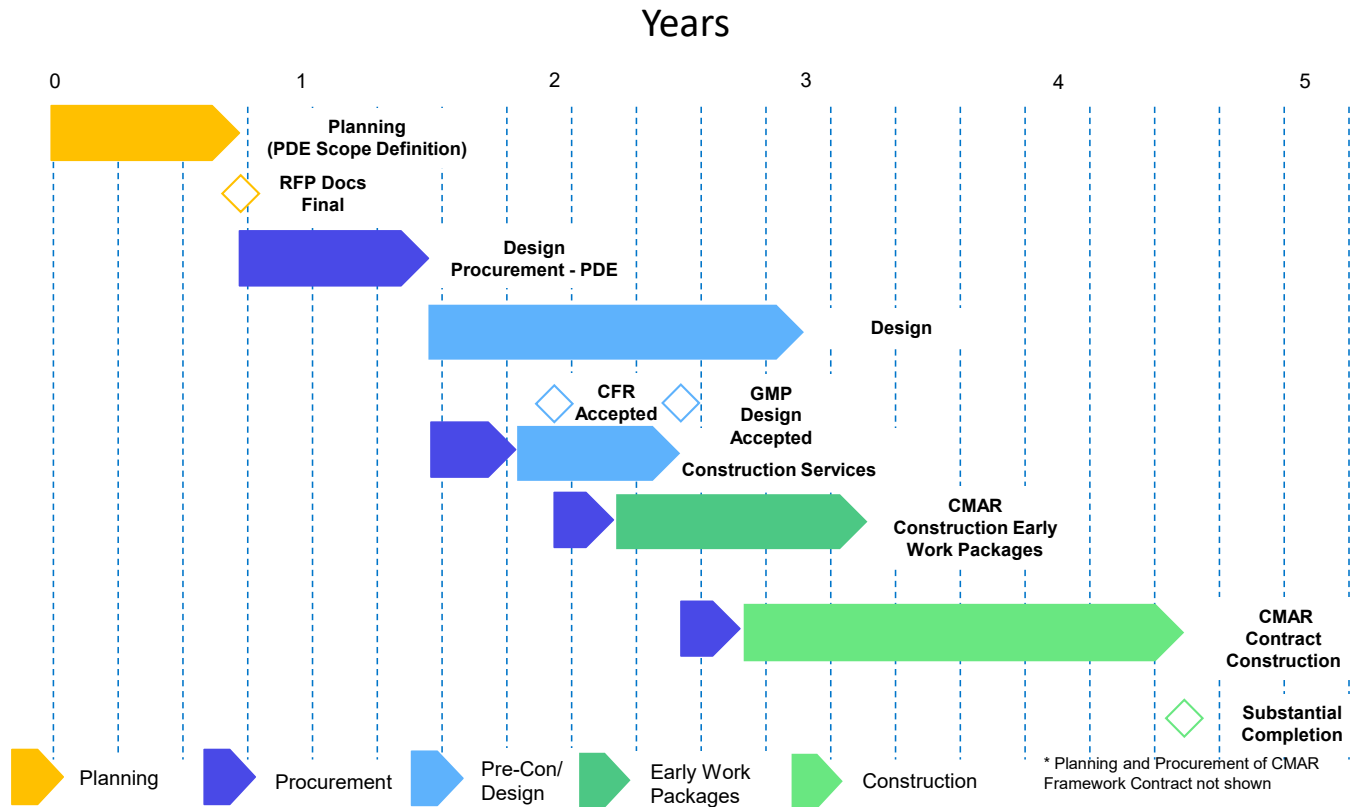
Collaborative Delivery

- Collaborative Delivery as preferred project delivery method
 - Construction Manager at Risk
 - Progressive Design-Build
- Drivers for DC Water
 - Attract high caliber contractors, increase available pool of contractors
 - Reduce risks and achieve better project outcomes including quality, schedule, and budget



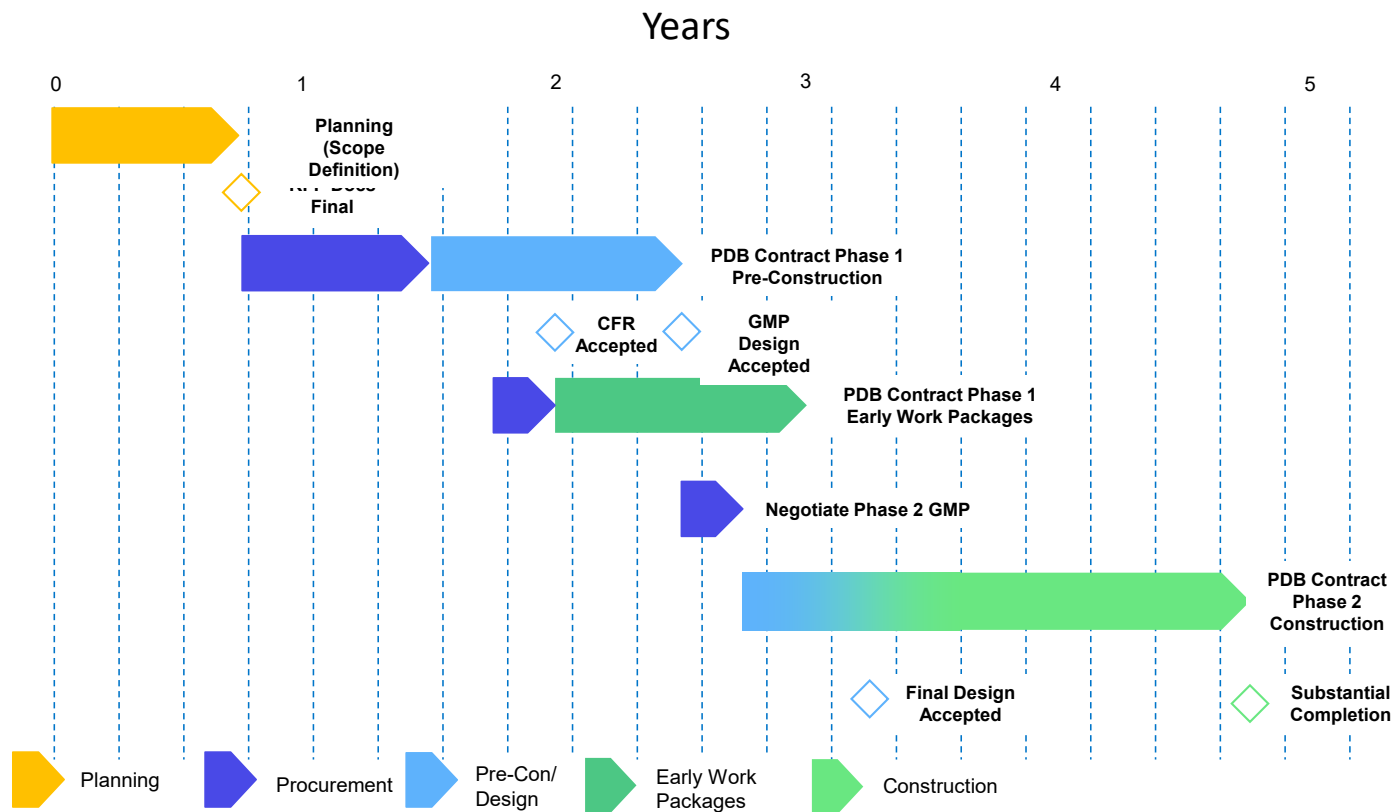


Construction Manager at Risk (CMAR)



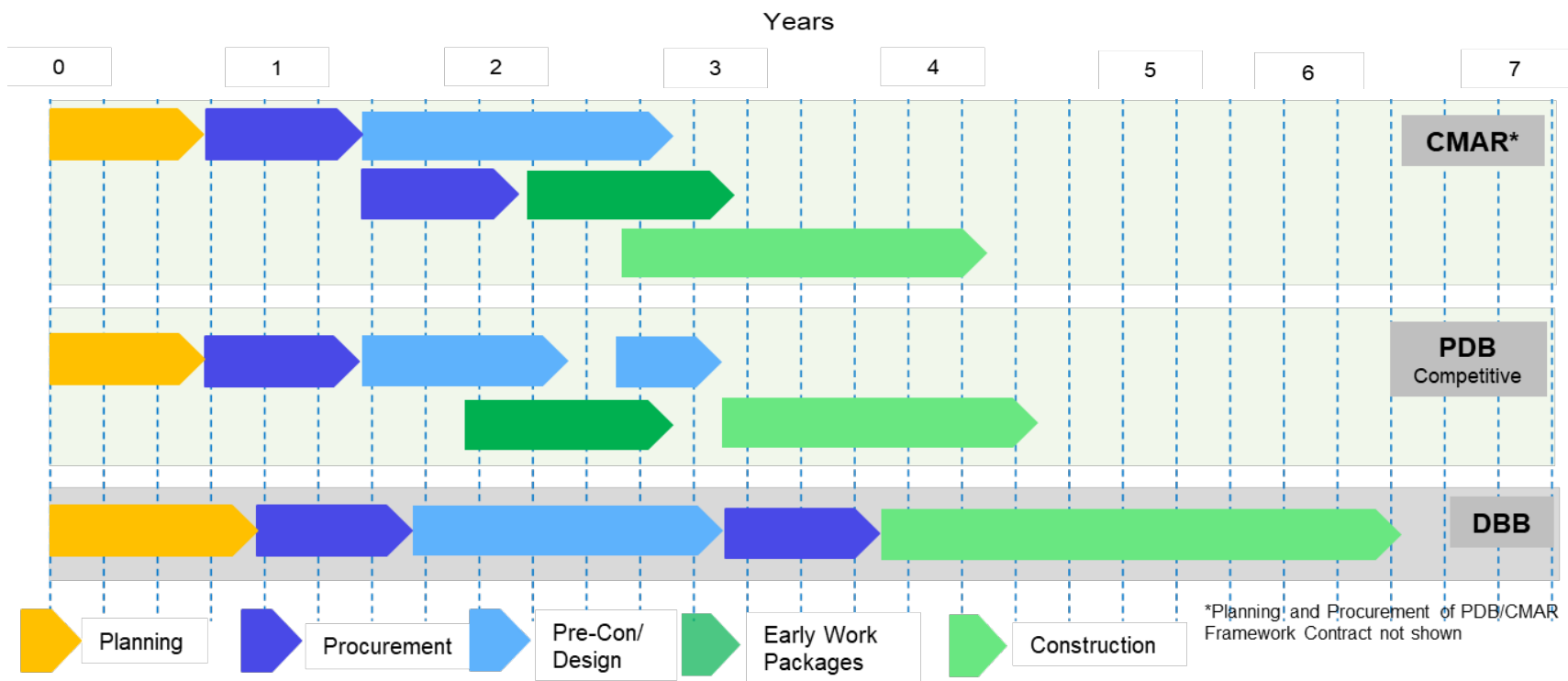


Progressive Design Build (PDB)





Faster Project Delivery





Design Build Institute of America (DBIA)



DBIA principles are driven by the core belief that design-build projects are best executed within the context of an integrated, collaborative team grounded in an atmosphere of mutual trust, transparency, respect, and open, candid communications.

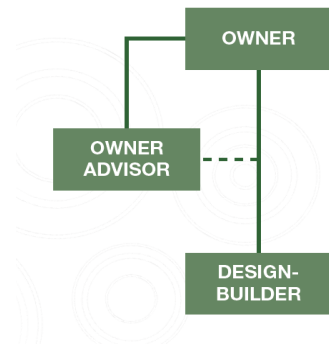


The sum of all of us is greater than the contribution of any one of us.

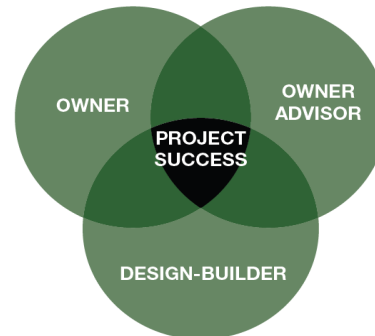


The best projects unleash the power of a great team, and everyone should have the opportunity to grow professionally and contribute to the success of the project.

Transactional Culture



Collaborative Culture





Collaborative Delivery Contracts

Examples of DC Water's use of Collaborative Delivery include:

- **Construction Management At-Risk**
 - Primary Facilities Upgrades
 - Glover Park Sewer Rehab
 - Master Services Agreement (MSA) – Informal CMAR
 - Miscellaneous Facilities Upgrades (MFU) – Informal CMAR
- **Progressive Design Build**
 - Headquarters
 - Potomac Interceptor Pipe Rehab between MH31 and MH30

A Collaborative Delivery Facilitator has been selected to guide the transition
Our Program Management Contracts will include Collaborative Delivery support including serving as "Owner's Representative"



Bundled CMAR Contracts

Project Name	Construction Start	Construction Finish	Construction Budget
Contract #1			
Headworks Electrical Upgrades	7/24/2025	1/22/2029	\$75M
Primary Treatment – 20-year Upgrades	9/17/2027	3/5/2030	\$125M
Contract #2			
Filter Underdrain and Backwash System Upgrades (FUBS)	5/12/2025	5/12/2029	\$115M
Miscellaneous Improvements to Filtration Facility	9/17/2028	9/15/2034	TBD



Bundled PDB Contracts – 4 Design Build Teams

Service Area	Budgeted Project Cost
Water Storage and Pumping	\$200 M
Sewer and Stormwater Pumping	\$150 M
Wastewater Treatment Plant	\$150 M
Total	\$500M



Release of FY23 ESG+R Report

ATTACHMENT 3

Presentation to the Finance and Budget Committee on May 23, 2024
Matt Ries, PhD, PE, Vice President, Strategy & Performance

District of Columbia Water and Sewer Authority





Purpose

- Update the Committee on DC Water's Environmental, Social, and Governance (ESG) FY23 Report release and ESG activities



Background

- Increasingly, investors are asking about Environmental, Social, and Governance (ESG) factors as they demand more transparency
- Finance & Budget Committee briefings on ESG reporting in July and December 2021, and ESG governance in November 2023
- ESG reporting is one part of DC Water's response to investor input and rating agency advice:
 - Adopt Green Bond Framework (2021)
 - Add new measures in annual Green Bond report (2022)
 - Produce annual ESG Reports (starting in 2021)



Market Feedback

“DC Water has elevated environmental risks relative to its peers, but we consider its management of environmental risks--and **environmental, social, and governance (ESG) risks** more generally--**as best in class**. We believe management has the acumen and strategic plan to mitigate and adapt to challenges related to climate change and other ESG considerations...

DC Water recently released its inaugural ESG report which is closely **integrated into the five-year strategic plan...**which details the priorities and...is aligned with the **United Nation’s sustainable development goals**. We view positively the comprehensiveness of the plan, and the success the authority has had to date in **making meaningful strides in reducing its risks and preparing for emerging climate considerations.**”

- S&P Global, DC Water ratings report (Feb. 1, 2022)



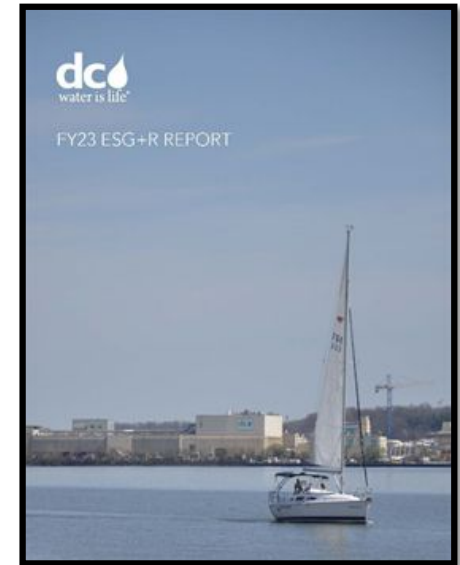
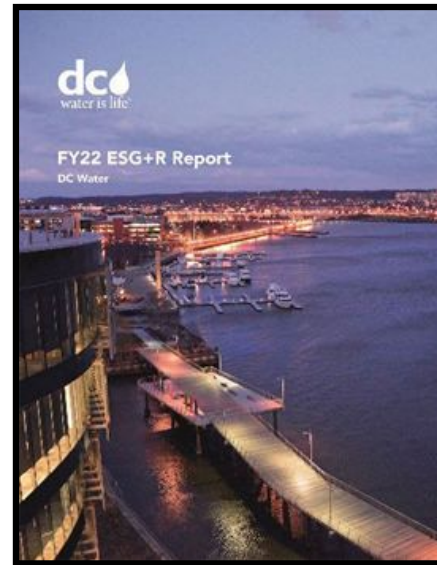
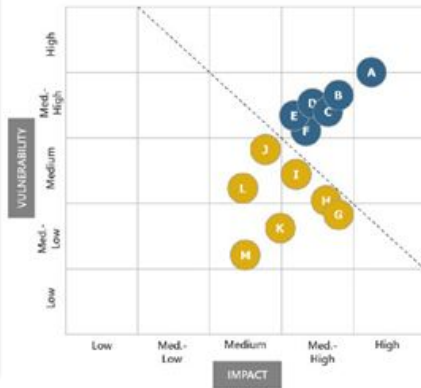


ESG Evolution at DC Water

ESG Report Content and Approach



Enterprise Risk Management (ERM) mobilization



FY21 ESG Report

- ESG Framework
- Sustainability Accounting Standards Board (SASB) Metrics



FY22 ESG+R (Resilience) Report

- ESG Framework
- SASB Metrics
- Task Force on Climate-Related Financial Disclosures (TCFD) Framework



FY23 ESG+R Report

- ESG Framework
- SASB Metrics
- TCFD Framework

ESG Governance



ESG Governance Structure

- An ESG Governance structure provides guidance on allocation of roles and responsibilities, guides future initiatives, manages data governance of DC Water’s metrics, and helps monitor the relationship between Strategy, Finance, ERM, and ESG programs. Formal ESG Governance also provides assurance of a robust ESG program for external stakeholders.

The Board of Directors is engaged via annual (at a minimum) briefings and updates on ESG activities and reporting, via the Finance and/or Governance Committees with reporting to the full Board.

The Steering Committee, consisting of the Senior Executive Team, is responsible for oversight of ESG initiatives, performance, goals, and milestones for the Authority and engagement with the Board of Directors.

ESG Working Group fulfils the responsibilities of DC Water’s ESG program on an as-needed basis under the guidance of the ESG Steering Committee, working with the Sustainability function of the Strategy and Performance Department





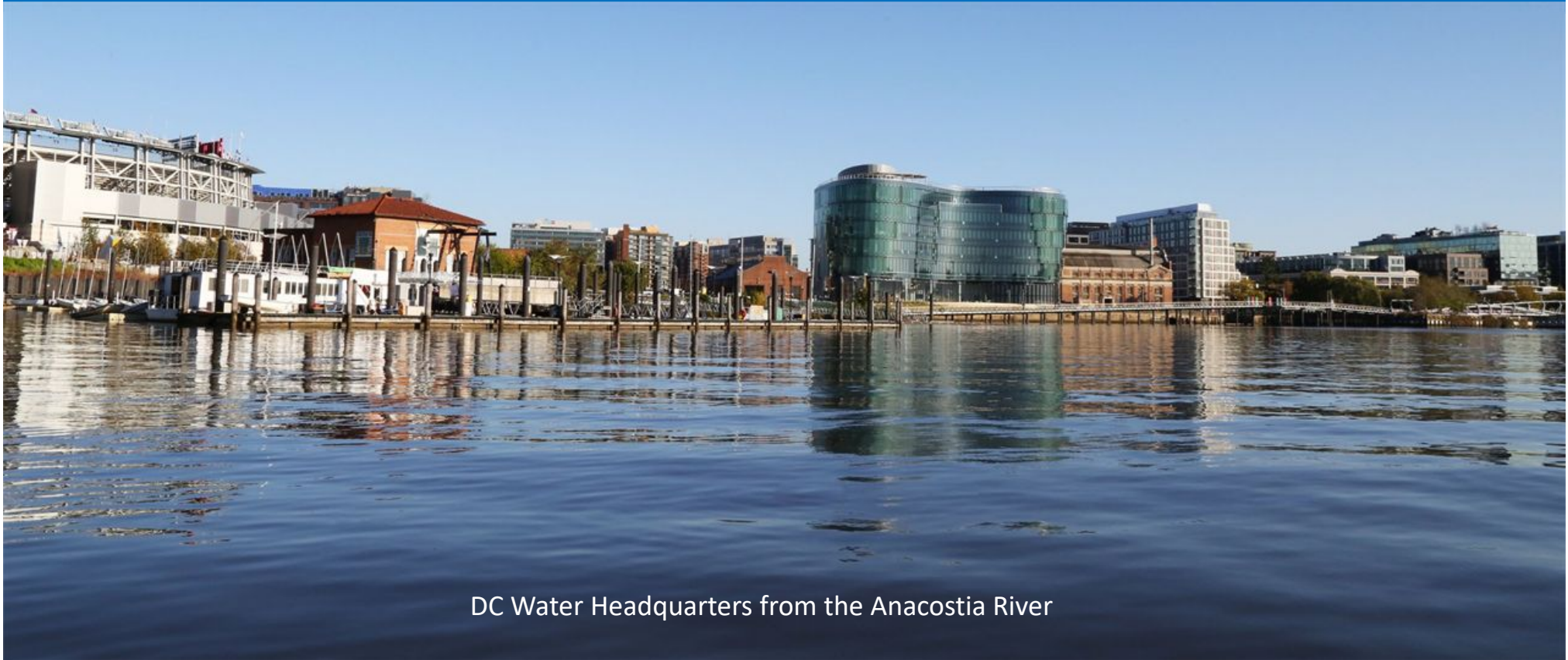
Property & Casualty Insurance Renewals

ATTACHMENT 4

Presentation to the Finance and Budget Committee on May 23, 2024

By Tanya DeLeon, Risk Manager

District of Columbia Water and Sewer Authority



DC Water Headquarters from the Anacostia River



Purpose

- Provide an update on DC Water’s insurance program
- Seek Committee’s recommendation to the Board for approval of July 1 insurance renewal at a total amount not to exceed \$6.3 million (vs. \$5.6 million expiring - Appendix I)
 - Formal quotes are due June 11. Negotiation and evaluation of cost reduction opportunities will follow
 - The \$6.3 million not to exceed amount is based on broker feedback
 - Final negotiated cost will be provided at the June 20 Committee meeting



Background

- 💧 DC Water is on track to renew its Property/Equip, Flood, Cyber, Excess Workers' Compensation, Excess Liability, Employment Practices Liability, Public Officials' Liability, Crime, Fiduciary Liability, and Professional Liability insurance on July 1
- 💧 Three brokers qualified through our 2023 RFP process are engaged in the 2024 insurance renewal on one or more lines of coverage
- 💧 We are also seeking a quote from one direct-writing property insurer (See Appendix II)



Market Conditions

Property

Property insurance market conditions continue to be challenging for insurance buyers.

- 💧 Global insured losses from natural disasters in 2023 are estimated at \$118 billion*, well above the short-, medium- and long-term averages. (See Appendix III)
- 💧 Colorado State University hurricane researchers are predicting an extremely active Atlantic hurricane season in their initial 2024 forecast due to record warmth in the Atlantic Basin and the transition from El Niño to La Niña
- 💧 Insured property values are increasing due to inflationary pressures
- 💧 Premium rate increases are approximately 5-20% on average

*Source: Aon's annual climate and catastrophe insight report.



Market Conditions

Liability

- 💧 The Excess Liability insurance market continues to be influenced by “Social Inflation.” Insurers cite stronger anti-corporate sentiments among jurors and new developments in litigation funding as key drivers of larger and more frequent sizable verdicts
- 💧 Premium rate increases are approximately 5-15% on average. Higher-hazard risks (e.g., large/heavy auto fleets) are seeing increases above this level
- 💧 Per- and polyfluoroalkyl substances (PFAS) have become largely uninsurable
- 💧 Insurers generally remain unwilling to offer high limits on a given account. This results in additional policy layers being required to achieve the same overall limit, with increased overall premium cost



Market Conditions

Management Lines

- 💧 Cyber and crime insurance are affected by increased frequency and severity of losses. Insurers have seen rampant phishing and ransomware losses on their overall books of business
- 💧 There are increased concerns regarding threats to public sector and critical infrastructure accounts given geopolitical risks
- 💧 Accounts without strong IT controls are often unable to renew insurance. Fortunately, DC Water has received positive feedback regarding its controls
- 💧 Premium rate increases are generally flat to +15% on most lines

Premium Rating Bases

- 💧 In addition to market-driven premium rate increases, premiums adjust upward due to increases in DC Water revenues, payroll and property values



Recommendation

That the Committee recommend to the Board authorization for management to bind July 1 insurance renewal coverage at a total amount not to exceed \$6.3 million

An update with final terms will be provided in June



Appendix I – Current Insurance Program – Jul 1, 2023-24

Coverage	Main Limit	Main Deductible / Retention	Insurer	23-24 Premium
Property incl. Boiler & Machinery	\$1 Billion per occurrence \$100 Million annual Flood \$25 Million annual–100 Yr Flood	\$1 Million per occurrence \$10,000 equip	Alliant Property Ins. Program (APIP) ¹	\$2,884,809
Pollution (excluding PFAS)	\$2 Million per incident	\$250,000 to \$500,000 per incident	Ironshore	Included above
Property Supplemental Terrorism	\$250 Million annual \$ 50 Million annual Cyber-Phys. Dmg.	\$1 Million per occurrence	Lloyds of London	\$97,728
National Flood Policies (15 total)	Ea. Policy: \$500,000 bldg., \$500,000 contents	\$50,000 bldg., \$50,000 contents	Hartford / National Flood Insurance Program	\$30,554
Cyber/Data Security	\$5 Million annual	\$75,000 per loss	Cowbell / Palomar	\$96,900
Workers' Compensation (WC) and Employers' Liability (EL)	Full benefits due under Workers' Compensation law; \$1 Million Employers' Liability	\$1 Million per accident or disease	Safety National	\$420,459
Excess Liability (excess of GL, AL, EL, EPL)	\$100 Million annual	\$1 Million per occurrence	AEGIS and EIM (mutuals)	\$1,902,595
Public Officials' Liability (POL)	\$20 Million annual	\$250,000 per claim	RSUI, Chubb, Ascot, Crum	\$131,821
Crime & Fidelity	\$10 Million	\$25,000 per loss	AIG	\$25,349
Fiduciary Liability	\$5 Million annual	Nil	Travelers	\$20,144
Professional Liability	\$2 Million annual	\$10,000 per claim	Lloyds of London	\$18,101
TOTAL				\$5,628,460

¹ Group purchasing program involving public entities throughout the country and a broad syndication of insurers.



Appendix I (cont.) - Insurance Coverages

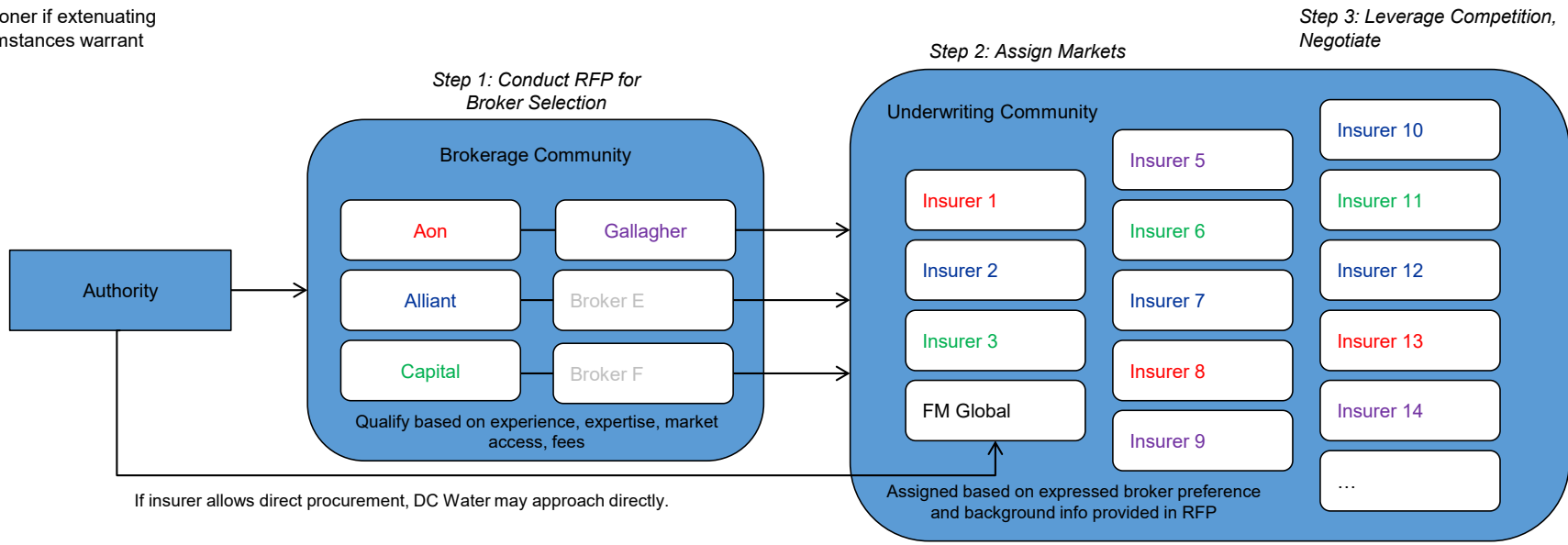
Coverage	Summary Description
Property, Equip. and Boiler & Machinery	Provides blanket "all risk" coverage for direct physical damage to DC Water structures, buildings and contents.
Pollution	Provides first party remediation expense coverage and third-party liability coverage for pollution incidents, subject to numerous coverage restrictions (e.g. PFAS).
National Flood Insurance	Government sponsored program that provides a modest amount of insurance protection at affordable premium levels. Coverage is subject to a maximum of \$500,000 for buildings and \$500,000 for contents, excluding underground property and subject to actual cash valuation.
Cyber/Data Security and Breach Notification	Provides coverage for third party liability, cyber extortion and privacy notification expenses resulting from data breaches.
Excess Workers Compensation (WC) and Employers Liability (EL)	Provides excess statutory workers' compensation benefits over self-funded levels. EL covers liability from employee injuries that are not covered under workers compensation law.
Employment Practices (EPL)	Provides protection for claims of discrimination, harassment, or wrongful termination.
Excess Liability	Provides protection for bodily injury, property damage, and personal injuries to third parties arising out of DC Water operations (General Liability) including use of automobiles (Auto Liability) in excess of self-funded levels. The Authority's policy also provides excess EPL coverage over self-insured levels.
Public Officials Liability (POL)	Provides reimbursement protection for wrongful acts (excl. bodily injury and property damage) that are actually or allegedly caused by DC Water directors, officers and employees within the course of their duties.
Crime & Fidelity	Employee dishonesty coverage and miscellaneous crime coverages.
Fiduciary Liability	Provides protection for wrongful acts that are actually or allegedly caused by trustees and employees of the DC Water sponsored Employee Benefit Plans.
Professional Liability	Provides protection for errors or omissions arising from engineering, consulting or testing services provided to third parties for a fee.



Appendix II - Procurement Approach

Every 3-6 Years

Or sooner if extenuating circumstances warrant



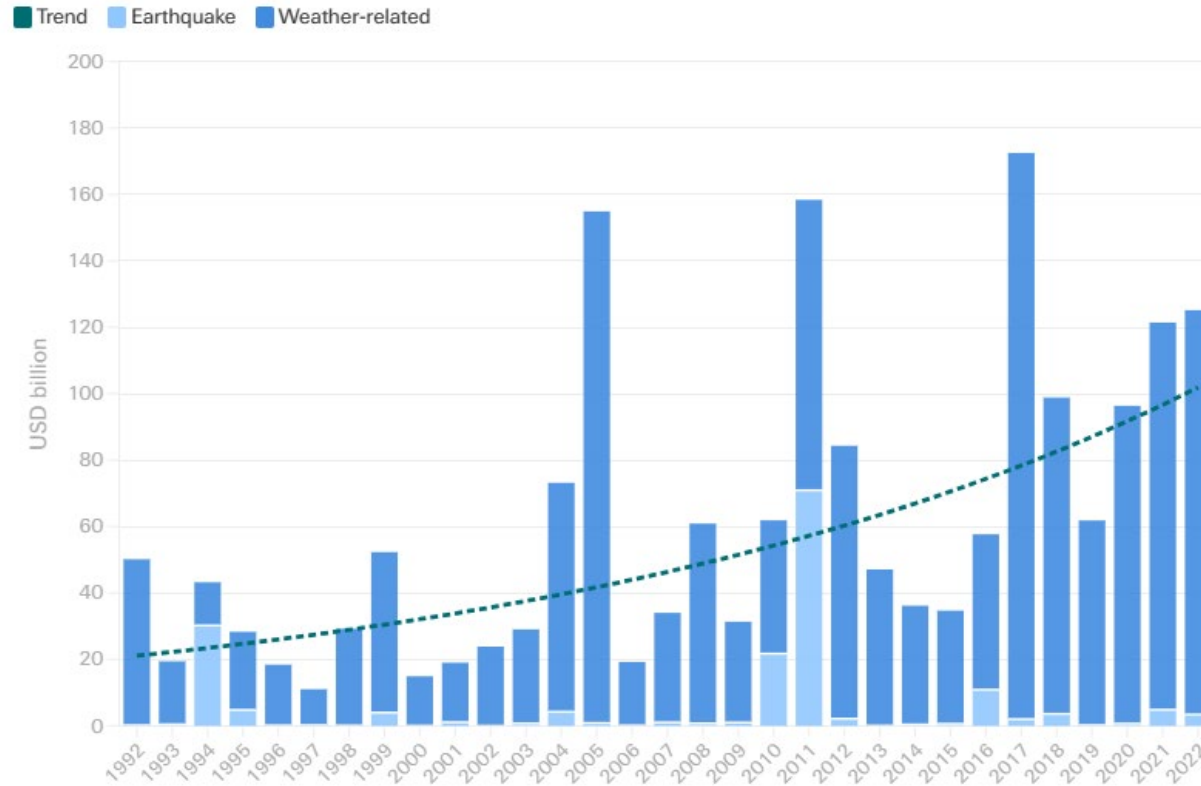
Interim Years

Multi-year insurance contracts are generally not available in the present insurance market. On each annual policy renewal, a particular line of coverage is typically handled by the incumbent broker. That broker is generally granted full access to the market and asked to recommend a marketing strategy for the year, which the Authority must approve. However, the Authority reserves the right to use a multi-broker, assigned-market competitive process like the above in the interim years if challenging situations warrant. The Authority uses its independent insurance consultant as well as conduct its own due diligence to establish expectations.



Appendix III – Insured Catastrophe Losses

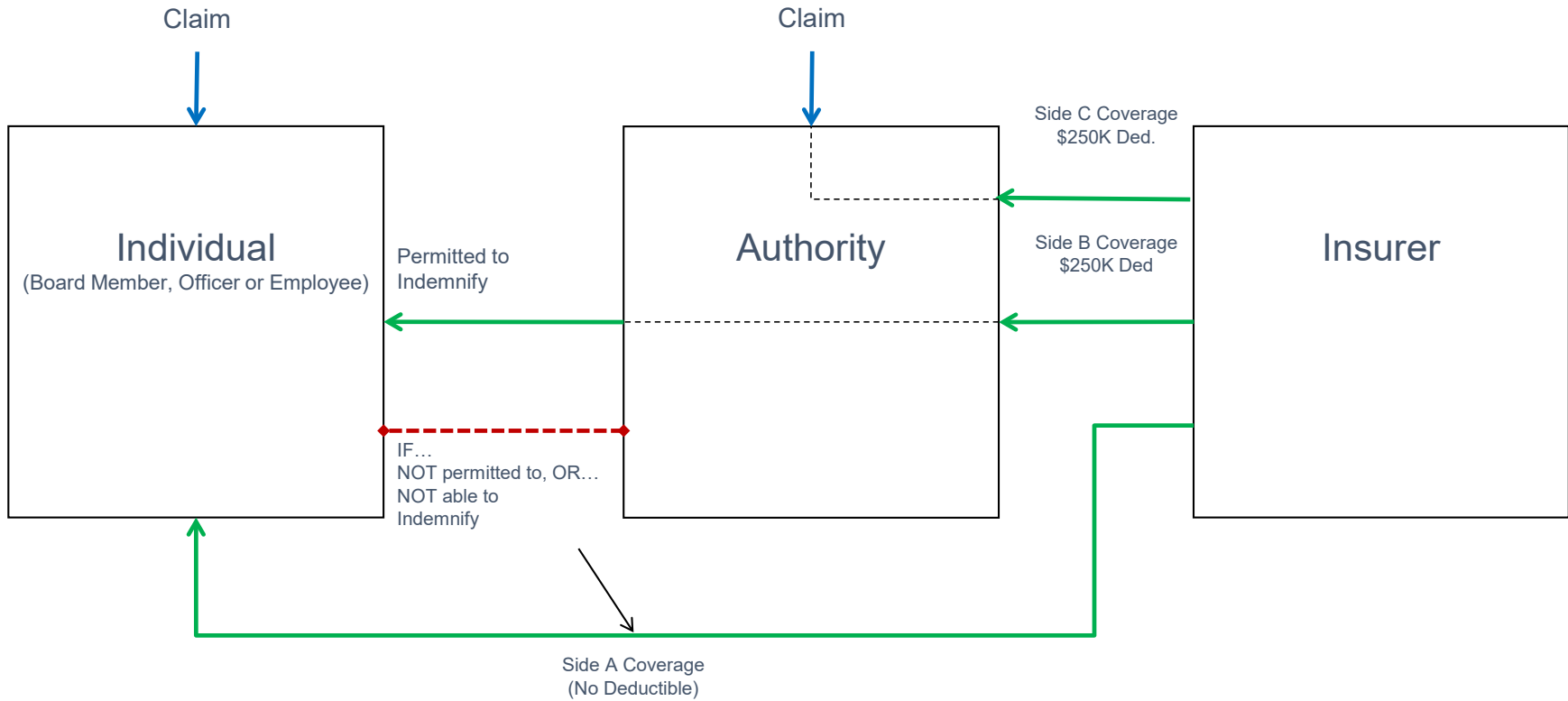
Growth in global natural catastrophe insured losses (2022 prices)



Source: Swiss Re Institute



Appendix IV - How Public Officials' (D&O) Liability Coverage Works





Update on 2024 Financing Activities to Finance & Budget Committee

May 23, 2024

PFM Financial Advisors LLC

4350 N. Fairfax Drive
Suite 590
Arlington, VA 22203

703.741.0175
pfm.com



Purpose

- ◆ *To update the Committee on the upcoming plan of finance and seek the Committee's recommendation to the full Board to approve the plan of finance, including Standby Bond Purchase Agreement, Letter of Credit, Series 2024A&B Bond Resolutions and Related Documents, and Commercial Paper Program and Related Documents:*
 - 1. Series 2024A Fixed Rate Refunding**
 - *Purpose: to current refund Series 2014C bonds for debt service savings and take advantage of additional opportunities to generate debt service savings*
 - 2. Series 2024B Variable Rate Refunding**
 - *Purpose: to address Series 2019C bonds that must be refunded or remarketed by October 1, 2024*
 - 3. Replacement Commercial Paper Program**
 - *Purpose: to replace existing Commercial Paper Program with a new program with modernized terms and expanded size*

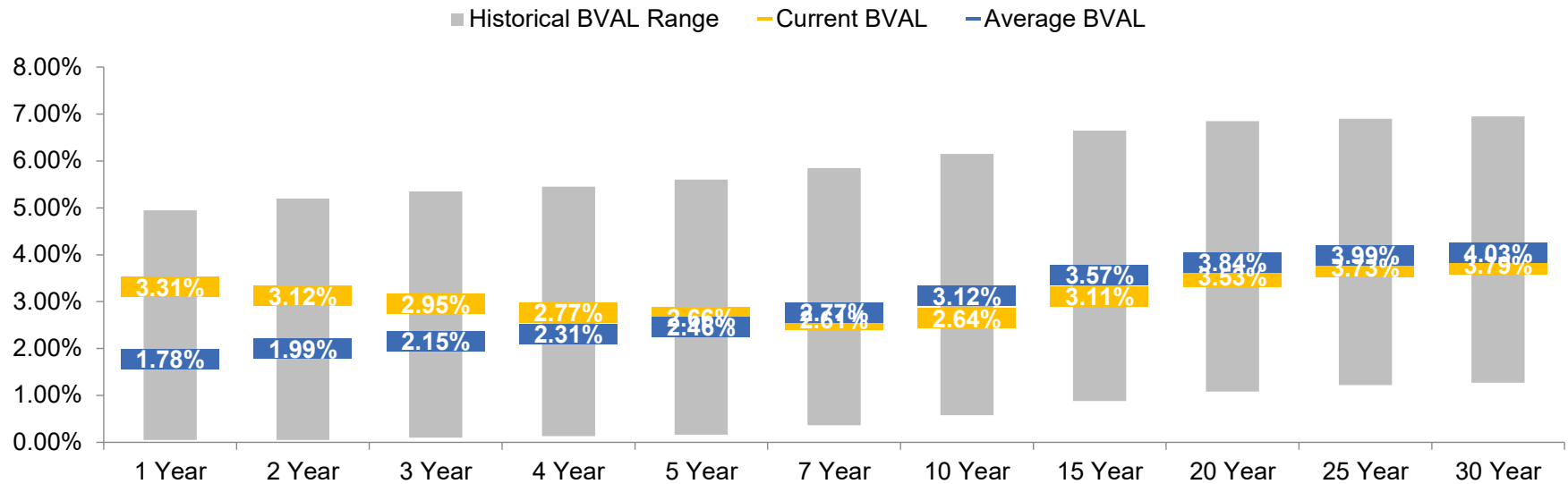


Municipal Market Update



Inverted Yield Curve, with Short-Term Rates Above Historical Averages and Long-Term Rates Moderately Below

AAA BVAL Rate Position
(May 7, 1994 to May 7, 2024)



Statistic	1 Year	2 Year	3 Year	4 Year	5 Year	7 Year	10 Year	15 Year	20 Year	25 Year	30 Year
5/7/2024	3.31%	3.12%	2.95%	2.77%	2.66%	2.61%	2.64%	3.11%	3.53%	3.73%	3.79%
Average	1.78%	1.99%	2.15%	2.31%	2.46%	2.77%	3.12%	3.57%	3.84%	3.99%	4.03%
Spread to Avg.	1.53%	1.13%	0.80%	0.46%	0.20%	-0.16%	-0.48%	-0.46%	-0.31%	-0.26%	-0.24%
Minimum	0.05%	0.05%	0.10%	0.13%	0.16%	0.36%	0.58%	0.88%	1.08%	1.22%	1.27%
Spread to Min.	3.26%	3.07%	2.85%	2.64%	2.50%	2.25%	2.06%	2.23%	2.45%	2.51%	2.52%
Maximum	4.95%	5.20%	5.35%	5.45%	5.60%	5.85%	6.15%	6.65%	6.85%	6.90%	6.95%
Spread to Max.	-1.64%	-2.08%	-2.40%	-2.68%	-2.94%	-3.24%	-3.51%	-3.54%	-3.32%	-3.17%	-3.16%
Percent of Market Days Lower	75.33%	69.64%	66.76%	60.62%	56.15%	50.48%	41.86%	40.12%	41.38%	41.03%	41.03%

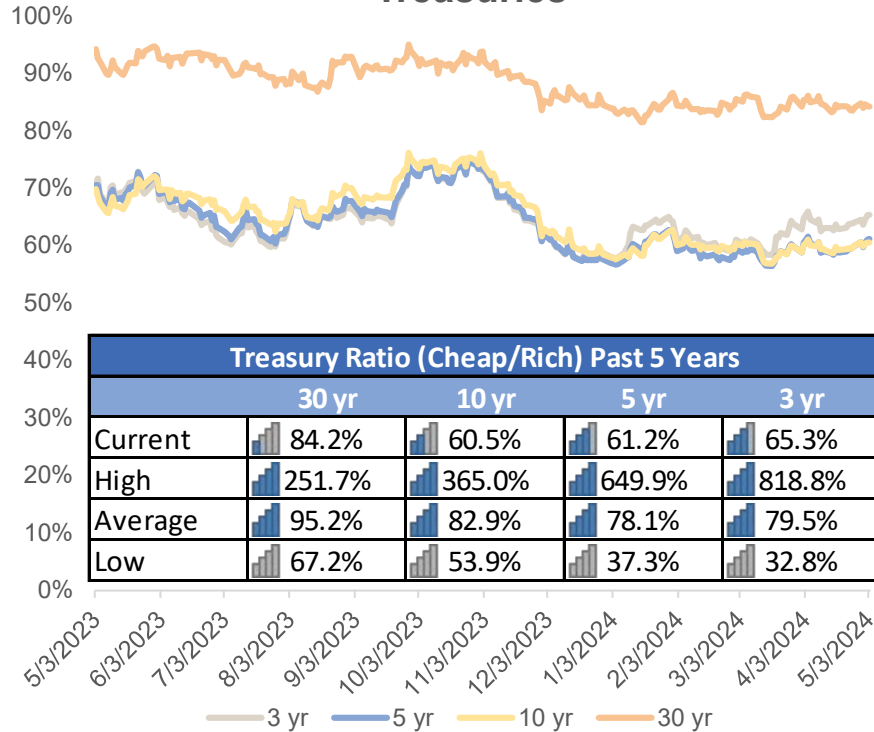
Source: Bloomberg; Rates as of May 7, 2024



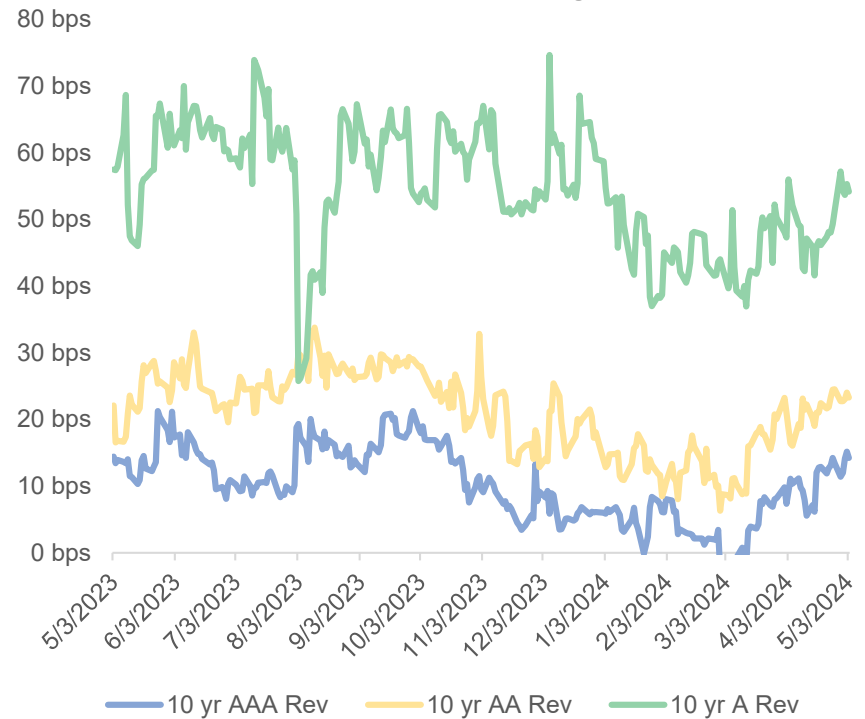
Market Dynamics Are Favorable for Taxable-to-Tax-Exempt Refinancings

- Wider spreads between tax-exempt and taxable rates relative to historical averages has led to opportunities to generate savings where bonds can be converted from taxable to tax-exempt

AAA Municipal Yields as % of US Treasuries



U.S. Tax-Exempt Municipal Credit Spreads to AAA (10 year Spot)

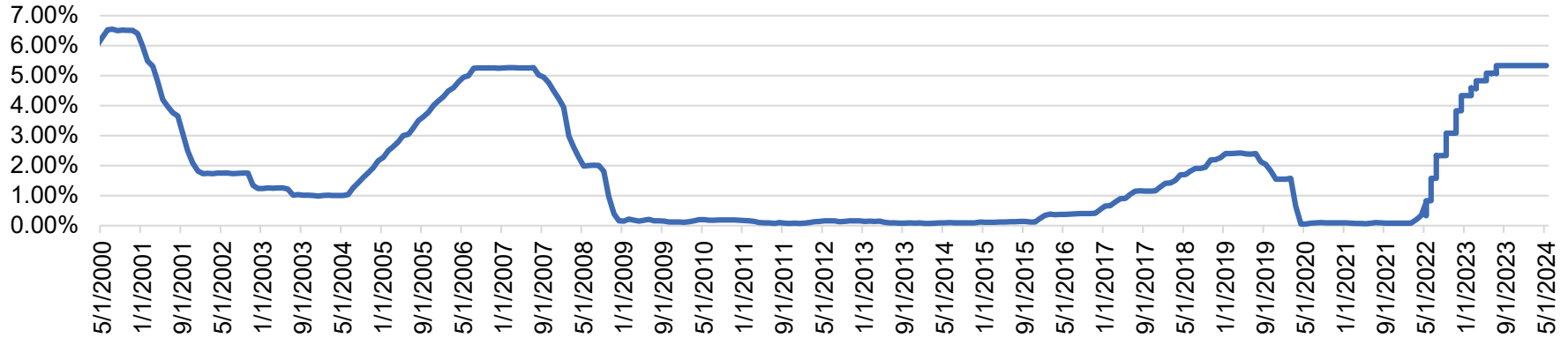


Source: Bloomberg and Treasury.gov



Market Continues to Expect Fed to Cut in 2024

Historical Fed Funds Rate Cycle: Effective Federal Funds Rate



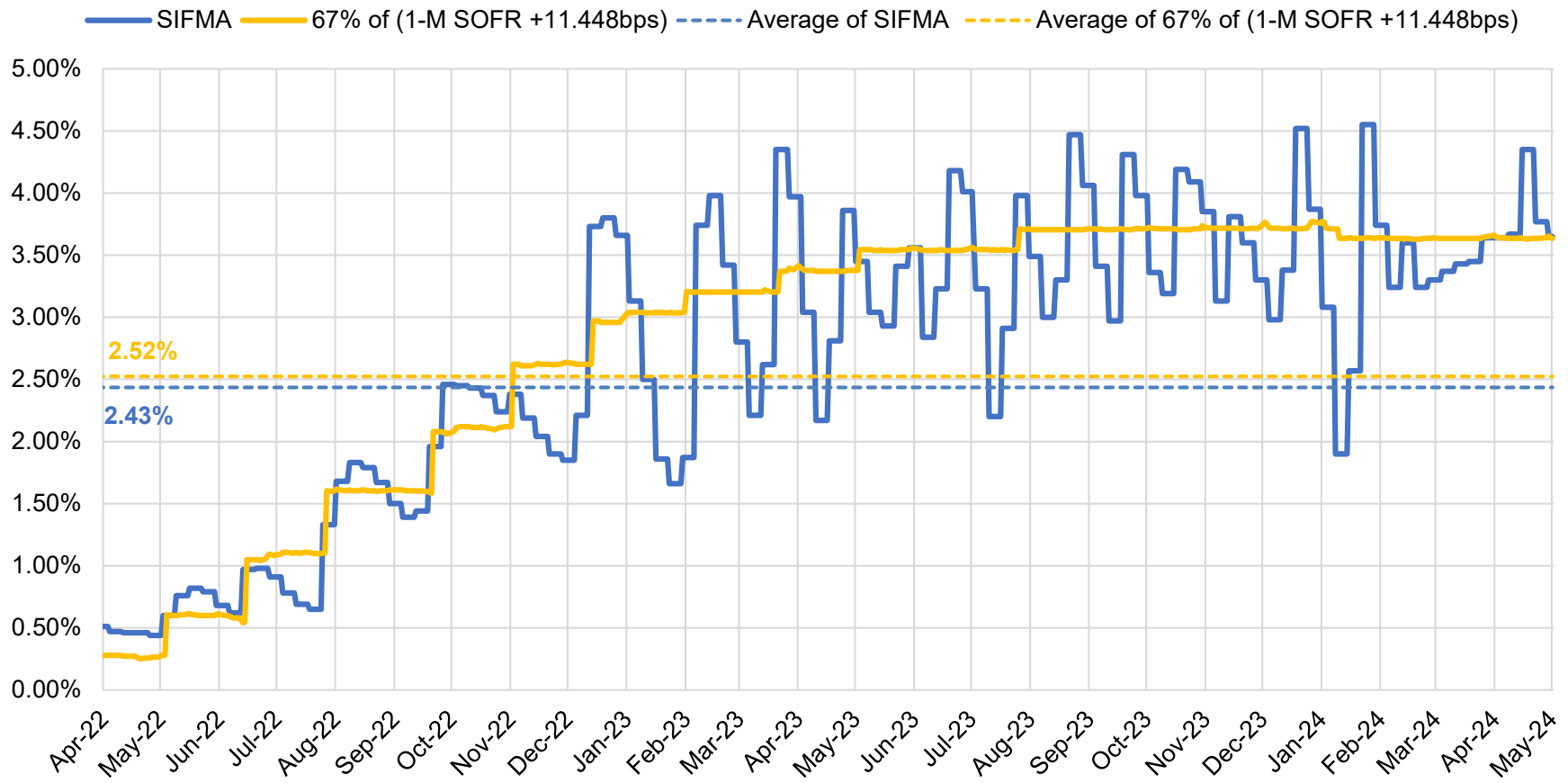
CME FEDWATCH TOOL- Rate Probabilities by Meeting Date								
Meeting Date	3.50-3.75%	3.75-4.00%	4.00-4.25%	4.25-4.50%	4.50-4.75%	4.75-5.00%	5.00-5.25%	5.25-5.50%
6/12/2024	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	8.50%	91.50%
7/31/2024	0.00%	0.00%	0.00%	0.00%	0.00%	2.30%	30.80%	66.90%
9/18/2024	0.00%	0.00%	0.00%	0.00%	1.10%	16.60%	48.90%	33.40%
11/7/2024	0.00%	0.00%	0.00%	0.40%	7.00%	28.70%	43.00%	20.80%
12/18/2024	0.00%	0.00%	0.20%	3.90%	18.70%	36.40%	31.10%	9.60%
1/29/2025	0.00%	0.10%	2.00%	10.80%	26.90%	33.90%	21.10%	5.10%
3/19/2025	0.10%	1.10%	6.60%	19.30%	30.60%	27.20%	12.70%	2.40%
4/30/2025	0.50%	3.20%	11.50%	23.60%	29.30%	21.60%	8.80%	1.50%



SIFMA & 1-Month SOFR Follow Fed Funds Rate and Remain Range-Bound

- Variable rates have remained steady through 2024; SIFMA remains volatile week-to-week

SIFMA & 67% of 1-Month SOFR Rate Movement
(2-Year History)

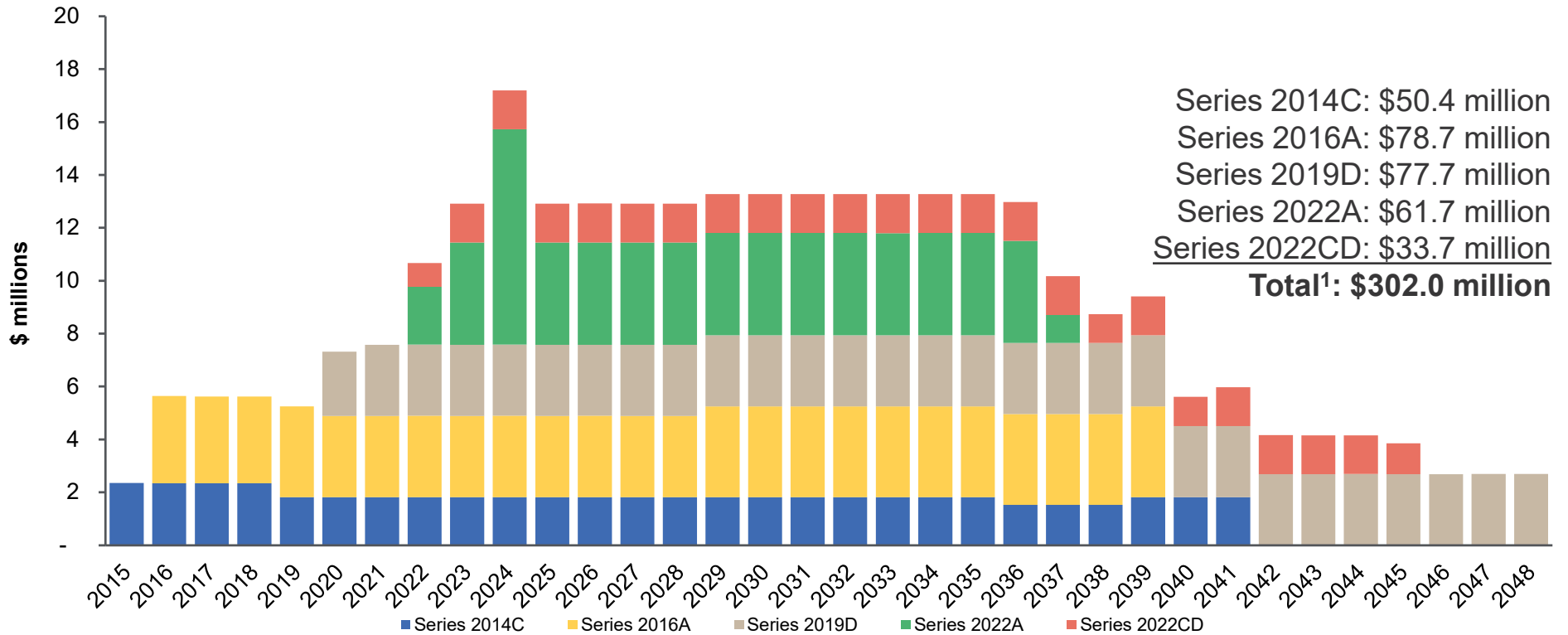


Source: Bloomberg



Significant Debt Service Savings Realized Over Past Decade

- ◆ Opportunistic refunding program has been achieved over \$300 million of cash flow debt service savings over the past decade
- ◆ Favorable interest rate environment and positive impacts of rating upgrades have been important contributors
- ◆ Despite refunding program, DC Water’s total debt service costs have continued to grow due to borrowing in support of Capital Improvement Program and increases in scope of 10-year financial plan



1: Totals may not add due to rounding
 Note: Debt service savings is shown on a cash flow basis



Series 2024A Fixed Rate Refunding



Series 2024A Fixed Rate Refunding Transaction

- ◆ **DC Water has an opportunity in the current market to refund certain fixed rate bonds for substantial debt service savings**
- ◆ **Base Case:** Current Refunding of Series 2014C Bonds
 - Targeted bonds become eligible for a tax-exempt refunding 90 days in advance of October 1, 2024 call date
 - Current refunding generates net present value savings of approximately \$7.8 million under current market conditions
- ◆ **Incremental Value:** Opportunistic Tender Refunding Opportunities
 - Taxable-to-Tax-Exempt Tender of Taxable Series 2019D and Series 2022D Bonds
 - Tax-Exempt-to-Tax-Exempt Tender of Tax-Exempt Bonds Callable in 2025-2028
- ◆ DC Water must meet minimum savings thresholds in authorization to proceed
- ◆ Pursuit of these opportunities within a single issuance generates significant cost and process efficiencies



Opportunistic Tender Refunding Opportunities

- ◆ **DC Water can enhance base current refunding transaction through inclusion of tender refunding, a strategy DC Water first executed in 2022 that has since become relatively common among peers**
- ◆ In a tender refunding, DC Water offers to buy back outstanding bonds from investors at a premium to market value, funded with refunding bond proceeds
- ◆ Ability to generate savings is dependent on investor participation and market conditions, which cannot be assured, but marginal cost of inclusion with base transaction is low
- ◆ **Taxable-to-Tax-Exempt Tender of Taxable Series 2019D and Series 2022D Bonds**
 - Taxable advance refunding bonds that refunded tax-exempt debt generally become eligible for tax-exempt within 90 days of redemption of the refunded bonds within the escrow (subject to tax counsel opinion)
 - Represents savings that DC Water would otherwise never realize, since optional redemption on taxable debt is largely not an economic one
- ◆ **Tax-Exempt Tender of Tax-Exempt Bonds Callable in 2025-2028**
 - Generates savings similar to tax-exempt advance refunding that is no longer permissible by law, with breakeven yield curve movements generally under 1.00% versus a current refunding at the call date



Base Case and Opportunistic Refunding Savings Structure

- Under current market conditions, refunding could generate:
 - Base Case Current Refunding:** NPV savings of \$7.8 million (5.9%)
 - Incremental Taxable-to-Tax-Exempt Tender Refunding:** NPV savings of \$10.5 million (12.2%), assuming 20% investor participation
 - Incremental Tax-Exempt to Tax-Exempt Tender Refunding:** NPV savings of \$7.5 million (8.4%), assuming 20% investor presentation
- Actual tender results will depend significantly on investor participation and should not be budgeted until realized

Statistics	Base Case: Current Refunding	Incremental: Taxable Tender	Incremental: Tax-Exempt Tender	Total
Targeted Par (\$)	-	407,885,000	452,065,000	859,950,000
Tendered / Refunded Par (\$):	131,780,000	85,475,000	90,375,000	307,630,000
Cashflow Savings (\$)	9,338,937	26,098,839	10,459,428	45,897,204
NPV Savings (\$):	7,782,953	10,458,285	7,573,836	25,815,074
NPV Savings (%):	5.91%	12.24%	8.38%	8.39%

Fiscal Year	Base Case: Current Refunding Savings (\$)	Incremental: Taxable Tender Savings (\$)	Incremental: Tax-Exempt Tender Savings (\$)	Total Cashflow Savings (\$)
7/1/2024	24,637	(16,463)	36,765	44,940
7/1/2025	930,400	517,843	216,975	1,665,218
7/1/2026	931,150	520,320	216,975	1,668,445
7/1/2027	929,900	521,797	216,975	1,668,672
7/1/2028	931,650	522,230	216,975	1,670,855
7/1/2029	931,150	551,898	216,975	1,700,023
7/1/2030	933,400	554,640	216,975	1,705,015
7/1/2031	933,150	556,761	896,975	2,386,886
7/1/2032	930,400	557,853	1,077,975	2,566,228
7/1/2033	930,150	558,210	988,225	2,476,585
7/1/2034	932,950	557,221	1,185,625	2,675,796
7/1/2035	-	2,319,621	1,275,175	3,594,796
7/1/2036	-	190,554	1,176,675	1,367,229
7/1/2037	-	44,598	1,050,425	1,095,023
7/1/2038	-	(227,830)	1,048,550	820,721
7/1/2039	-	47,171	47,063	94,233
7/1/2040	-	2,324,169	47,063	2,371,232
7/1/2041	-	8,092,070	327,063	8,419,132
7/1/2042	-	7,906,175	-	7,906,175
Total	9,338,937	26,098,839	10,459,428	45,897,204



Build America Bond (“BAB”) Refunding Opportunity

- ◆ DC Water is evaluating refunding of existing Build America Bonds (“BABs”) and seeks authorization to refund should favorable market conditions present an opportunity at time of sale
- ◆ DC Water has \$281.5 million of outstanding BABs that have been subject to reduced interest subsidies from the IRS since 2013 due to Sequestration
- ◆ DC Water bonds were sold with an Extraordinary Redemption Provision (“ERP”) feature that permits DC Water to redeem the bonds at a favorable price if interest subsidies are reduced or eliminated
 - Wide variety of specific ERP language exists (with more restrictive language the subject of most investor dissent) but DC Water ERP is among most permissive

Series	Maturity	Outstanding Par (000s)	MWC Price (Any date)	MWC Price (5/3/2024) ¹	ERP Price (Any date)	ERP Price (5/3/2024) ¹	Market Price (5/3/2024)
Series 2010A	10/01/2028	\$30,950	UST +30 bps	101.456	UST +100 bps	100.000	101.260
	10/01/2044	\$250,500	UST +30 bps	104.385	UST +100 bps	100.000	99.940

- ◆ Over the past year, significant number of issuers have exercised ERP and refunded BABs with tax-exempt debt to generate savings or to de-risk portfolio at a low cost, due to favorable market conditions
- ◆ Investors may incur losses when an ERP is triggered and therefore have voiced opposition in certain other cases where issuers have exercised ERP



Series 2024B Variable Rate Refunding



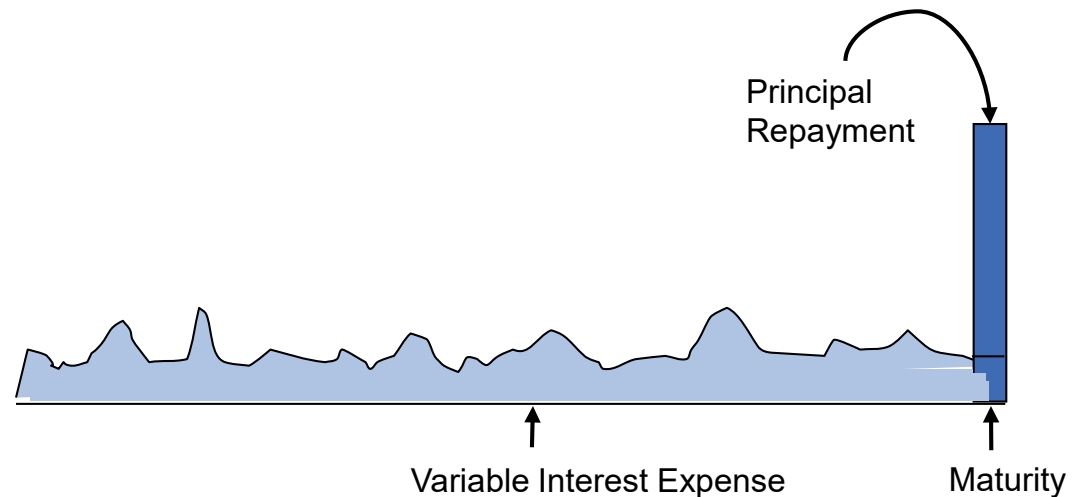
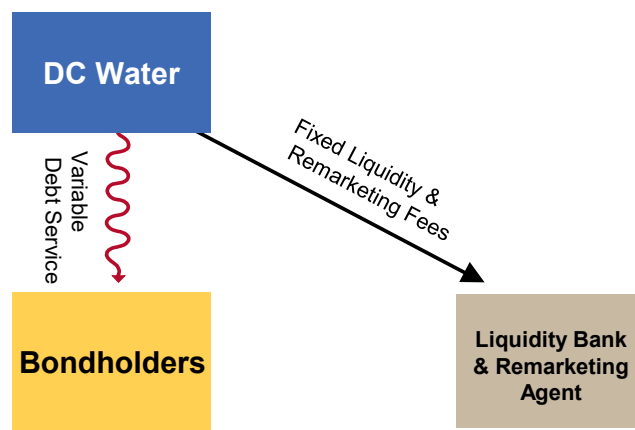
Series 2024B Variable Rate Refunding Transaction

- ◆ **DC Water seeks to convert Series 2019C bonds to Variable Rate Demand Bonds (“VRDBs”) through issuance of Series 2024B refunding bonds**
- ◆ **Purpose:** Conversion of Series 2019C Bonds to VRDBs
 - DC Water must address existing \$99,505,000 Series 2019C variable rate bonds that are currently in a Long-Term Rate Period before scheduled mandatory tender date of October 1, 2024
 - Series 2019C Bonds become eligible for a tax-exempt refunding 90 days in advance of October 1, 2024 call date
- ◆ DC Water benefits from maintaining a portion of debt portfolio in a variable rate mode as hedge to short-term investment portfolio and because of generally lower short-term rates, with existing policy target of 20-25% variable rate debt
- ◆ Preferred variable rate structure has changed since original issuance of Series 2019C bonds
- ◆ DC Water conducted a competitive procurement process and selected TD Bank to provide liquidity for a five-year term
- ◆ Pursuit of these opportunities within a single issuance generates significant cost and process efficiencies



Overview of Variable Rate Demand Bonds (“VRDBs”)

- ◆ Variable Rate Demand Bonds (“VRDBs”) are floating rate obligations with nominal long-term maturities (20 to 40 years) and a coupon rate that is periodically reset (daily, in the case of Series 2024B) by a remarketing agent
- ◆ Series 2024B VRDBs require a bank-provided liquidity facility that offers investors the ability to tender bonds on an ongoing basis
 - Liquidity facility is drawn to pay investors that tender their bonds if bonds are temporarily unable to be remarketed
 - DC Water conducted a competitive procurement process and selected TD Bank to provide liquidity for a five-year term
- ◆ DC Water has one other series of outstanding VRDBs (Series 2014B)





Benefits and Considerations of VRDBs

Benefits

- **Lower Debt Service Costs**
 - Historically, short-term rates are lower than long-term rates
 - DC Water may realize lower interest costs than if fixed rate debt had been issued
- **Debt Flexibility**
 - Callable at any time
- **Diversified Investor Base**
 - Variable rate debt appeals to different market segments and investors
- **Asset-Liability Management**
 - Can be used as a part of a portfolio management strategy that aims to reduce exposure to any one type of interest rate or structure

Risks and Other Considerations

- **Interest Rate Risk:** Increased interest costs if short-term rates rise
 - **Mitigant:** earnings on DC Water short-term investment portfolio serve as a hedge to increased interest rates
- **Remarketing Risk:** Failed remarketing is possible
 - **Mitigant:** DC Water may draw on liquidity facility that that is subject to repayment over 5 years
- **Rollover/Renewal Risk:** Inability to obtain a liquidity facility upon expiration of previous contract
 - **Mitigant:** DC Water will address renewal well in advance of expiration, and has strong credit that provides access to borrowing in municipal bond market
- **Liquidity and Credit Risk:** Liquidity facility is unable to fulfill its contractual obligations. Ratings and pricing levels consider the credit rating of the bank providing liquidity
 - **Mitigant:** TD Bank is among the highest rated counterparties, and DC Water may terminate the bank at no cost if downgraded



Commercial Paper Program



Modernization of Commercial Paper Program

- **DC Water seeks to modernize and increase the capacity of Commercial Paper Program to provide additional flexibility**
- DC Water currently maintains \$150 million Commercial Paper Program to provide short-term financing
 - Provides DC Water ongoing access to taxable and tax-exempt capital markets that has been used to reduce interest costs and create flexibility in timing of long-term debt issuances
 - Existing program dates to 2010 and contains outdated provisions that reduce program efficiency, including separate issuance limitations for tax-exempt and taxable commercial paper
- Commercial Paper Program requires a bank-provided credit facility that must be periodically extended or replaced, with existing agreement expiring in early 2025 (no penalty for early termination)
- Replacement Commercial Paper Program will achieve:
 - **Increase in size** to \$250 million to account for growth in Capital Improvement Plan and operating budget
 - **Combined issuance limitation** for tax-exempt and taxable Commercial Paper to increase flexibility of program and minimize cost
 - **Multiple Dealers** to ensure resiliency (Goldman Sachs & Co. and JPMorgan Securities)
 - **Replacement of existing liquidity** DC Water conducted a competitive procurement process and selected TD Bank to provide liquidity for a five-year term
- Modernizing Commercial Paper Program and replacing liquidity in concert with bond transactions generates significant cost and process efficiencies



Next Steps



Preliminary Financing Schedule*

June						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

July						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

August						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Holiday

Key Dates

Timing	Event
May 23, 2024	■ Request Finance & Budget Committee review and recommendation for approval
June 6, 2024	■ Request DC Water Board approval of plan of finance
Week of June 17, 2024	■ Receive credit ratings
June 20, 2024	■ Launch invitation to tender
July 10, 2024	■ Series 2024A (fixed rate) bond pricing
July 29, 2024	■ Series 2022B (variable rate) bond pricing
July 30, 2024	■ Series 2024A and Series 2024B bond closing
August 1, 2024	■ Effective date of replacement commercial paper program



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

ACTION REQUESTED

**GOODS AND SERVICES CONTRACT MODIFICATION
Property and Casualty Insurance Premiums
(Joint Use-Indirect)**

Approval to pay property and casualty insurance premiums through DC Water’s brokers of record or direct writing insurers with a total amount not to exceed \$6,445,251.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Alliant Insurance Services 100 Pine Street, 11 th Floor San Francisco, CA 94111	N/A	N/A
Aon Risk Solutions, Inc., of Washington, DC 1120 20 th Street, NW Washington, DC 20036	N/A	N/A
Capitol Insurance Services 1231 B Good Hope Road, SE Washington, DC 20020	N/A	LSBE
Arthur J. Gallagher Risk Management Services, LLC 1667 K Street, NW Suite 1270 Washington, DC 20006	N/A	N/A
FM Global (direct writing insurer) 1200 Atwater Drive, Suite 102 Malvern, PA 19355	N/A	N/A

DESCRIPTION AND PURPOSE

Year 1 Premium Values: \$5,870,000.00
 Year 1 Premium Dates: 07-01-2023 – 06-30-2024
Year 2 Premium Values: \$6,445,251.00
Year 2 Premium Dates: 07-01-2024 – 06-30-2025

Purpose of the Contract:

DC Water property and casualty insurance premiums.

Scope of Services:

Secure insurance coverages through one of the four contracted commercial insurance brokers working on DC Water’s behalf or direct writing insurers. The coverages include Property, Flood, Cyber, Pollution, Excess Liability, Excess Worker’s Compensation, Employment Practices, Public Officials, Professional Liability, Crime and Fidelity and Fiduciary Insurances. The brokers are assigned markets based on their expressed preferences as well as information supplied in the broker RFP process. This ensures DC Water gets the best premium rates and coverage. Brokers are responsible for marketing DC Water’s programs and seeking insurance carrier proposals. DC Water engages with direct writing insurers where possible. The supplier presenting the best proposal is awarded that coverage placement.

Spending Previous Year:

Cumulative Premium Values: 07-01-2023 – 06-30-2024: \$5,870,000.00
Cumulative Premium Spending: 07-01-2023 – 06-30-2024: \$5,628,460.00

LBE/LSBE participation

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

ACTION REQUESTED

**GOODS AND SERVICES CONTRACT AWARD
Bank Credit Facility Supporting Series 2024B Bonds
(Non-Joint Use)**

Request to execute a contract for a Bank Credit Facility supporting 2024B bonds in the amount of \$1,097,006.00 for a 5-year base period.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
TD Bank, N.A. 1919 Gallows Road Vienna, VA 11182	N/A	N/A

DESCRIPTION AND PURPOSE

Base Period Contract Value:	\$1,097,006.00
Base Contract Period:	5 Years
Anticipated Contract Start Date:	07-30-2024
Anticipated Base Period Completion Date:	07-29-2029
Proposal Closing Date:	04-19-2024
Proposal Price Range:	\$1,097,006.00 - \$3,056,826.00

Purpose of the Contract:

Contract to secure DC Water’s variable rate demand bonds (VRDB) issued in 2024.

Contract Scope:

DC Water will issue ~\$101 million in variable rate demand bonds (VRDBs), requiring a bank provided credit facility for support.

- The Bank will provide liquidity support and pay investors that tender their bonds in the event DC Water is unable to provide the necessary cash.
- Investors require (and indenture mandates) that a credit facility secure the Series 2024B bonds.

Supplier Selection:

Procurement advertised and issued a Request for Proposal for the services. Six firms responded to the solicitation. The award recommendation is based on the overall highest rated offeror that proposed the best terms, options and pricing. TD Bank is currently providing these services. They have proven success and expertise in performing the requirements set forth in the scope of work for over 5 years.

No LBE/LSBE Participation

PROCUREMENT INFORMATION

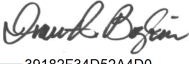
Contract Type:	Fixed Basis Points	Award Based On:	Highest Rated Offeror
Commodity:	Liquidity Services	Contract Numbers:	10447
Contractor Market:	Open Market with Preference for LBE and LSBE Participation		


BUDGET INFORMATION


Funding:	Operating	Department:	Finance
Service Area:	DC Water Wide	Department Head:	Ivan Boykin

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	100.00%	\$1,097,006.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$1,097,006.00

DocuSigned by:

 39182F34D52A4D6...
 Ivan Boykin
 VP, Finance
 5/14/2024
 Date

DocuSigned by:

 31548D68F882447...
 Dan Bae
 VP and Chief Procurement Officer
 5/15/2024
 Date

DocuSigned by:

 202C5D98CC1C4B3...
 Matthew T. Brown
 CFO and EVP of Finance, Procurement
 and Compliance
 5/15/2024
 Date

 David L. Gadis
 CEO and General Manager
 Date

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

ACTION REQUESTED

GOODS AND SERVICES CONTRACT AWARD

**Direct Pay Letter of Credit Supporting DC Water’s Commercial Paper Program Services
(Non-Joint Use)**

Request to execute a contract for an irrevocable Direct Pay Letter of Credit (DPLOC) supporting DC Water’s Commercial Paper Program services in the amount of \$3,155,205.00 for a 5-year base period.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
TD Bank, N.A. 1919 Gallows Road Vienna, VA 11182	N/A	N/A

DESCRIPTION AND PURPOSE

Base Period Contract Value:	\$3,155,205.00
Base Contract Period:	5 Years
Anticipated Contract Start Date:	07-30-2024
Anticipated Base Period Completion Date:	07-29-2029
Proposal Closing Date:	04-19-2024
Proposal Price Range:	\$3,155,205.00 - \$8,074,658.00

Purpose of the Contract:

Contract to provide irrevocable, direct-pay Letter of Credit (DPLOC) to support DC Water’s Commercial Paper Program.

Contract Scope:

DC Water will issue up to \$250 million in commercial paper program capacity.

- Bank to provide a direct pay letter of credit in support of DC Water’s Commercial Paper Program for a period of up to five (5) years.
- The proceeds from the sale of the Commercial Paper Notes will be used to finance DC Water’s costs incurred for the construction of capital improvements to its existing wastewater collection, treatment and disposal system and the water distribution system.

Supplier Selection:

Procurement advertised and issued a Request for Proposal for the services. Five firms responded to the solicitation. The award recommendation is based on the overall highest rated offeror that proposed the best terms, options and pricing. TD Bank is currently providing these services. They have proven success and expertise in performing the requirements set forth in the scope of work for over 5 years.

No LBE/LSBE Participation

PROCUREMENT INFORMATION

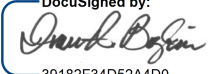
Contract Type:	Fixed Basis Points	Award Based On:	Highest Rated Offeror
Commodity:	Commercial Paper Services	Contract Numbers:	10446
Contractor Market:	Open Market with Preference for LBE and LSBE Participation		


BUDGET INFORMATION

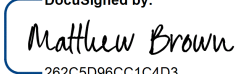
Funding:	Operating	Department:	Finance
Service Area:	DC Water Wide	Department Head:	Ivan Boykin

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	100.00%	\$3,115,205.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$3,115,205.00

DocuSigned by:

 39482F34D62A4D0...
 Ivan Boykin
 VP, Finance
 5/14/2024
 Date

DocuSigned by:

 3154BD68F882417...
 Dan Bae
 VP and Chief Procurement Officer
 5/14/2024
 Date

DocuSigned by:

 262C5D96CC1C4D3...
 Matthew T. Brown
 CFO and EVP of Finance, Procurement
 and Compliance
 5/14/2024
 Date

 David L. Gadis
 CEO and General Manager
 Date

ATTACHMENT 9

**FINANCE & BUDGET COMMITTEE
APPROVAL OF
SERIES 2024A & B BOND RESOLUTIONS AND RELATED DOCUMENTS**

ACTION ITEM D: Recommendation for Approval of Series 2024A & B Bond Resolutions and Related Documents:

1. Resolution (Series 2024A)
2. Resolution (Series 2024B)
3. 33rd Supplemental Indenture (Series 2024A)
4. 34th Supplemental Indenture (Series 2024B)
5. Bond Purchase Agreement (Series 2024A)
6. Bond Purchase Agreement (Series 2024B)
7. Preliminary Official Statement (Series 2024A)
8. Preliminary Official Statement (Series 2024B)
9. Escrow Agreement (Series 2024A)
10. Escrow Agreement (Series 2024B)
11. Dealer Manager Agreement (Series 2024A)
12. Remarketing Agreement (Series 2024B)
13. SBPA and Reimbursement Agreement (Series 2024B)
14. Invitation to Tender

Presented and Adopted: June 6, 2024

Subject: Approving the Substantially Final Form of Certain Documents, Authorizing Tender Offer and the Sale and Setting Terms and Details of the Series 2024A Bonds

#24-_____
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 June 6, 2024, upon consideration of a joint-use matter, by a vote of _____ () in favor and _____ () opposed Approving the Substantially Final Form of Certain Documents, Authorizing Tender Offer and the Sale and Setting Terms and Details of the Series 2024A Bonds.

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 Computershare Trust Company, N.A., as trustee (the “Trustee”) (its predecessors in that capacity having been Norwest Bank Minnesota, N.A., Wells Fargo Bank Minnesota, N.A. and Wells Fargo Bank, 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, pursuant to the Twelfth Supplemental Indenture of Trust, dated October 27, 2010 (the “Twelfth Supplemental Indenture”), between the Authority and the Trustee, the Authority issued its Public Utility Subordinate Lien Revenue Bonds, Series 2010A (Federally Taxable – Issuer Subsidy – Build America Bonds) (the “Series 2010A Bonds”), in the aggregate principal amount of \$300,000,000; and

WHEREAS, pursuant to Section 301(b) of the Twelfth Supplemental Indenture, the Series 2010A Bonds are subject to extraordinary optional redemption prior to their stated maturities, at the option of the Authority, upon the occurrence of, *inter alia*, legislation enacted by the Congress of the United States or an order, ruling, regulation the effect of which, as

reasonably determined by the Authority, would be to suspend, reduce or terminate the payment from the United States Treasury to the Authority with respect to the Series 2010A Bonds pursuant to Sections 54AA or 6431 of the Code; and

WHEREAS, since 2013 such payments with respect to the Series 2010A Bonds have been subject to an automatic reduction (sequestration) pursuant to the provisions of the Budget Control Act of 2011 and therefore the Authority's option for an extraordinary optional redemption of the Series 2010A Bonds has been triggered; and

WHEREAS, the Authority has heretofore entered into thirty-two (32) 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 to (i) issue Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024A (the "Series 2024A Bonds"), to: (a) finance the purchase pursuant to an invitation to tender for purchase ("Tender Offer") of a portion of the Authority's outstanding Senior Debt and Subordinate Debt that are tendered for purchase (the "Tendered Bonds") by the holders thereof in response to the Authority's Tender Offer and identified as Tendered Bonds in the Certificate of Award; (b) currently refund or advance refund, as applicable, a portion of the Authority's outstanding Senior Debt and/or Subordinate Debt (the "Refunded Bonds") that are identified as Refunded Bonds in the Certificate of Award; (c) fund a Series 2024A Debt Service Reserve Requirement, (as defined herein), if determined necessary; and (d) pay certain costs of issuance of the Series 2024A Bonds; (ii) designate the Series 2024A Bonds as Subordinate Debt for purposes of the Indenture; and (iii) secure the Series 2024A 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 CEO and General Manager, the Chief Financial Officer and Executive Vice President, Finance, Procurement and Compliance, the Chief Operations Officer and Executive Vice President, and the Chief Legal Officer and Executive Vice President, Government & Legal Affairs and 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 May 23, 2024, to review the issuance of the Series 2024A Bonds and has recommended approval of this Resolution by the Board.

NOW THEREFORE, BE IT RESOLVED THAT:

1. The Board approves the Substantially Final Form of Certain Documents, Authorizing Tender Offer and the Sale and Setting Terms and Details of the Series 2024A Bonds:

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 Thirty-Third 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 CEO and General Manager, the Chief Financial Officer and Executive Vice President, Finance, Procurement and Compliance, the Vice President and Controller, the Vice President, Budget, the Vice President, Finance, and the Vice President, Rates and Revenue of the Authority, including any of the foregoing who are in an interim, acting or similar capacity, 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 for the Series 2024A Bonds between the Authority and the 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 2024A Bonds to the Original Purchasers, specifying terms of the Series 2024A Bonds, as provided for in Section 4 of this Resolution and identifying the Tendered Bonds and the Refunded Bonds, if any.

“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 2024A Bonds, as originally executed and as it may be amended from time to time in accordance with its terms.

“Dealer Manager” means Morgan Stanley & Co. LLC

“Dealer Manager Agreement” means the Dealer Manager Agreement between the Authority and the Dealer Manager and the materials attached thereto relating to the Tender Offer.

"Escrow Agent" means the Trustee as Escrow Agent.

"Escrow Agreement" means the Escrow Agreement, dated the same date as the Series 2024A Bonds, between the Authority and the Escrow Agent, providing for the Refunded Bonds to be deemed paid and no longer Outstanding under the Indenture.

“Financial Advisor” means, collectively, PFM Financial Advisors LLC and Sustainable Capital Advisors.

“Interest Payment Dates” means for the Series 2024A 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 2024A Bonds are Outstanding.

“Invitation” means the Invitation to Tender Bonds and other ancillary documents relating to the Authority’s offer to purchase the Target Bonds.

“Original Purchasers” for the Series 2024A Bonds means the purchasers identified as such in the Bond Purchase Agreement.

“Refunded Bonds” means any Outstanding Senior Debt and/or Subordinate Debt 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 2024A Bonds and any other funds in escrow under the Escrow Agreement and identified as the Refunded Bonds in the Certificate of Award.

“Savings Threshold” means, as applicable, that: (i) as the result of the tender of the Tendered Bonds and the refunding of the Refunded Bonds (other than any of the Authority’s outstanding Series 2010A Bonds), the Authority will achieve an aggregate reduction in bond debt service that has a present value at the time of sale of the Series 2024A Bonds equal to at least three percent (3.0%) and will fulfill any other standards that any Authorized Official executing the Certificate of Award deems appropriate or (ii) the Chief Financial Officer and Executive Vice President, Finance, Procurement and Compliance, determines, in consultation with the Authority’s Financial Advisor, that the refunding of any Series 2010A Bonds included in the Refunded Bonds is in the best interests of the Authority.

“Series 2024A Debt Service Reserve Requirement” means, if determined in the Certificate of Award to be necessary, a required fund balance in the Series 2024A Debt Service Reserve Account or Accounts established under the Thirty-Third 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 existence of a balance in the Series 2024A Debt Service Reserve Account in the amount of the specified required fund balance will not cause the interest on any Series 2024A Bonds intended to be excluded from gross income for federal income tax purposes not to be so excluded.

“Target Bonds” means that portion of the Authority’s outstanding Senior Debt and Subordinate Debt that is the subject of the Authority’s Tender Offer

“Thirty-Third Supplemental Indenture” means the Thirty-Third Supplemental Indenture of Trust by and between the Authority and the Trustee, dated as of the same date as and relating to the Series 2024A 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 2024A Bonds. The Authority is authorized to issue, sell and deliver, as provided in this Resolution and the Certificate of Award, the Series 2024A Bonds which shall be designated “Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024A” and shall constitute Subordinate Debt for purposes of the Indenture. The aggregate principal amount of the Series 2024A Bonds the Authority is authorized to issue, sell and deliver shall not exceed (except as provided below) the amount determined in the Certificate of Award to be sufficient to accomplish the following purposes for which the issuance of the Series 2024A Bonds is authorized: (i) financing the purchase pursuant to the Tender Offer of the Tendered Bonds and causing the Tendered Bonds to be deemed paid and no longer Outstanding for purposes of the Indenture; (ii) refunding the Refunded Bonds and causing the Refunded Bonds to be deemed paid and no longer Outstanding for purposes of the Indenture; (iii) funding a portion of the Series 2024A Debt Service Reserve Requirement, if determined necessary in the Certificate of Award; and (iv) paying a portion of the issuance costs of the Series 2024A Bonds (including fees and costs associated with the Tender Offer, including those of an information agent and a tender agent, as well as the fees and costs of any escrow bidding agent or verification agent engaged pursuant to Section 6); provided, however, that before an Authorized Official executes a Certificate of Award applicable to the Series 2024A Bonds, the Authority's Financial Advisor shall have given the Authority a written certification that identifies the Tendered Bonds and the Refunded Bonds (consistent with this Resolution) and determines that the Authority's issuance and sale of the Series 2024A Bonds on the terms set forth in the Certificate of Award and the application of the proceeds of the Series 2024A Bonds and any other legally available funds to purchase the Tendered Bonds and refund the Refunded Bonds identified in the Financial Advisor's certificate, will meet the Savings Threshold. For those purposes the proceeds from the sale of the Series 2024A Bonds shall be allocated and deposited, as provided in the Thirty-Third Supplemental Indenture. Any designation of bonds authorized above may be revised or clarified in the Certificate of Award.

Section 3. Terms and Provisions Applicable to the Series 2024A Bonds.

(a) Form, Transfer and Exchange. The Series 2024A Bonds: (i) shall initially be issued only in fully registered form and substantially in the forms attached as Exhibits to the Thirty-Third 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 Thirty-Third Supplemental Indenture.

(b) Denominations and Dates. The Series 2024A Bonds shall be dated as of the date of issuance and delivery, but in no event later than December 31, 2024, and there shall be a single Series 2024A Bond representing each interest rate for each maturity of the Series 2024A Bonds bearing the same series or subseries designation as provided in the Thirty-Third Supplemental Indenture.

(c) Principal Maturities. The principal of the Series 2024A Bonds shall be paid in such amounts on each principal retirement date (whether at stated maturity date or a mandatory redemption date) as set forth in the Certificate of Award, provided that the final principal retirement date shall be no later than December 31, 2064 and the principal retirement schedule shall be consistent with the achievement on of the Savings Threshold.

(d) Interest Rates and Interest Rate Periods for the Series 2024A Bonds. The Series 2024A 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 2024A Bonds shall not exceed a rate that would cause the Savings Threshold not to be achieved. The principal of the Series 2024A 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 Savings Threshold.

(e) Optional and Mandatory Redemption.

(i) *Optional Redemption* - The Series 2024A Bonds maturing on or before any date specified in the Certificate of Award as the Earliest Optional Redemption Date for the Series 2024A Bonds (which shall be no later than the outside date permitted by law) are not subject to prior optional redemption. Any Series 2024A Bond maturing after the applicable Earliest Optional Redemption Date shall be subject to redemption at the option of the Authority, prior to their stated maturities on or after such 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 applicable Series 2024A Bonds to be redeemed.

(ii) *Mandatory Sinking Fund Redemption* - Any Series 2024A 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.

(f) Redemption Provisions. Redemption of Series 2024A Bonds shall be effected in accordance with Article IV of the Master Indenture; provided, however, that notices of redemption of the Series 2024A 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.

(g) Places and Manner of Payment. The principal of and the interest and any redemption premium on the Series 2024A Bonds shall be payable at the places and in the manner specified in the Thirty-Third Supplemental Indenture.

(h) Execution. The Authorized Officials are, and each of them is, authorized and directed to execute the Series 2024A Bonds, and the Secretary of the Board is authorized and directed to affix the seal of the Authority to the Series 2024A Bonds and to deliver them to the Trustee for authentication in accordance with the Indenture.

Section 4. Sale of Series 2024A Bonds.

(a) General. The Series 2024A Bonds shall be awarded and sold to the 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 2024A Bonds times the percentage of such principal amount at which such Series 2024A 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 2024A 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 Original Purchasers, substantially in the form presented to this Authority, but with such changes not inconsistent with the Indenture and this Resolution and not substantially adverse to the Authority as may be approved by the Authorized Official executing the same on behalf of the Authority. The approval of any such changes by such Authorized Official and the determination by such Authorized Official that no such change is substantially adverse to the Authority shall be conclusively evidenced by the execution of the Bond Purchase Agreement by such Authorized Official. The price for and terms of the Series 2024A Bonds and the sale thereof, all as provided in this Resolution, the Bond Purchase Agreement, the Invitation, the Dealer Manager Agreement, the Certificate of Award, and the Thirty-Third 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 2024A Bonds approved in the Certificate of Award shall be incorporated into the Thirty-Third 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 2024A Bonds,

specify the aggregate principal amount, the purchase price, the first 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 any of the Series 2024A Bonds and, if so, from whom and on what terms; (iii) specify the amount, if any, of the Series 2024A 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. The Certificate of Award shall identify the Tendered Bonds and the Refunded Bonds, if any.

(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 any of the Series 2024A 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 2024A 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 2024A 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 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 Original Purchasers to establish the date, location, procedure and conditions for the delivery of the Series 2024A Bonds. The Authorized Officials are, and each of them is, further authorized and directed to make the necessary arrangements for the printing of the Series 2024A Bonds, and the execution, authentication and delivery of the applicable Series 2024A Bonds to DTC for the accounts of the 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 2024A Bonds; Tax Covenants.

(a) Allocation of Proceeds. The proceeds from the sale of the Series 2024A Bonds shall be allocated, deposited and credited for the purposes approved in this Resolution and as specified in the Thirty-Third 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 2024A Bonds.

Section 6. Thirty-Third Supplemental Indenture, Dealer Manager Agreement, Invitation to Tender Bonds, Escrow Agreement and Other Documents. The Authorized Officials are, and each of them is, authorized in connection with the issuance of the Series 2024A Bonds, to execute, acknowledge and deliver in the name of and on behalf of the Authority, the Thirty-Third Supplemental Indenture, substantially in the form thereof submitted to the Authority at or prior to this meeting, but with such changes therein as may be permitted by the Indenture and this Resolution and approved by the Authorized Officer executing the document on behalf of the Authority. The approval of those changes shall be conclusively evidenced by the execution of the document by an Authorized Official.

The Authorized Officials are, and each of them is, authorized in connection with the issuance of the Series 2024A Bonds, to execute, acknowledge and deliver in the name of and on behalf of the Authority, the Dealer Manager Agreement together with the materials attached thereto relating to the Tender Offer, including the proposed form of the Invitation, substantially in the form thereof submitted to the Authority at or prior to this meeting, but with such changes therein as may be permitted by the Indenture and this Resolution and approved by the Authorized Officer executing the document on behalf of the Authority. The approval of those changes shall be conclusively evidenced by the execution of the document by an Authorized Official. The Authorized Officials are, and each of them is, authorized and directed, in their official capacities, to execute and deliver the certificates required by the Dealer Manager Agreement to be executed on behalf of the Authority.

The Dealer Manager is authorized to conduct the Tender Offer described in the Dealer Manager Agreement on behalf of the Authority, including the distribution of the Invitation.

The Authorized Officials are, and each of them is, authorized in connection with the issuance of the Series 2024A Bonds, to execute, acknowledge and deliver in the name of and on behalf of the Authority, the Escrow Agreement, substantially in the form thereof submitted to the Authority at or prior to this meeting, but with such changes therein as may be permitted by the Indenture and this Resolution and approved by the Authorized

Officer executing the document on behalf of the Authority. If in the Certificate of Award, an Authorized Official determines that it is in the Authority's best interest to authorize the purchase of open-market securities to effect the refunding of the Refunded Bonds, the Authorized Official is authorized to engage an 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 2024A 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 Thirty-Third Supplemental Indenture, the Bond Purchase Agreement, the Escrow Agreement, the Dealer Manager Agreement, the Invitation 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 2024A 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 2024A Bonds. The Authorized Officials are, and each of them is, authorized to execute the Official Statement on behalf of the Authority, which shall be in substantially the form of the Official Statement submitted to the Authority at this meeting, with such changes as the Authorized Official who executes it may approve, the execution thereof on behalf of the Authority by an Authorized Official to be conclusive evidence of such authorization and approval (including approval of any such changes), and copies thereof are hereby authorized to be prepared and furnished to the Original Purchasers for distribution to prospective purchasers of the Series 2024A 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 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 Original Purchasers to sell book entry interests in the Series 2024A Bonds, and will provide copies as appropriate to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website at www.emma.msrb.org.

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 Original Purchasers as may be reasonably requested to qualify the Series 2024A 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 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 Original Purchasers and to specify the final principal amount, interest rates and redemption provisions of the Series 2024A Bonds, the price of the Series 2024A Bonds to the general public, any credit enhancement provisions with respect to the Series 2024A Bonds and any change in ratings of the Series 2024A 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 2024A 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 2024A Bonds may, and the Trustee may (and, at the request of the Holders of at least 25% in aggregate principal amount of Outstanding Series 2024A Bonds, shall) take such actions as may be necessary and appropriate, including seeking

mandamus or specific performance by court order, to cause the Authority to comply with its obligations under this paragraph. The Authorized Officials are, and each of them is, hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement in substantially the form submitted to the Authority at or prior to this meeting with such changes therein as may be approved by the officer executing the Continuing Disclosure Agreement. The approval of those changes shall be conclusively evidenced by the execution of the Continuing Disclosure Agreement by an Authorized Official.

Section 8. General. The appropriate officers and employees of the Authority will do all things necessary and proper to implement and carry out the orders and agreements set forth or approved in this Resolution for the proper fulfillment of the purposes thereof. The Authority shall furnish to the Original Purchasers of the Series 2024A Bonds a true and certified transcript of all proceedings relating to the authorization and issuance of the Series 2024A Bonds along with other information as is necessary or proper with respect to the Series 2024A Bonds.

Section 9. Multiple Series. Notwithstanding anything herein to the contrary, if the Chief Financial Officer and Executive Vice President, Finance, Procurement and Compliance, determines it to be advantageous to the Authority, the Series 2024A Bonds may be issued in one or more separate series or subseries, each bearing a distinctive designation, provided that the Series 2024A 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 2024A Bonds may be issued at the same or different times and so may have different dates of issuance. The Series 2024A 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 Thirty-Third Supplemental Indenture, as applicable, shall refer to each and all such Supplemental Trust Indentures, but any Supplemental Trust Indenture subsequent to the Thirty-Third Supplemental Indenture shall bear a different designation. A separate Bond Purchase Agreement and Continuing Disclosure Agreement may be entered into for each series or subseries, and each reference in this Resolution to the Bond Purchase Agreement or to the Continuing Disclosure Agreement shall refer to each and all such Bond Purchase 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.

2. This Resolution is effective immediately.

Secretary to the Board of Directors

Presented and Adopted: June 6, 2024

Subject: Approving the Substantially Final Form of Certain Documents, Authorizing the Sale and Setting Terms and Details of the Series 2024B Bonds

#24-____
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority (the “Authority”), at its meeting on June 6, 2024, upon consideration of a join-use matter, decided by a vote of _____ (___) in favor and _____ (___) opposed Approving the Substantially Final Form of Certain Documents, Authorizing the Sale and Setting Terms and Details of the Series 2024B Bonds.

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 Computershare Trust Company, N.A., as trustee (the “Trustee”) (its predecessors in that capacity having been Norwest Bank Minnesota, N.A., Wells Fargo Bank Minnesota, N.A. and Wells Fargo Bank, 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 thirty-two (32) 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 further intends to enter into the Thirty-Third Supplemental Indenture in connection with the issuance of the Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024A; and

WHEREAS, the Authority now also intends: (i) to issue Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds, Series 2024B (the “Series 2024B Bonds”), to: (a)

currently refund the Authority's outstanding Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2019C (the "Series 2019C Bonds") that are identified as Refunded Bonds in the Certificate of Award; (b) fund a Series 2024B Debt Service Reserve Requirement, (as defined herein), if determined necessary; and (c) pay certain costs of issuance of the Series 2024B Bonds; (ii) to designate the Series 2024B Bonds as Subordinate Debt for purposes of the Indenture; and (iii) to secure the Series 2024B 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 CEO and General Manager, the Chief Financial Officer and Executive Vice President, Finance, Procurement and Compliance, the Chief Operations Officer and Executive Vice President and the Chief Legal Officer and Executive Vice President, Government & Legal Affairs 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 May 23, 2024, to review the issuance of the Series 2024B Bonds and has recommended approval of this Resolution by the Board.

NOW THEREFORE, BE IT RESOLVED THAT:

1. The Board approves the Substantially Final Form of Certain Documents, Authorizing the Sale and Setting Terms and Details of the Series 2024B Bonds as follows:

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 Thirty-Fourth 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 CEO and General Manager, the Chief Financial Officer and Executive Vice President, Finance, Procurement and Compliance, the Vice President and Controller, the Vice President, Budget, the Vice President, Finance, and the Vice President, Rates and Revenue of the Authority, including any of the foregoing who are in an interim, acting or similar capacity, 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 for the Series 2024B Bonds between the Authority and the 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 2024B Bonds to the Original Purchasers and specifying terms of the Series 2024B Bonds, as provided for in Section 4 of this Resolution and identifying the Refunded Bonds, if any.

“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 2024B Bonds, as originally executed and as it may be amended from time to time in accordance with its terms.

"Escrow Agent" means the Trustee as Escrow Agent.

"Escrow Agreement" means the Escrow Agreement, dated the same date as the Series 2024B Bonds, between the Authority and the Escrow Agent, providing for the Refunded Bonds to be deemed paid and no longer Outstanding under the Indenture.

“Financial Advisor” means, collectively, PFM Financial Advisors LLC and Sustainable Capital Advisors.

“Interest Payment Dates” means the “Interest Payment Date” as defined for the Series 2024B Bonds in the Thirty-Fourth Supplemental Indenture.

“Original Purchasers” for the Series 2024B Bonds means the purchasers identified as such in the Bond Purchase Agreement.

"Refunded Bonds" means the Outstanding Series 2019C 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 2024B Bonds and any other funds in escrow under the Escrow Agreement and identified as the Refunded Bonds in the Certificate of Award.

“Remarketing Agent” means any Remarketing Agent designated for the Series 2024B Bonds under the Thirty-Fourth Supplemental Indenture. BofA Securities, Inc. and Loop Capital Markets LLC are the initial Remarketing Agents as specified in the Thirty-Fourth Supplemental Indenture.

“Remarketing Agreement” means any Remarketing Agreement entered into for the Series 2024B Bonds under the Thirty-Fourth Supplemental Indenture.

“Series 2024B Debt Service Reserve Requirement” means, if determined in the Certificate of Award to be necessary, a required fund balance in the Series 2024B Debt Service Reserve Account or Accounts established under the Thirty-Fourth 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 existence of a balance in the Series 2024B Debt Service Reserve Account in the amount of the specified required fund balance will not cause the interest on any Series 2024B Bonds intended to be excluded from gross income for federal income tax purposes not to be so excluded.

“Standby Bond Purchase Agreement” means any Standby Bond Purchase Agreement entered into for the Series 2024B Bonds under the Thirty-Fourth Supplemental Indenture.

“Tender Agent” means any Tender Agent designated for the Series 2024B Bonds under the Thirty-Fourth Supplemental Indenture. The Trustee is the initial Tender Agent.

“Thirty-Fourth Supplemental Indenture” means the Thirty-Fourth Supplemental Indenture of Trust by and between the Authority and the Trustee, dated as of the same date as and relating to the Series 2024B 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 2024B Bonds. The Authority is authorized to issue, sell and deliver, as provided in this Resolution and the Certificate of Award, not to exceed (except as provided below) One Hundred and One Million Dollars (\$101,000,000) aggregate principal amount of Series 2024B Bonds. The Series 2024B Bonds shall be designated “Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds, Series 2024B” and shall constitute Subordinate Debt for purposes of the Indenture, for the purpose of: (a) currently refunding the Series 2019C Bonds; (b) funding a Series 2024B Debt Service Reserve Requirement, if determined necessary in the Certificate of Award; and (c) paying issuance costs of the Series 2024B Bonds (including fees and costs of any escrow bidding agent or verification agent engaged pursuant to Section 6). For those purposes the proceeds from the sale of the Series 2024B Bonds shall be allocated and deposited, as provided in the Thirty-Fourth Supplemental Indenture. If and to the extent that any Series 2024B Bonds are issued for the purpose of funding a Series 2024B Debt Service Reserve Requirement, then the aggregate principal amount of Series 2024B Bonds hereby authorized may exceed \$101,000,000 by the aggregate principal amount of the Series 2024B Bonds to be issued for that purpose. Any designation of bonds authorized above may be revised or clarified in the Certificate of Award.

Section 3. Terms and Provisions Applicable to the Series 2024B Bonds.

(a) Form, Transfer and Exchange. The Series 2024B Bonds: (i) shall initially be issued only in fully registered form and substantially in the form attached as Exhibit A to the Thirty-Fourth 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 Thirty-Fourth Supplemental Indenture.

(b) Denominations and Dates. The Series 2024B Bonds shall be dated as of the date of issuance and delivery, but in no event later than December 31, 2024, and there shall be a single Series 2024B Bond for each interest rate for each maturity of the Series 2024B Bonds bearing the same series or subseries designation as provided in the Thirty-Fourth Supplemental Indenture.

(c) Principal Maturities. The principal of the Series 2024B 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 Certificates of Award, provided that the final principal retirement date shall be no later than December 31, 2064.

(d) Interest Rates and Interest Rate Periods for the Series 2024B Bonds. The Series 2024B Bonds shall initially be issued as Daily Rate Bonds. The initial interest rate for the Series 2024B Bonds will be the rate that the Original Purchasers determine is necessary to sell the Series 2024B Bonds at a minimum price of ninety-eight percent (98%) of the principal amount of the Series 2024B Bonds and subject to the Maximum Rate. The Series 2024B Bonds initially may be issued in multiple subseries, as determined in the Certificate of Award. The provisions of Section 403 of the Thirty-Fourth Supplemental Indenture shall govern the interest rates per annum and payment terms of the Series 2024B Bonds. After the Initial Period, the Series 2024B Bonds may bear interest at Weekly Rates, Short-Term Rates, Long-Term Rates, Index Rates or Fixed Rates, or may continue to bear interest at Daily Rates, all determined in accordance with the Thirty-Fourth Supplemental Indenture, and shall be subject to conversion between Interest Rate Periods on the terms, in the manner, and subject to the conditions set forth in the Indenture.

(e) Tender, Purchase, Remarketing and Optional Redemption. For the purpose of effecting the provisions of the Thirty-Fourth Supplemental Indenture relating to the tender, purchase and remarketing of the Series 2024B Bonds, the Authority shall appoint or engage the Tender Agent and Remarketing Agent at the times, in the manner, and subject to the conditions set forth in the Thirty-Fourth Supplemental Indenture. The Series 2024B Bonds shall be subject to redemption prior to stated maturity as and to the extent provided in the Thirty-Fourth Supplemental Indenture and shall be subject from time to time to optional and mandatory tender for purchase as provided in the Thirty-Fourth Supplemental Indenture.

(f) Places and Manner of Payment. The principal and tender price of and the interest and any redemption premium on the Series 2024B Bonds shall be payable as specified in the Thirty-Fourth Supplemental Indenture.

(g) Execution. The Authorized Officials are, and each of them is, authorized and directed to execute the Series 2024B Bonds, and the Secretary of the Board is authorized and directed to affix the seal of the Authority to the Series 2024B Bonds and to deliver them to the Trustee for authentication in accordance with the Indenture.

Section 4. Sale of Series 2024B Bonds.

(a) General. The Series 2024B Bonds shall be awarded and sold to the 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 2024B Bonds times the percentage of such principal amount at which such Series 2024B 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 2024B 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 Original Purchasers, substantially in the form presented to this Authority, but with such changes not inconsistent with the Indenture and this Resolution and not substantially adverse to the Authority as may be approved by the Authorized Official executing the same on behalf of the Authority. The approval of any such changes by such Authorized Official and the determination by such Authorized Official that no such change is substantially adverse to the Authority shall be conclusively evidenced by the execution of the Bond Purchase Agreement by such Authorized Official. The price for and terms of the Series 2024B Bonds and the sale thereof, all as provided in this Resolution, the Bond Purchase Agreement, the Certificate of Award and the Thirty-Fourth 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 2024B Bonds approved in the Certificate of Award shall be incorporated into the Thirty-Fourth Supplemental Indenture. The Certificate of Award, subject to the restrictions set forth herein, shall: (i) state, with respect to the Series 2024B Bonds, the aggregate principal amount, the purchase price, the first Interest Payment Dates, the principal retirement dates, the mandatory sinking fund requirements (if any), the mandatory tender date (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 any of the Series 2024B Bonds and, if so, from whom and on what terms; (iii) specify the amount, if any, of the Series 2024B 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. A separate Certificate of Award may be delivered for each subseries of the Series 2024B Bonds, and each reference in this Resolution to the Certificate of Award shall refer to each and all such Certificates of Award. A separate Bond Purchase Agreement, Remarketing Agreement, Standby Bond Purchase Agreement and Continuing Disclosure Agreement may be entered into for each subseries of the Series 2024B Bonds, and each reference in this Resolution to the Bond Purchase Agreement Remarketing Agreement, Standby Bond Purchase Agreement or to the Continuing Disclosure Agreement shall refer to each and all such Bond Purchase Agreements Remarketing Agreements, Standby Bond Purchase Agreements or Continuing Disclosure Agreements, respectively.

(d) Authorization of Bond Insurance and Qualified Reserve Credit Facilities. The submission of 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 any of the Series 2024B 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 2024B 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 2024B 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 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 Original Purchasers to establish the date, location, procedure and conditions for the delivery of the Series 2024B Bonds to the 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 2024B Bonds, and the execution, authentication and delivery of the Series 2024B Bonds to DTC for the accounts of the 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 2024B Bonds; Tax Covenants.

(a) Allocation of Proceeds of the Series 2024B Bonds. The proceeds from the sale of the Series 2024B Bonds shall be allocated, deposited and credited for the purposes approved in this Resolution and as specified in the Thirty-Fourth 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 2024B Bonds.

Section 6. Thirty-Fourth 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 2024B Bonds, to execute, acknowledge and deliver in the name of and on behalf of the Authority, the Thirty-Fourth Supplemental Indenture, the Remarketing Agreement with each of the initial Remarketing Agents and the Standby Bond Purchase Agreement, substantially in the form thereof submitted to the Authority at or prior to this meeting, but with such changes therein as may be permitted by the Indenture and this Resolution and approved by the Authorized Officer executing the document on behalf of the Authority. The approval of those changes shall be conclusively evidenced by the execution of the document by an Authorized Official.

The Authorized Officials are, and each of them is, authorized in connection with the issuance of the Series 2024B Bonds, to execute, acknowledge and deliver in the name of and on behalf of the Authority, the Escrow Agreement, substantially in the form thereof submitted to the Authority at or prior to this meeting, but with such changes therein as may be permitted by the Indenture and this Resolution and approved by the Authorized Officer executing the document on behalf of the Authority. If in the Certificate of Award, an Authorized Official determines that it is in the Authority's best interest to authorize the purchase of open-market securities to effect the current refunding of the Refunded Bonds, the Authorized Official is authorized to engage an 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 2024B 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 Thirty-Fourth Supplemental Indenture, the Bond Purchase Agreement, the Escrow Agreement, the Remarketing Agreement, the Standby Bond Purchase Agreement and this Resolution.

Following the issuance of the Series 2024B Bonds, if a successor Remarketing Agent is appointed by the Authority, the Authorized Officials are, and each of them is, authorized to execute, acknowledge and deliver, in the name of and on behalf of the Authority, the Remarketing Agreement with the successor Remarketing Agent in a form then determined by the Authorized Officer executing the document on behalf of the Authority to be consistent with the Indenture and this Resolution. The determination of such consistency shall be conclusively evidenced by the execution of the document by an Authorized Official.

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 2024B 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 2024B Bonds. The Authorized Officials are, and each of them is, authorized to execute the Official Statement on behalf of the Authority, which shall be in substantially the form of the Official Statement submitted to the Authority at this meeting, with such changes as the Authorized Official who executes it may approve, the execution thereof on behalf of the Authority by an Authorized Official to be conclusive evidence of such authorization and approval (including approval of any such changes), and copies thereof are hereby authorized to be prepared and furnished to the Original Purchasers for distribution to prospective purchasers of the Series 2024B Bonds and other interested persons.

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

The Authority shall make sufficient copies of the Official Statement, with any supplements, available to the Original Purchasers to sell book entry interests in the Series 2024B Bonds, and will provide copies as appropriate to the Municipal Securities

Rulemaking Board through its Electronic Municipal Market Access website at www.emma.msrb.org.

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 Original Purchasers as may be reasonably requested to qualify the Series 2024B 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 Original Purchasers; provided, however, that the Authority shall not be required to register as a dealer or broker in any such state or jurisdiction or become subject to the service of process in any jurisdiction in which the Authority is not now subject to such service.

The Authorized Officials are each hereby further authorized : (i) to complete the Official Statement with the approved and agreed upon terms of Series 2024B Bonds, and (ii) to make such other changes to the Official Statement as are, in the judgment of an Authorized Official, necessary and appropriate in order to make the Official Statement not materially misleading and to comply with applicable securities laws or otherwise to enable the Authority to fulfill its obligations regarding the Official Statement under the Bond Purchase Agreement.

The Authority hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Resolution or the Indenture, failure of the Authority to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, any Holder of Series 2024B Bonds may, and the Trustee may (and, at the request of the Holders of at least 25% in aggregate principal amount of Outstanding Series 2024B Bonds, shall) take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Authority to comply with its obligations under this paragraph. The Authorized Officials are, and each of them is, hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement in substantially the form submitted to the Authority at or prior to this meeting with such changes therein as may be approved by the officer executing the Continuing Disclosure Agreement. The approval of those changes shall be conclusively evidenced by the execution of the Continuing Disclosure Agreement by an Authorized Official.

Section 8. General. The appropriate officers and employees of the Authority will do all things necessary and proper to implement and carry out the orders and agreements set forth or approved in this Resolution for the proper fulfillment of the purposes thereof. The Authority shall furnish to the Original Purchasers of the Series 2024B Bonds a true and certified transcript of all proceedings relating to the authorization and issuance of the Series 2024B Bonds along with other information as is necessary or proper with respect to the Series 2024B Bonds.

2. This Resolution is effective immediately.

Secretary to the Board of Directors

DRAFT 05-16-24

THIRTY-THIRD SUPPLEMENTAL INDENTURE OF TRUST

between

**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

and

**COMPUTERSHARE TRUST COMPANY, N.A.
AS TRUSTEE**

Dated [July 30], 2024

DRAFT 05-16-24

THIS THIRTY-THIRD SUPPLEMENTAL INDENTURE OF TRUST dated the [30th day of July], 2024 (as defined in more detail below, the “**Thirty-Third Supplemental Indenture**”), by and between the District of Columbia Water and Sewer Authority (the “**Authority**”), an independent authority of the District of Columbia (the “**District**”), and Computershare Trust Company, N.A., a national banking association, having a corporate trust office in St. Paul, Minnesota, as trustee (in such capacity, together with any successor in such capacity, herein called the “**Trustee**”), provides:

WHEREAS, the Authority and the Trustee (its predecessor in that capacity having been Norwest Bank, N.A.) entered into the Master Indenture of Trust, dated as of April 1, 1998 (the “**Master Indenture**” and, as previously supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, the Twelfth Supplemental Indenture, the Thirteenth Supplemental Indenture, the Fourteenth Supplemental Indenture, the Fifteenth Supplemental Indenture, the Sixteenth Supplemental Indenture, the Seventeenth Supplemental Indenture, the Eighteenth Supplemental Indenture, the Nineteenth Supplemental Indenture, the Twentieth Supplemental Indenture, the Twenty-First Supplemental Indenture, the Twenty-Second Supplemental Indenture, the Twenty-Third Supplemental Indenture, the Twenty-Fourth Supplemental Indenture, the Twenty-Fifth Supplemental Indenture, the Twenty-Sixth Supplemental Indenture, the Twenty-Seventh Supplemental Indenture, the Twenty-Eighth Supplemental Indenture, the Twenty-Ninth Supplemental Indenture, the Thirtieth Supplemental Indenture, the Thirty-First Supplemental Indenture and the Thirty-Second Supplemental Indenture all as hereinafter defined, and as it may further be supplemented and amended in accordance with its terms, 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 defined in the Master Indenture); and

WHEREAS, pursuant to the First Supplemental Indenture of Trust, dated as of April 1, 1998 (the “**First Supplemental Indenture**”), between the Authority and the Trustee, the Authority issued its Public Utility Revenue Bonds, Series 1998 (the “**Series 1998 Senior Lien Bonds**”) in the aggregate principal amount of \$266,120,000 to finance Costs of the System (as defined in the Master Indenture) and to refund then outstanding debt of the Authority; and

WHEREAS, the Master Indenture permits the Authority, for certain purposes and subject to certain conditions, to issue Other System Indebtedness (as defined therein) secured on a parity with the Series 1998 Senior Lien Bonds and referred to collectively with the Series 1998 Senior Lien Bonds as “Senior Debt,” and also permits the Authority to issue Subordinate Debt (as defined therein), to which it has pledged to its payment Net Revenues as a subordinate lien pledge after the pledge of Net Revenues to Senior Debt; and

WHEREAS, pursuant to the Second Supplemental Indenture of Trust, dated as of November 1, 2001 (the “**Second Supplemental Indenture**”), between the Authority and the Trustee, the Authority amended and supplemented the Master Indenture in accordance with its terms to clarify provisions thereof related to certain forms of Indebtedness (as defined in the Master

Indenture, i.e., Senior Debt and Subordinate Debt) and thereby facilitate the issuance of such forms of Indebtedness; and

WHEREAS, pursuant to the Third Supplemental Indenture of Trust, dated as of November 1, 2001 (the “**Third Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Commercial Paper Notes defined therein as the Series A-B Notes, (ii) designated the Series A-B Notes as Subordinate Debt for purposes of the Indenture, and (iii) made provision for the securing of the Series A-B Notes and of the Reimbursement Obligations to the Bank that provided the Letters of Credit (all as defined therein) that secure the Series A-B Notes; and

WHEREAS, pursuant to the Fourth Supplemental Indenture of Trust, dated August 12, 2003 (the “**Fourth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinated Lien Revenue Bonds, Series 2003, dated August 12, 2003 (the “**Series 2003 Subordinate Bonds**”), in the aggregate principal amount of \$176,220,000 to finance certain Costs of the System and retire Series A-B Notes, (ii) designated the Series 2003 Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2003 Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Fifth Supplemental Indenture of Trust, dated August 3, 2004 (the “**Fifth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinated Lien Revenue Bonds, Series 2004, as Subseries 2004A-1, Subseries 2004A-2, Subseries 2004B-1 and Subseries B-2 (collectively, the “**Series 2004 Subordinate Bonds**”) in the aggregate principal amount of \$295,000,000 to finance certain Costs of the System, (ii) designated the Series 2004 Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2004 Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Sixth Supplemental Indenture of Trust, dated June 6, 2007 (the “**Sixth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinated Lien Revenue Bonds, Series 2007A (the “**Series 2007A Subordinate Bonds**”), in the aggregate principal amount of \$218,715,000 to finance certain Costs of the System and retire Series A-B Notes, (ii) designated the Series 2007A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2007A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Seventh Supplemental Indenture of Trust, dated June 6, 2007 (the “**Seventh Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinated Lien Taxable Revenue Bonds, Series 2007B (the “**Series**

2007B Subordinate Bonds”), in the aggregate principal amount of \$59,000,000 to finance certain Costs of the System, (ii) designated the Series 2007B Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2007B Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Eighth Supplemental Indenture of Trust, dated April 24, 2008 (the “**Eighth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinated Lien Revenue Refunding Bonds, Series 2008 (the “**Series 2008 Subordinate Bonds**”), in the aggregate principal amount of \$290,375,000 to (a) currently refund all of the outstanding Series 2004 Subordinate Bonds and a portion of the Series 2007B Subordinate Bonds, and (b) pay issuance costs of the Series 2008 Subordinate Bonds, (ii) designated the Series 2008 Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2008 Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Ninth Supplemental Indenture of Trust, dated December 19, 2008 (the “**Ninth Supplemental Indenture**”), between the Authority and the Trustee, the Authority agreed to confer on the Holders of the Series 2003 Subordinate Bonds additional rights related to the Reserve Credit Facility (as defined therein) and to cure any ambiguity or omission in the Indenture regarding the obligations of the Authority as a consequence of a downgrade of the Reserve Policy related to the Series 2003 Subordinate Bonds, or in the event that the Reserve Policy were to cease to be in effect; and

WHEREAS, pursuant to the Tenth Supplemental Indenture of Trust, dated February 12, 2009 (the “**Tenth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Senior Lien Revenue Bonds, Series 2009A (the “**Series 2009A Senior Lien Bonds**”), in the aggregate principal amount of \$300,000,000 to finance certain Costs of the System and retire Series A-B Notes, (ii) designated the Series 2009A Senior Lien Bonds as Senior Debt for purposes of the Indenture, and (iii) secured the Series 2009A Senior Lien Bonds by a pledge of Net Revenues on a parity with the pledge of Net Revenues that secures other Senior Debt, including, without limitation, other Senior Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Eleventh Supplemental Indenture of Trust, dated June 2, 2010, as supplemented and amended by the First Amendment to Eleventh Supplemental Indenture of Trust, dated April 5, 2013, and by the Second Amendment to Eleventh Supplemental Indenture of Trust, dated May 18, 2015 (together, the “**Eleventh Supplemental Indenture**”), each between the Authority and the Trustee, the Authority: (i) authorized the issuance of its (a) Commercial Paper Notes, Series A (the “**2010 Series A Notes**”) in the aggregate principal amount of \$0 to finance certain Costs of the System, (b) Commercial Paper Notes, Series B (the “**2010 Series B Notes**”) in the aggregate principal amount of \$100,000,000 to finance certain Costs of the System,

and (c) Commercial Paper Notes, Series C (the “**2010 Series C Notes**” and, together with the 2010 Series A Notes and the 2010 Series B Note, the “**Series 2010 Notes**”) in the aggregate principal amount of \$50,000,000 to finance certain Costs of the System, (ii) designated the Series 2010 Notes as Subordinate Debt for purposes of the Indenture, and (iii) made provision for the securing of the Series 2010 Notes and of the Authority’s reimbursement obligations to the Bank (as defined in the Eleventh Supplemental Indenture) that provided the Substitute Letters of Credit (as defined in the Eleventh Supplemental Indenture) that secure the Series 2010 Notes; and

WHEREAS, pursuant to the Twelfth Supplemental Indenture of Trust, dated October 27, 2010 (the “**Twelfth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2010A (Federally Taxable – Issuer Subsidy – Build America Bonds) (the “**Series 2010A Subordinate Bonds**”), in the aggregate principal amount of \$300,000,000 to finance certain Costs of the System and fund capitalized interest on a portion of the Series 2010A Subordinate Bonds, subject to specified limitations, (ii) designated the Series 2010A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, (iii) secured the Series 2010A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future, and (iv) included provisions in the Indenture related to potential Direct Payments (as defined therein) received or expected to be received by the Authority, including certain provisions requiring the consent of the holders of a majority of Outstanding Bonds; and

WHEREAS, pursuant to the Thirteenth Supplemental Indenture of Trust, dated March 22, 2012 (the “**Thirteenth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i)(a) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2012A (the “**Series 2012A Subordinate Bonds**”), in the aggregate principal of \$177,430,000 to finance certain Costs of the System and pay certain costs of issuance, (b) designated the Series 2012A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (c) secured the Series 2012A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; (ii)(a) issued its Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2012B (the “**Series 2012B Subordinate Bonds**”), in the aggregate principal amount of \$100,000,000 to finance certain Costs of the System, fund capitalized interest on a portion of the Series 2012B Subordinate Bonds subject to specified limitations, and pay certain costs of issuance, (b) designated the Series 2012B Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (c) secured the Series 2012B Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and (iii)(a) issued its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2012C (the “**Series 2012C Subordinate Bonds**”), in the aggregate principal amount of \$163,215,000, and applied the proceeds thereof, together with any other funds of the Authority, to advance refund the Series 2003 Subordinate Bonds and caused them to be deemed paid and no longer Outstanding for purposes of the Indenture, and paid certain costs of issuance, (b) designated the Series 2012C

Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (c) secured the Series 2012C Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Fourteenth Supplemental Indenture of Trust, dated as of August 1, 2013 (the “**Fourteenth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2013A (the “**Series 2013A Subordinate Bonds**”), in the aggregate principal amount of \$300,000,000 to finance certain Costs of the System and pay certain costs of issuance, (ii) designated the Series 2013A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2013A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Fifteenth Supplemental Indenture of Trust, dated July 23, 2014 (the “**Fifteenth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Senior Lien Revenue Bonds, Series 2014A (Federally Taxable) (Green Bonds) (the “**Series 2014A Senior Lien Bonds**”), in the aggregate principal amount of \$350,000,000 to finance certain Costs of the System and pay certain costs of issuance, (ii) designated the Series 2014A Senior Lien Bonds as Senior Debt for purposes of the Indenture, and (iii) secured the Series 2014A Senior Lien Bonds by a pledge of Net Revenues on a parity with the pledge of Net Revenues that secures other Senior Debt, including, without limitation, other Senior Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Sixteenth Supplemental Indenture of Trust, dated July 23, 2014 (the “**Sixteenth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2014B (the “**Series 2014B Subordinate Bonds**”), in the aggregate principal amount of \$100,000,000 to finance certain Costs of the System and pay certain costs of issuance, (ii) designated the Series 2014B Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2014B Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Seventeenth Supplemental Indenture of Trust, dated November 20, 2014 (the “**Seventeenth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2014C (the “**Series 2014C Subordinate Bonds**”), in the aggregate principal amount of \$377,700,000 to (a) advance refund all or a portion of the Authority’s outstanding Series 2007A Subordinate Bonds, the Series 2008A Subordinate Bonds, and the Series 2009A Senior Lien Bonds, and current refund all of the Authority’s outstanding Subseries 2012B-1 of the Series 2012 Subordinate Bonds, and (b) pay issuance costs of the Series 2014C Subordinate Bonds, (ii)

designated the Series 2014C Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2014C Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Eighteenth Supplemental Indenture of Trust, dated October 15, 2015 (the “**Eighteenth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2015A (the “**Series 2015A Subordinate Bonds**”), in the aggregate principal amount of \$100,000,000 to (a) finance certain Costs of the System, and (b) pay issuance costs of the Series 2015A Subordinate Bonds, (ii) designated the Series 2015A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, (iii) secured the Series 2015A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future, (iv) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2015B (the “**Series 2015B Subordinate Bonds**” and, together with the Series 2015A Subordinate Bonds, the “**Series 2015A/B Subordinate Bonds**”), in an aggregate principal amount of \$250,000,000 to (a) finance certain Costs of the System, and (b) pay issuance costs of the Series 2015B Subordinate Bonds, (v) designated the Series 2015B Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (vi) secured the Series 2015B Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Nineteenth Supplemental Indenture of Trust, dated December 1, 2015 (the “**Nineteenth Supplemental Indenture**”) between the Trustee and the Authority, the Authority: (i) authorized the issuance of its Extendable Municipal Commercial Paper Notes, Series A (the “**Series A EMCP Notes**”), in the aggregate principal amount of not to exceed \$100,000,000 outstanding at any time to finance certain Costs of the System, (ii) designated the Series A EMCP Notes as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series A EMCP Notes 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, pursuant to the Twentieth Supplemental Indenture of Trust, dated February 24, 2016 (the “**Twentieth Supplemental Indenture**”) between the Trustee and the Authority, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2016A (the “**Series 2016A Subordinate Bonds**”), in the aggregate principal amount of \$389,110,000 to (a) refund all or a portion of the Authority’s outstanding Series 2007A Subordinate Bonds, Series 2008A Subordinate Bonds, and Series 2009A Senior Lien Bonds, and (b) pay issuance costs of the Series 2016A Subordinate Bonds, (ii) designated the Series 2016A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2016A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues

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

WHEREAS, pursuant to the Twenty-First Supplemental Indenture of Trust, dated September 29, 2016 (the “**Twenty-First Supplemental Indenture**”) between the Trustee and the Authority, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2016B (Environmental Impact Bonds) (the “**Series 2016B Subordinate Bonds**”), in the aggregate principal amount of \$25,000,000 to (a) finance certain Costs of the System (specifically, a portion of the costs of the Authority’s DC Clean Rivers Project), and (b) pay certain costs of issuance, (ii) designated the Series 2016B Subordinate Bonds as Subordinate Debt, as Variable Rate Indebtedness and as Tender Indebtedness for purposes of the Indenture, and (iii) secured the Series 2016B Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Twenty-Second Supplemental Indenture of Trust, dated February 23, 2017 (the “**Twenty-Second Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Senior Lien Revenue Bonds, Series 2017A (the “**Series 2017A Senior Lien Bonds**”), in the aggregate principal amount of \$100,000,000 to (a) finance certain Costs of the System (specifically, a portion of the costs of the Authority’s DC Clean Rivers Project), and (b) pay issuance costs of the Series 2017A Senior Lien Bonds, (ii) designated the Series 2017A Senior Lien Bonds as Senior Debt for purposes of the Indenture, (iii) secured the Series 2017A Senior Lien Bonds by a pledge of Net Revenues on a parity with the pledge of Net Revenues that secures other Senior Debt, including, without limitation, other Senior Debt that the Authority may issue from time to time in the future, (iv) issued its Public Utility Senior Lien Revenue Bonds, Series 2017B (the “**Series 2017B Senior Lien Bonds**” and, together with the Series 2017A Senior Lien Bonds, the “**Series 2017A/B Senior Lien Bonds**”), in an aggregate principal amount of \$200,000,000 to (a) finance certain Costs of the System, and (b) pay issuance costs of the Series 2017B Senior Lien Bonds, (v) designated the Series 2017B Senior Lien Bonds as Senior Debt for purposes of the Indenture, and (vi) secured the Series 2017B Senior Lien Bonds by a pledge of Net Revenues on a parity with the pledge of Net Revenues that secures other Senior Debt, including, without limitation, other Senior Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Twenty-Third Supplemental Indenture of Trust, dated April 30, 2018 (the “**Twenty-Third Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2018A (the “**Series 2018A Senior Lien Bonds**”), in the aggregate principal amount of \$100,000,000 to (a) finance certain Costs of the System (specifically, a portion of the costs of the Authority’s DC Clean Rivers Project), and (b) pay issuance costs of the Series 2018A Senior Lien Bonds, (ii) designated the Series 2018A Senior Lien Bonds as Senior Debt for purposes of the Indenture, (iii) secured the Series 2018A Senior Lien Bonds by a pledge of Net Revenues on a parity with the pledge of Net Revenues that secures other Senior Debt, including, without limitation, other Senior Debt that the Authority may issue from time to time in the future, (iv) issued its Public Utility Senior Lien

Revenue Bonds, Series 2018B (the “**Series 2018B Senior Lien Bonds**” and, together with the Series 2018A Senior Lien Bonds, the “**Series 2018A/B Senior Lien Bonds**”), in an aggregate principal amount of \$200,000,000 to (a) finance certain Costs of the System, (b) pay issuance costs of the Series 2018B Senior Lien Bonds and (c) refund all of the Authority’s then outstanding Commercial Paper Notes, Series B, (v) designated the Series 2018B Senior Lien Bonds as Senior Debt for purposes of the Indenture, and (vi) secured the Series 2018B Senior Lien Bonds by a pledge of Net Revenues on a parity with the pledge of Net Revenues that secures other Senior Debt, including, without limitation, other Senior Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Twenty-Fourth Supplemental Indenture of Trust, dated November 6, 2019 (the “**Twenty-Fourth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i)(a) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2019A (Green Bonds) (the “**Series 2019A Subordinate Bonds**”) in the aggregate principal amount of \$104,010,000 to (1) finance certain Costs of the System (specifically, a portion of the costs of the Authority’s DC Clean Rivers Project), and (2) pay issuance costs of the Series 2019A Subordinate Bonds, (b) designated the Series 2019A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2019A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future, and (ii)(a) issued its Public Utility Subordinate Revenue Bonds, Series 2019B (the “**Series 2019B Subordinate Bonds**” and, together with the Series 2019A Subordinate Bonds, the “**Series 2019A/B Subordinate Bonds**”) in an aggregate principal amount of \$58,320,000 to (1) finance certain Costs of the System, and (2) pay issuance costs of the Series 2019B Subordinate Bonds, (b) designated the Series 2019B Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2019B Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Twenty-Fifth Supplemental Indenture of Trust, dated November 6, 2019 (the “**Twenty-Fifth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2019C (the “**Series 2019C Subordinate Bonds**”), in the aggregate principal amount of \$99,505,000 to (a) finance certain Costs of the System, and (b) pay issuance costs of the Series 2019C Subordinate Bonds, (ii) designated the Series 2019C Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2019C Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Twenty-Sixth Supplemental Indenture of Trust, dated November 6, 2019 (the “**Twenty-Sixth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Refunding

Bonds, Series 2019D (Federally Taxable) (the “**Series 2019D Subordinate Bonds**”), in the aggregate principal amount of \$343,160,000 to (a) refund the Authority’s outstanding Series 2013A Subordinate Bonds, and (b) pay issuance costs of the Series 2019D Subordinate Bonds, (ii) designated the Series 2019D Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2019D Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Twenty-Seventh Supplemental Indenture of Trust, dated April 8, 2020 (the “**Twenty-Seventh Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) entered into the 2020 Term Loan Agreement in connection with the Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2022A (the “**Series 2022A Subordinate Lien Refunding Bonds**”), (ii) pursuant to the 2020 Term Loan Agreement issued its Series 2022A Subordinate Lien Refunding Bonds in the aggregate principal amount of \$294,305,000 in July 2022 to (a)(I) refund all of its outstanding Series 2012A Subordinate Bonds and Series 2012C Subordinate Bonds; and (II) pay certain costs of issuance, (iii) designated the Series 2022A Subordinate Lien Refunding Bonds as Subordinate Debt for purposes of the Indenture, and (iv) secured the Series 2022A Subordinate Lien 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, pursuant to the Twenty-Eighth Supplemental Indenture of Trust, dated as of March 5, 2021 (the “**Twenty-Eighth Supplemental Indenture**”) between the Authority and the Trustee, the Authority entered into a revised Master Letter of Credit Agreement with TD Bank, N.A. to provide letters of credit for the benefit of the Authority’s Rolling Owner Controlled Insurance Program, in an aggregate maximum amount at any one time outstanding of \$25,000,000 and secured the Reimbursement Obligations (as defined in the Twenty-Eighth Supplemental Indenture) 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, pursuant to the Twenty-Ninth Supplemental Indenture of Trust, dated as of March 12, 2021 between the Authority and the Trustee, as amended by the First Amendment to the Twenty-Ninth Supplemental Indenture of Trust dated September 17, 2021 between the Authority and the Trustee (together, the “**Twenty-Ninth Supplemental Indenture**”), the Authority: (i) entered into a 2021 WIFIA Loan Agreement in connection with the Series 2021 Senior Lien Bonds; (ii) issued its Public Utility Senior Lien Revenue Bonds, Series 2021 Senior Lien Bonds (the “**Series 2021 Senior Lien Bonds**”) in the aggregate principal amount of up to \$156,367,104 to (1) finance certain Costs of the System (specifically, the costs of the 2021 WIFIA Project as defined therein), and (2) pay issuance costs of the Series 2021 Senior Lien Bond, (iii) designate the Series 2021 Senior Lien Bond as Senior Debt for purposes of the Indenture, and (iv) secure the Series 2021 Senior Lien Bond by a pledge of Net Revenues on a parity with the pledge

of Net Revenues that secures other Senior Debt, including, without limitation, other Senior Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Thirtieth Supplemental Indenture of Trust, dated as of March 23, 2022 (the “**Thirtieth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i)(a) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2022B (Green Bonds) (the “**Series 2022B Subordinate Bonds**”), in the aggregate principal amount of \$79,585,000 to (1) finance certain Costs of the System (specifically, a portion of the costs of the Authority’s DC Clean Rivers Project), and (2) pay issuance costs of the Series 2022B Subordinate Bonds, (b) designate the Series 2022B Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (c) secure the Series 2022B Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future, (ii)(a) issue the Public Utility Subordinate Lien Revenue and Revenue Refunding Bonds, Series 2022C-1 in an aggregate principal amount of \$206,730,000 (the “**Series 2022C-1 Subordinate Bonds**”) to (1) finance certain Costs of the System, (2) refund a portion of the outstanding subordinate commercial paper notes, (3) purchase the Purchased Refunded Bonds (as defined therein) and (4) pay issuance costs of the Series 2022C Subordinate Bonds and (b) designate the Series 2022C-1 Subordinate Bonds as Subordinate Debt for purposes of the Indenture, (iii)(a) issue the Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2022C-2 in an aggregate principal amount of \$4,418,000 (the “**Series 2022C-2 Subordinate Bonds**”, and together with the Series 2022C-1 Subordinate Bonds, the “**Series 2022C Subordinate Bonds**”) to replace the Exchanged Refunded Bonds and (b) designate the Series 2022C-2 Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iv) secure the Series 2022C Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Thirty-First Supplemental Indenture of Trust, dated March 23, 2022 (the “**Thirty-First Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2022D (Federally Taxable) (the “**Series 2022D Subordinate Bonds**”) in the aggregate principal amount of \$148,925,000 to (a) finance certain Costs of the System, (b) refund a portion of the Authority’s outstanding Series 2014C Subordinate Bonds, and (c) pay issuance costs of the Series 2022D Subordinate Bonds, (ii) designate the Series 2022D Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secure the Series 2022D Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future;

WHEREAS, pursuant to the Thirty-Second Supplemental Indenture of Trust, dated as of March 23, 2022 (the “**Thirty-Second Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2022E (the “**Series 2022E Subordinate Bonds**”), in the aggregate principal amount of \$96,350,000 to: (a) finance certain Costs of the System, and (b) pay issuance costs of the Series 2022E Subordinate Bonds, (ii) designated the Series 2022E Subordinate Bonds as Subordinate

Debt for purposes of the Indenture, and (iii) secured the Series 2022E Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future;

WHEREAS, the Authority now intends to: (i) issue Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024A (the “**Series 2024A Subordinate Bonds**”), in the aggregate principal amount of \$[Amount To Be Determined] to (a) purchase the Tendered Bonds, as defined herein, and (b) currently refund or advance refund, as applicable, the Refunded Bonds, as defined herein, and (c) pay issuance costs of the Series 2024A Subordinate Bonds; (ii) designate the Series 2024A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secure the Series 2024A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, the parties hereto agree, as follows:

**ARTICLE I
THIRTY-THIRD SUPPLEMENTAL INDENTURE**

Section 101. Authorization of Thirty-Third Supplemental Indenture.

This Thirty-Third Supplemental Indenture is authorized and executed by the Authority and delivered to the Trustee pursuant to and in accordance with Articles III and X of the Master Indenture. All terms, covenants, conditions and agreements of the Indenture shall apply with full force and effect to the Series 2024A Subordinate Bonds as Subordinate Debt and to the Holders thereof as Holders of Subordinate Debt, except as otherwise provided in this Thirty-Third Supplemental Indenture.

Section 102. Definitions.

Except as otherwise defined in this Thirty-Third Supplemental Indenture, capitalized words and terms defined in the Master Indenture as amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, the Twelfth Supplemental Indenture, the Thirteenth Supplemental Indenture, the Fourteenth Supplemental Indenture, the Fifteenth Supplemental Indenture, the Sixteenth Supplemental Indenture, the Seventeenth Supplemental Indenture, the Eighteenth Supplemental Indenture, the Nineteenth Supplemental Indenture, the Twentieth Supplemental Indenture, the Twenty-First Supplemental Indenture, the Twenty-Second Supplemental Indenture, the Twenty-Third Supplemental Indenture, the Twenty-Fourth Supplemental Indenture, the Twenty-Fifth Supplemental Indenture, the Twenty-Sixth Supplemental Indenture, the Twenty-Seventh Supplemental Indenture, the

Twenty-Eighth Supplemental Indenture, the Twenty-Ninth Supplemental Indenture, the Thirtieth Supplemental Indenture, the Thirty-First Supplemental Indenture and the Thirty-Second Supplemental Indenture are used in this Thirty-Third Supplemental Indenture with the meanings assigned to them therein. In addition, the following words as used in this Thirty-Third Supplemental Indenture have the following meanings unless the context or use clearly indicates another or different intent or meaning:

“Book-entry form” or “book-entry system” means a form or system under which the physical Series 2024A Subordinate Bond certificates in fully registered form are issued only to a Depository or its nominee as Holder, with the certificated Series 2024A Subordinate Bonds held by and “immobilized” in the custody of the Depository, and the book-entry system, maintained by and the responsibility of the Depository and not maintained by or the responsibility of the Authority or the Trustee, is the record that identifies, and records the transfer of the interests of, the owners of beneficial, book-entry interests in the Series 2024A Subordinate Bonds.

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of book-entry interests in Series 2024A Subordinate Bonds, and to effect transfers of book-entry interests in Series 2024A Subordinate Bonds, and includes and means initially The Depository Trust Company (a limited purpose trust company) (“DTC”), New York, New York.

“Escrow Agent” means the Trustee as Escrow Agent.

“Escrow Agreement” means the Escrow Agreement, dated [July 30], 2024, between the Authority and the Escrow Agent, providing for the Refunded Bonds to be deemed paid and no longer Outstanding under the Indenture.

“Interest Payment Dates” for the Series 2024A Subordinate Bonds means each April 1 and October 1 commencing [April 1, 2025], and thereafter during the time the Series 2024A Subordinate Bonds are outstanding.

“Refunded Bonds” means certain of the Authority’s outstanding Series _____ Bonds [include listing of all bonds to be refunded as identified in the Certificate of Award for the Series 2024A Bonds] to be currently refunded or advanced refunded as identified in **Exhibit C**.

“Series 2024A Construction Account” means the Series 2024A Construction Account established by this Thirty-Third Supplemental Indenture in the Construction Fund.

“Series 2024A Costs of Issuance Subaccount” means the Series 2024A Costs of Issuance Subaccount established by this Thirty-Third Supplemental Indenture in the Series 2024A Construction Account of the Construction Fund.

“Series 2024A Escrow Account” means the Series 2024A Escrow Account established by this Thirty-Third Supplemental Indenture.

“Series 2024A Rebate Fund” means the Series 2024A Rebate Fund established by this Thirty-Third Supplemental Indenture.

“Series 2024A Resolution” means Resolution No. 24-[TBD], adopted by the Authority’s Board of Directors on June 6, 2024, authorizing the Series 2024A Subordinate Bonds.

“Series 2024A Subordinate Bond Event of Default” means any of the events defined as such in Section 703 of this Thirty-Third Supplemental Indenture.

“Series 2024A Subordinate Bondholder” or “holder of Series 2024A Subordinate Bonds” means the registered owner of a Series 2024A Subordinate Bond.

“Series 2024A Subordinate Bonds Interest Subaccount” means the Series 2024A Subordinate Bonds Interest Subaccount established by this Thirty-Third Supplemental Indenture in the Interest Account in the Bond Fund.

“Series 2024A Subordinate Bonds Principal Subaccount” means the Series 2024A Subordinate Bonds Principal Subaccount established by this Thirty-Third Supplemental Indenture in the Principal Account in the Bond Fund.

“Series 2024A Subordinate Debt Service Reserve Requirement” means [zero].

“Series 2024A Tender Purchase Account” means the Series 2024A Tender Purchase Account established by this Thirty-Third Supplemental Indenture in the Construction Fund.

“Tender Agent” means Globic Advisors, serving as the tender agent for the Tendered Bonds.

“Tendered Bonds” means certain of the Authority’s outstanding Series ____ Bonds [include listing of all bonds to be tendered as identified in the Certificate of Award for the Series 2024A Bonds] validly tendered by the holders and accepted for purchase thereof pursuant to the Tender Offer Materials as identified in **Exhibit B**.

“Tender Offer” means the Tender Offer by the Authority to the holders of a portion of the Authority’s Senior Debt and Subordinate Debt under which such holders may tender for purchase their Senior Debt and Subordinate Debt, as applicable, as set forth in the Tender Offer Materials.

“Tender Offer Materials” means [the Invitation to Tender Bonds dated _____, 2024, Pricing Notice dated _____, 2024, the Notice of Results and Acceptance of Offers dated _____, 2024. [To be updated to track with the materials issued]

“Thirty-Third Supplemental Indenture” means this Thirty-Third Supplemental Indenture of Trust, dated [July 30], 2024, between the Authority and the Trustee, which supplements and amends the Master Indenture, as previously supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, the Twelfth Supplemental Indenture, the Thirteenth Supplemental Indenture, the Fourteenth Supplemental Indenture, the Fifteenth Supplemental Indenture, the Sixteenth Supplemental Indenture, the Seventeenth Supplemental Indenture, the Eighteenth Supplemental Indenture, the Nineteenth

Supplemental Indenture, the Twentieth Supplemental Indenture, the Twenty-First Supplemental Indenture, the Twenty-Second Supplemental Indenture, the Twenty-Third Supplemental Indenture, the Twenty-Fourth Supplemental Indenture, the Twenty-Fifth Supplemental Indenture, the Twenty-Sixth Supplemental Indenture, the Twenty-Seventh Supplemental Indenture, the Twenty-Eighth Supplemental Indenture, the Twenty-Ninth Supplemental Indenture, the Thirtieth Supplemental Indenture, the Thirty-First Supplemental Indenture and the Thirty-Second Supplemental Indenture.

Section 103. Reference to Articles and Sections.

Unless otherwise indicated, all references herein to particular articles or sections are references to articles or sections of this Thirty-Third Supplemental Indenture.

**ARTICLE II
AUTHORIZATION, DETAILS AND FORM
OF SERIES 2024A SUBORDINATE BONDS**

Section 201. Authorization of Series 2024A Subordinate Bonds.

Pursuant to Article III of the Master Indenture and, specifically, Section 305 thereof, and the Series 2024A Resolution, the Authority is authorized to issue Series 2024A Subordinate Bonds in the aggregate principal amount of \$[000,000,000], for the purpose of: (a) purchasing the Tendered Bonds; (b) currently refunding [or advanced refunding, as applicable,] the Refunded Bonds; and (c) paying issuance costs of the Series 2024A Subordinate Bonds. The Series 2024A Subordinate Bonds shall be issued as Subordinate Debt pursuant to the Indenture.

Section 202. Details of Series 2024A Subordinate Bonds.

The Series 2024A Subordinate Bonds shall be designated “Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024A”, shall be dated [July 30], 2024, shall be issuable only as fully registered bonds in denominations of \$5,000 and multiples thereof, shall be numbered RA-1 upward and shall bear interest at rates, payable semiannually on the Interest Payment Dates, until their final payment or maturity, and shall mature on October 1 in years and amounts, as follows:

Due (Oct. 1)	Principal Amount	Interest Rate
	[000,000,000]	[0.000%]

Each Series 2024A Subordinate Bond shall bear interest: (a) from its date, if such Series 2024A Subordinate Bond is authenticated prior to the first Interest Payment Date, or (b) otherwise from the Interest Payment Date that is, or immediately precedes, the date on which such Series 2024A Subordinate Bond is authenticated; provided, however, that if at the time of authentication of any Series 2024A Subordinate Bond payment of interest is in default, such Series 2024A Subordinate Bond shall bear interest from the date to which interest has been paid. The interest payable on the Series 2024A Subordinate Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

Principal of and premium, if any, on the Series 2024A Subordinate Bonds shall be payable to the registered owners thereof upon the surrender of the applicable Series 2024A Subordinate Bonds at the designated office of the Trustee. Interest on the Series 2024A Subordinate Bonds shall be payable by check or draft mailed to the registered owners at their addresses as they appear on the fifteenth day of the month preceding the Interest Payment Date on the registration books kept by the Trustee; provided, however, if the Series 2024A Subordinate Bonds are registered in the name of a Depository or its nominee as registered owner or at the option of a registered owner of at least \$1,000,000 of Series 2024A Subordinate Bonds, payment shall be made by wire transfer to an account within the United States pursuant to the wire instructions received by the Trustee with respect to each such payment from such registered owner. Principal, premium, if any, and interest shall be payable in lawful money of the United States of America.

Section 203. Form of Bonds.

The Series 2024A Subordinate Bonds shall be in substantially the form set forth in **Exhibit A**, with such appropriate variations, omissions and insertions as are permitted or required by the Indenture.

Section 204. Depository Provisions.

The Series 2024A Subordinate Bonds shall initially be issued to a Depository for holding in a book-entry system. Those Series 2024A Subordinate Bonds shall be registered in the name of the Depository or its nominee, as registered owner, and immobilized in the custody of the Depository or the Trustee on behalf of the Depository; and shall not be transferable or exchangeable, except for transfer to another Depository or to another nominee of a Depository, without further action by the Authority.

If any Depository determines not to continue to act as a Depository for the Series 2024A Subordinate Bonds for holding in a book-entry system or the Authority determines to remove the Series 2024A Subordinate Bonds from a Depository, the Authority may attempt to have established a securities depository/book-entry system relationship with another qualified Depository. If the Authority does not or is unable to do so, the Authority, after making provision for notification of the owners of book-entry interests by appropriate notice to the then Depository and any other arrangements it deems necessary, shall permit withdrawal of the Series 2024A Subordinate Bonds from the Depository, and shall execute and direct the Trustee to authenticate and deliver Series 2024A Subordinate Bond certificates, in fully registered form, to the assigns of

the Depository or its nominee (if such Series 2024A Subordinate Bonds were held by a nominee), all at the cost and expense (including costs of printing or otherwise preparing and delivering replacement Series 2024A Subordinate Bonds), if the event is not the result of Authority action or inaction, of those persons requesting that authentication and delivery. Series 2024A Subordinate Bond certificates authenticated and delivered pursuant to this paragraph shall be in authorized denominations. In the event that Series 2024A Subordinate Bonds shall cease to be in book-entry form, then the Authority or the Depository shall provide to the Trustee the name, address of record and taxpayer identification number of each registered holder thereof. The Trustee may rely on such information without any investigation.

If the Series 2024A Subordinate Bonds are withdrawn from a Depository and printed bond certificates in fully registered form are or are to be authenticated and delivered pursuant to this Section, and if, in the opinion of Bond Counsel addressed to the Trustee, the delivery of coupon bonds payable to bearer would not result in the interest on any of the Series 2024A Subordinate Bonds then outstanding becoming includable in gross income for federal income tax purposes, the Authority, without the consent of or notice to any of the holders of the Series 2024A Subordinate Bonds, may authorize the exchange of Series 2024A Subordinate Bond certificates in fully registered form or Series 2024A Subordinate Bonds under a book-entry system for coupon bonds payable to bearer, in an aggregate principal amount not exceeding the then unmatured and unredeemed principal amount of the Series 2024A Subordinate Bonds, bearing interest at the same rate and maturing on the same date, with coupons attached representing all unpaid interest due or to become due thereon. Such certificated Series 2024A Subordinate Bonds will be registrable, transferable and exchangeable as set forth in Section 204 and Section 205 of the Master Indenture.

So long as a Depository holds the Series 2024A Subordinate Bonds in a book-entry system (i) it or its nominee shall be the registered owner of the Series 2024A Subordinate Bonds, (ii) notwithstanding anything to the contrary in this Thirty-Third Supplemental Indenture, determinations of persons entitled to payment of principal, premium, if any, and interest, transfers of ownership and exchanges and receipt of notices shall be the responsibility of the Depository and shall be effected pursuant to rules and procedures established by such Depository, (iii) the Authority and the Trustee shall not be responsible or liable for maintaining, supervising or reviewing the records maintained by the Depository, its participants or persons acting through such participants, and (iv) references in this Thirty-Third Supplemental Indenture to registered owners of the Series 2024A Subordinate Bonds shall mean such Depository or its nominee and shall not mean the beneficial owners of the Series 2024A Subordinate Bonds.

Section 205. Delivery of Series 2024A Subordinate Bonds.

The Trustee shall authenticate and deliver the Series 2024A Subordinate Bonds when there have been filed with or delivered to it the following items:

- (i) An original executed counterpart of this Thirty-Third Supplemental Indenture;
- (ii) A certified copy of applicable resolution(s) of the Board of Directors of the Authority and related Certificate of Award: (a) authorizing the execution and delivery of the Thirty-Third Supplemental Indenture, and (b) authorizing the issuance, sale, award, execution and delivery of the Series 2024A Subordinate Bonds.

(iii) A certificate signed by an Authorized Representative of the Authority and dated the date of such issuance, to the effect that:

(a) Either: (1) upon and immediately following such issuance, no Event of Default has occurred which has not been cured or waived, and no event or condition exists which, with the giving of notice or lapse of time or both, would become an Event of Default, or (2) if any such event or condition is happening or existing, specifying such event or condition, stating that the Authority will act with due diligence to correct such event or condition after the issuance of the Series 2024A Subordinate Bonds, and describing in reasonable detail the actions to be taken by the Authority toward such correction; and

(b) All required approvals, limitations, conditions and provisions precedent to the issuance of the Series 2024A Subordinate Bonds have been obtained, observed, met and satisfied.

(iv) An Opinion or Opinions of Counsel, subject to customary exceptions and qualifications, substantially to the effect that this Thirty-Third Supplemental Indenture has been duly authorized, executed and delivered to the Trustee, is a valid, binding and enforceable obligation of the Authority, and complies in all respects with the requirements of the Indenture.

(v) An opinion or opinions of Co-Bond Counsel, subject to customary exceptions and qualifications, substantially to the effect that the issuance of the Series 2024A Subordinate Bonds has been duly authorized, that the Series 2024A Subordinate Bonds are valid and binding limited obligations of the Authority, and that the interest on the Series 2024A Subordinate Bonds is excludable from gross income for purposes of Federal income taxation and District of Columbia income taxation.

(vi) A certificate of an Authorized Representative of the Authority, stating that rates, fees and charges are in effect or scheduled to go into effect to meet the Rate Covenant immediately after the issuance of the Series 2024A Subordinate Bonds.

(vii) the Tender Offer Materials.

(viii) A request and authorization of the Authority, signed by an Authorized Representative of the Authority, to the Trustee to authenticate and deliver such Bonds to the purchaser upon payment to the Trustee in immediately available funds for the account of the Authority of a specified sum plus accrued interest to the date of delivery.

(ix) An original executed counterpart of the Escrow Agreement for the current refunding or advanced refunding, as applicable, of the Refunded Bonds.

**ARTICLE III
REDEMPTION OF SERIES 2024A SUBORDINATE BONDS**

Section 301. Redemption Dates and Prices.

The Series 2024A Subordinate Bonds may not be called for redemption by the Authority except as provided below:

(i) Optional Redemption. The Series 2024A Subordinate Bonds are subject to redemption prior to maturity at the option of the Authority on or after [October 1, 2034], from any source, in whole or in part on any date, in such order of maturities as shall be determined by the Authority (and by lot within a maturity), at a redemption price of 100% of the principal amount thereof, together with accrued interest, if any, to the redemption date.

(ii) Mandatory Redemption. (a) The Series 2024A Subordinate Bonds bearing interest at a rate of [0.00]% and maturing on October 1, 20[00] (the “Series 2024A 20[00] Term Bonds”), are required to be redeemed prior to maturity on October 1 in years and amounts upon payment of 100% of the principal amount thereof plus interest accrued to the redemption date, as follows:

Year	Amount
	\$
	\$
	\$
	\$
†	\$

† Final Maturity

(b) The Series 2024A Subordinate Bonds bearing interest at a rate of [0.00]% and maturing on October 1, 20[00] (the “Series 2024A 20[00] Term Bonds” and, collectively with the 20[00] Term Series 2024A Subordinate Bonds, the “Series 2024A Term Bonds”), are required to be redeemed prior to maturity on October 1 in years and amounts upon payment of 100% of the principal amount thereof plus interest accrued to the redemption date, as follows:

Year	Amount
	\$
	\$
	\$
	\$
†	\$

† Final Maturity

The Trustee shall provide for a mandatory redemption of the Series 2024A Term Bonds in accordance with the schedules set forth above; provided, however, that on or before the 70th day next preceding any such mandatory redemption date, the Authority may:

(i) deliver to the Trustee for cancellation the Series 2024A Term Bonds of the maturity required to be redeemed on such mandatory redemption date in any aggregate principal amount desired; or

(ii) instruct the Trustee in writing to apply a credit against the Authority's next mandatory redemption obligation for any such Series 2024A Term Bonds that previously have been redeemed (other than through mandatory redemption) and canceled but not theretofore applied as a credit against any mandatory redemption obligation.

Upon the occurrence of any of the events described in clauses (i) or (ii) of the preceding sentence, the Trustee shall credit against the Authority's mandatory redemption obligation on the next mandatory redemption date the amount of such Series 2024A Term Bonds so delivered or previously redeemed. Any principal amount of such Series 2024A Term Bonds in excess of the principal amount required to be redeemed on such mandatory redemption date shall be similarly credited in an amount equal to the principal of such Series 2024A Term Bonds so purchased towards the sinking fund installments for the Series 2024A Term Bonds of such maturity on a pro rata basis in accordance with a certificate of an Authorized Representative of the Authority, which will direct the reduction of a ratable portion of each annual mandatory sinking fund installment requirement in accordance with the procedures set forth below. Within seven days of receipt of such Series 2024A Term Bonds or instructions to apply as a credit, any amounts remaining in the Sinking Fund Account in excess of the amount required to fulfill the remaining required mandatory redemption obligation on the next mandatory redemption date shall be used in such manner as determined at the written direction of the Authority.

The particular maturities of the Series 2024A Subordinate Bonds to be redeemed at the option of the Authority will be determined by the Authority upon advice from Co-Bond Counsel.

If fewer than all of the Series 2024A Subordinate Bonds are called for redemption, they shall be called in such order of maturity as the Authority may determine and direct the Trustee in writing. If less than all of the Series 2024A Subordinate Bonds of any maturity date is called for redemption, the Series 2024A Subordinate Bonds to be redeemed shall be selected by the Depository pursuant to its rules and procedures or, if the book-entry system is discontinued, shall be selected by the Trustee by lot in such manner as the Trustee in its discretion may determine. The portion of any Series 2024A Bond to be redeemed shall be in the principal amount of \$5,000 or some integral multiple thereof. In selecting Series 2024A Bonds for redemption, each Series 2024A Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Series 2024A Bond by \$5,000. If a portion of a Series 2024A Subordinate Bond shall be called for redemption, a new Series 2024A Subordinate Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

Section 302. Notice of Redemption.

Notice of redemption of Series 2024A Subordinate Bonds shall be given in the manner set forth in Section 402 of the Master Indenture, as though the Series 2024A Subordinate Bonds constituted “Bonds” for purposes of that Section; provided, however, that notices of redemption of Series 2024A Subordinate Bonds sent pursuant to Section 402 of the Master Indenture shall either (i) explicitly state that the proposed redemption is conditioned on there being on deposit in the applicable fund or account on the redemption date sufficient money to pay the full redemption price of the Series 2024A Subordinate Bonds to be redeemed, or (ii) be sent only if sufficient money to pay the full redemption price of the Series 2024A Subordinate Bonds to be redeemed is on deposit in the applicable fund or account. Notwithstanding the foregoing and the otherwise applicable requirement of Section 402 of the Master Indenture that the Trustee send notice of a call for redemption not fewer than 30 days prior to the redemption date, the Trustee may send any notice of redemption of Series 2024A Subordinate Bonds not fewer than 20 days prior to the redemption date or such shorter period of time as may be acceptable to the Depository while the Series 2024A Subordinate Bonds are in book-entry form and registered with a Depository, initially DTC.

ARTICLE IV

APPLICATION OF PROCEEDS OF SERIES 2024A SUBORDINATE BONDS

Section 401. Application of Proceeds of Series 2024A Subordinate Bonds; Application of Related Amounts.

The net proceeds of the Series 2024A Subordinate Bonds in the amount of \$[000,000,000.00], which represents the par amount of the Series 2024A Subordinate Bonds, minus the underwriters’ discount (\$[0,000,000.00]), minus the Tender Dealer Manager fees [and expenses] to be held by the Dealer Manager (\$[000,000.00]), and plus [net] original issue premium (\$[00,000,000.00]) by the Original Purchasers, at the request and direction of the Authority shall be applied as follows:

(i) \$[000,000,000.00] from the net proceeds of the Series 2024A Subordinate Bonds shall be deposited in the Series 2024A Tender Purchase Account [together with \$[000,000,000.00] from the Series _____ [Subordinate] Bonds Interest Subaccount in the [Subordinate] Bond Fund - include listing of any interest from the Tendered Bonds identified in the Certificate of Award for the Series 2024A Bonds – this may be broken out by series or in aggregate] to purchase the Tendered Bonds.

(ii) \$[000,000,000.00] from the net proceeds of the Series 2024A Subordinate Bonds shall be deposited in the Series 2024A Escrow Account [together with \$[000,000,000.00] from the Series _____ [Subordinate] Bonds Interest Subaccount in the [Subordinate] Bond Fund - include listing of any interest from the Refunded Bonds identified in the Certificate of Award for the Series 2024A Bonds – this may be broken out by series or in aggregate] to currently refund or advance refund, as applicable, the Refunded Bonds.

(iii) \$[000,000,000.00] from the net proceeds of the Series 2024A Subordinate Bonds shall be deposited in the Series 2024A Costs of Issuance Subaccount of the Series 2024A

Construction Account of the Construction Fund and used to pay costs of issuance of the Series 2024A Subordinate Bonds.

**ARTICLE V
FUNDS AND ACCOUNTS**

Section 501. Series 2024A Construction Account, Series 2024A Tender Purchase Account and Series 2024A Escrow Account.

(i) In the Construction Fund, there shall be established a Series 2024A Construction Account and, within that Account, a Series 2024A Costs of Issuance Subaccount. The portion of the proceeds of the Series 2024A Subordinate Bonds specified in Section 401() shall be deposited in the Series 2024A Costs of Issuance Subaccount and used to pay costs of issuance related to the Series 2024A Subordinate Bonds. When all costs of issuance have been paid or moneys have been reserved to pay all remaining unpaid costs of issuance, the balance of any Series 2024A Subordinate Bond proceeds remaining in excess of the amount to be reserved for payment of unpaid costs of issuance shall be deposited in the Subordinate Bond Fund to be used solely to pay principal of and interest on the Series 2024A Subordinate Bonds, in either case to the extent approved by Bond Counsel.

(ii) In the Construction Fund, there shall be established a Series 2024A Tender Purchase Account. The portion of the proceeds of the Series 2024A Subordinate Bonds specified in Section 401() shall be deposited in the Series 2024A Tender Purchase Account and used, together with other funds, to purchase the Tendered Bonds.

(iii) The Trustee shall establish and hold the Series 2024A Escrow Account for the purpose of receiving the portion of the proceeds of the Series 2024A Subordinate Bonds to be deposited therein specified in Section 401()-(). Those proceeds, together with any other funds to be deposited in the Series 2024 Escrow Account pursuant to the Escrow Agreement, shall be applied pursuant to the Escrow Agreement to the payment of the principal of, interest on and redemption price of the Refunded Bonds.

Section 502. Series 2024A Subordinate Bonds Subaccounts in the Interest Account and Principal Account.

(i) Within the Subordinate Interest Account there shall be established a “Series 2024A Subordinate Bonds Interest Subaccount.” Within the Subordinate Principal Account there shall be established a “Series 2024A Subordinate Bonds Principal Subaccount.”

(ii) In accordance with Section 604(e) of the Master Indenture, Net Revenues shall be deposited in the Series 2024A Subordinate Bonds Interest Subaccount on or prior to the last Business Day of each of the six months prior to any month in which an Interest Payment Date occurs, in an amount equal to one-sixth (1/6) of the interest due and payable on the Series 2024A Subordinate Bonds on such Interest Payment Date.

(iii) In accordance with Section 604(e) of the Master Indenture, Net Revenues shall be deposited in the Series 2024A Subordinate Bonds Principal Subaccount on or prior to the last

Business Day of each of the twelve months prior to any month in which principal of Series 2024A Subordinate Bonds is payable on their stated maturity date or pursuant to mandatory redemption requirements, in an amount equal to one-twelfth (1/12) of the principal amount scheduled to be due and payable on the Series 2024A Subordinate Bonds in such month.

Section 503. Series 2024A Rebate Fund. There is hereby established the Series 2024A Rebate Fund which shall be used in accordance with (i) Article VIII hereof, and (ii) the Authority's covenants in the Tax Compliance Certificate of the Issuer, executed by the Authority, dated [July 30], 2024.

ARTICLE VI SECURITY FOR SERIES 2024A SUBORDINATE BONDS

Section 601. Security for Series 2024A Subordinate Bonds.

The Series 2024A Subordinate Bonds shall be secured as Subordinate Debt under the Indenture, including, without limitation, by a pledge of: (i) 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 Subordinate Debt, including, without limitation, any other Subordinate Debt that the Authority may issue in the future, without preference, priority or distinction of any Series 2024A Subordinate Bond over any other Series 2024A Subordinate Bond or of any Subordinate Debt over any other Subordinate Debt, as provided in the Indenture; and (ii) the moneys and Permitted Investments in the Subordinate Bond Fund on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, any other Subordinate Debt that the Authority may issue in the future, without preference, priority or distinction of any Series 2024A Subordinate Bond over any other Series 2024A Subordinate Bond or of any Subordinate Debt over any other Subordinate Debt, as provided in the Indenture.

Pursuant to the WASA Act (as defined in the Master Indenture), the Authority hereby includes in this Thirty-Third Supplemental Indenture the pledge of the District to the Authority and any holders of its bonds that, except as provided in the WASA Act, the District will not limit or alter rights vested in the Authority to fulfill agreements made with holders of the bonds, or in any way impair the rights and remedies of the holders of the bonds until the bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of the holders of the bonds are fully met and discharged.

ARTICLE VII DEFAULTS AND REMEDIES

Section 701. Application of Article IX and Other Remedies Provisions of the Master Indenture.

The Series 2024A Subordinate Bonds do not constitute "Bonds" under the Master Indenture. Accordingly, the provisions of Article IX of the Master Indenture that confer certain rights upon the Holders of Bonds or a specified percentage thereof do not apply to the Series 2024A Subordinate Bonds or to the Series 2024A Subordinate Bondholders. Pursuant to Section 305 of

the Master Indenture, the Series 2024A Subordinate Bonds, as Subordinate Debt, may not be accelerated if any Senior Debt is outstanding.

Section 702. Rights of Series 2024A Subordinate Bondholders Upon Occurrence of Events of Default.

In addition to and in furtherance and implementation of the rights that Series 2024A Subordinate Bondholders have under the penultimate paragraph of Section 906 of the Master Indenture, Sections 703 through 711, inclusive, of this Thirty-Third Supplemental Indenture shall apply to the Series 2024A Subordinate Bonds.

Section 703. Events of Default.

Each of the following events shall be a Series 2024A Subordinate Bond Event of Default:

(i) Default in the due and punctual payment of the principal of or premium, if any, on any Series 2024A Subordinate Bond (whether at maturity or call for redemption);

(ii) Default in the due and punctual payment of the interest on any Series 2024A Subordinate Bond;

(iii) Failure of the Authority to make the deposits required by subsection (e) or subsection (f) of Section 604 of the Master Indenture at the time and in the amount required from Net Revenues available for such deposit under the Indenture; or

(iv) Failure of the Trustee to apply moneys in accordance with the penultimate paragraph of Section 906 of the Master Indenture.

Section 704. Remedies of Series 2024A Subordinate Bondholders.

Upon the occurrence and continuation of a Series 2024A Subordinate Bond Event of Default, the Trustee may, and if requested by the holders of not less than 25% in aggregate principal amount of outstanding Series 2024A Subordinate Bonds and if indemnified to its reasonable satisfaction, shall proceed to protect and enforce their rights by mandamus or other suit, action or proceeding at law or in equity, including an action for specific performance.

No remedy conferred by this Indenture upon or reserved to the Trustee and Series 2024A Subordinate Bondholders is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee and Series 2024A Subordinate Bondholders hereunder or now or hereafter existing at law, in equity or by statute.

No delay or omission to exercise any right or power accruing upon any default or Series 2024A Subordinate Bond Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Series 2024A Subordinate Bond Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Series 2024A Subordinate Bond Event of Default hereunder by the Trustee or Series 2024A Subordinate Bondholders shall extend to or shall affect any subsequent Series 2024A Subordinate Bond Event of Default or shall impair any rights or remedies consequent thereon.

Section 705. Right of Series 2024A Subordinate Bondholders to Direct Proceedings.

The holders of a majority in aggregate principal amount of Series 2024A Subordinate Bonds then outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Thirty-Third Supplemental Indenture or any other proceedings hereunder; provided, however, that the Trustee is provided indemnity satisfactory to it and such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

Section 706. Application of Moneys.

All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys, the outstanding fees, expenses, liabilities and advances incurred or reasonably anticipated to be made by the Trustee, and the fees and the expenses of the Authority in carrying out this Thirty-Third Supplemental Indenture, be deposited in the Series 2024A Subordinate Bonds Interest Subaccount or the Series 2024A Subordinate Bonds Principal Subaccount, as the case may be, and applied as follows and for no other purpose:

- (i) All such moneys shall be applied:

First - To the payment to the persons entitled thereto of all installments of interest then due on the Series 2024A Subordinate Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Series 2024A Subordinate Bonds; and

Second - To the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on any of the Series 2024A Subordinate Bonds which shall have become due (other than Series 2024A Subordinate Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full Series 2024A Subordinate Bonds due on any particular date, then to the payment of such principal and premium, if any, ratably, according to the amount of such principal due on such date, to the persons entitled thereto, without any discrimination or preference.

- (ii) Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times and from time to time as the Trustee shall determine, having

due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) on which such application is to be made and on such date interest shall cease to accrue on the amounts of principal to be paid. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date.

Section 707. Remedies Vested in Trustee.

All rights of action (including the right to file proof of claims) under this Thirty-Third Supplemental Indenture or under any of the Series 2024A Subordinate Bonds may be enforced by the Trustee without the possession of any of the Series 2024A Subordinate Bonds or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted by the Trustee may be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Series 2024A Subordinate Bondholders, and any recovery of judgment shall be for the equal benefit of the Series 2024A Subordinate Bondholders.

Section 708. Limitation on Suits.

Except to enforce the rights given under Sections 704 and 705 of this Thirty-Third Supplemental Indenture, no Series 2024A Subordinate Bondholder shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or any other remedy hereunder, unless: (i) a Series 2024A Subordinate Bond Event of Default has occurred and is continuing and the Holders of 25% in aggregate principal amount of Series 2024A Subordinate Bonds then outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (ii) such requesting Series 2024A Subordinate Bondholders have offered to the Trustee indemnity as provided in Section 1101(l) of the Master Indenture, (iii) the Trustee has thereafter failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name, (iv) no direction inconsistent with such written request has been given to the Trustee by the holders of a majority in aggregate principal amount of Series 2024A Subordinate Bonds then outstanding, and (v) notice of such action, suit or proceeding is given to the Trustee; it being understood and intended that no one or more Series 2024A Subordinate Bondholders shall have any right in any manner whatsoever to affect, disturb or prejudice the Indenture by its or their action or to enforce any rights hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted and maintained in the manner herein provided and for the equal benefit of all Series 2024A Subordinate Bondholders then outstanding. The notification, request and offer of indemnity set forth above, at the option of the Trustee, shall be conditions precedent to the execution of the powers and trusts of this Thirty-Third Supplemental Indenture and to any action or cause of action for the enforcement of this Thirty-Third Supplemental Indenture or for any other remedy hereunder.

Section 709. Termination of Proceedings.

In case the Trustee shall have proceeded to enforce any right under this Thirty-Third Supplemental Indenture and such proceedings shall have been discontinued or abandoned for any

reason or shall have been determined adversely to the Trustee, then and in every such case the Authority and the Trustee shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 710. Waivers of Events of Default.

Subject to the Indenture (including, without limitation, Section 1101 of the Master Indenture), the Trustee may in its discretion waive any Series 2024A Subordinate Bond Event of Default hereunder or any action taken pursuant to any Series 2024A Subordinate Bond Event of Default, and shall do so at the written request of the holders of: (i) a majority in aggregate principal amount of Series 2024A Subordinate Bonds then outstanding in respect of which default in the payment of principal and/or premium, if any, and/or interest exists, or (ii) a majority in aggregate principal amount of Series 2024A Subordinate Bonds then outstanding in the case of any other Series 2024A Subordinate Bond Event of Default; provided, however, that there shall not be waived without the written consent of all then Outstanding Series 2024A Subordinate Bondholders (a) any Series 2024A Subordinate Bond Event of Default in the payment of the principal of any Outstanding Series 2024A Subordinate Bonds (whether at maturity or by mandatory redemption), or (b) any default in the payment when due of the interest on any such Series 2024A Subordinate Bonds unless, prior to such waiver or rescission,

- (1) there shall have been paid or provided for all arrears of interest with interest, to the extent permitted by law, at the rate borne by the Series 2024A Subordinate Bonds on overdue installments of interest, all arrears of principal and premium, if any, and all expenses of the Trustee in connection with such default, and
- (2) in case of any such waiver or rescission or in the case of any discontinuance, abandonment or adverse determination of any proceeding taken by the Trustee on account of any such default, the Authority, the Trustee, and the Series 2024A Subordinate Bondholders shall be restored to their former positions and rights hereunder respectively.

No such waiver or rescission relating to the Series 2024A Subordinate Bonds shall extend to any subsequent or other default or impair any right consequent thereon.

Section 711. Non-Impairment of Authority's Obligation to Pay Principal, Premium and Interest.

Nothing in this Thirty-Third Supplemental Indenture shall, however, affect or impair the obligation of the Authority to pay the principal of, premium, if any, and interest on each of the

Series 2024A Subordinate Bonds to the respective Holders thereof at the time and place, from the source and in the manner specified in the Indenture.

ARTICLE VIII TAX COVENANTS

Section 801. Tax Covenants – General.

(i) The Authority covenants that it will use, and will restrict the use and investment of, the proceeds of the Series 2024A Subordinate Bonds in such manner and to such extent as may be necessary so that (a) the Series 2024A Subordinate Bonds will not constitute private activity bonds, arbitrage bonds or hedge bonds under Sections 141, 148 or 149 of the Code, or be treated other than as bonds to which Section 103(a) of the Code applies, and (b) the interest on the Series 2024A Subordinate Bonds will not be treated as an item of tax preference under Section 57 of the Code.

(ii) The Authority further covenants that (a) it will take or cause to be taken such actions that may be required of it for the interest on the Series 2024A Subordinate Bonds to be and remain excluded from gross income for federal income tax purposes, (b) it will not take or authorize to be taken any actions that would adversely affect that exclusion, and (c) it, or persons acting for it, will, among other acts of compliance, (1) apply the proceeds of the Series 2024A Subordinate Bonds to the governmental purposes of the borrowing, (2) restrict the yield on investment property, (3) make timely and adequate payments to the federal government, including but not limited to the required payment of any Rebate Amounts under Section 148(f) of the Code, as further provided in Section 802 hereof, (4) maintain books and records and make calculations and reports, and (5) refrain from certain uses of those proceeds and, as applicable, of property financed with such proceeds, all in such manner and to the extent necessary to assure that exclusion of that interest under the Code.

(iii) The Authorized Representative of the Authority is hereby authorized (a) to make or effect any election, selection, designation, choice, consent, approval or waiver on behalf of the Authority with respect to the Series 2024A Subordinate Bonds as the Authority is permitted to make or give under the federal income tax laws, including, without limitation, any of the elections provided for or available under Section 148 of the Code, for the purpose of assuring, enhancing or protecting favorable tax treatment or status of the Series 2024A Subordinate Bonds or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments of penalties, or making payments of special amounts in lieu of making computations to determine, or paying, excess earnings as rebate, or obviating those amounts or payments, as determined by the Authorized Representative of the Authority, which action shall be in writing and signed by the Authorized Representative of the Authority, (b) to take any and all other actions, make or obtain calculations, make payments, and make or give reports, covenants and certifications of and on behalf of the Authority, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Series 2024A Subordinate Bonds, and (c) to give one or more appropriate certificates, for inclusion in the transcript of proceedings for the Series 2024A Subordinate Bonds, setting forth the reasonable expectations of the Authority regarding the amount and use of all the proceeds of the Series 2024A Subordinate Bonds, the facts, circumstances and estimates on which they are based,

and other facts and circumstances relevant to the tax treatment of the interest on and the tax status of the Series 2024A Subordinate Bonds.

Section 802. Calculation and Payment of Rebate.

(i) As used in this Section 802:

“Bond Year” means the annual period (or such shorter period from the date of issuance of the Series 2024A Subordinate Bonds) provided for the computation of the Rebate Amount for the Series 2024A Subordinate Bonds under Section 148(f) of the Code. The last day of a Bond Year shall be the close of business on the day preceding the anniversary of the issuance of the Series 2024A Subordinate Bonds unless the Authority selects another date on which to end a Bond Year in the manner permitted by the Code, and notifies the Trustee in writing of such selection.

“Computation Date” means:

(i) (a) the last day of each fifth Bond Year while the Series 2024A Subordinate Bonds are outstanding, and (b) the date on which the last Series 2024A Subordinate Bonds are retired, or

(ii) such other date or dates elected by the Authority as may be permitted under the Code for computation of the Rebate Amount.

“Rebate Amount” means, as of any Computation Date, the amount then payable (or payable within 60 days of such date) to the United States pursuant to Section 148(f) of the Code and the applicable Treasury Regulations (final or temporary) thereunder.

(ii) Promptly after each Computation Date, the Authority, or an independent public accounting firm or Bond Counsel engaged by or on behalf of the Authority, shall calculate the Rebate Amount, if any, as of that Computation Date.

(iii) Within 60 days after each Computation Date, and at any other time directed by the Authorized Representative of the Authority, the Authority shall pay to the United States in accordance with Section 148(f), from any lawfully available funds, an amount equal to 90% (or such greater percentage not in excess of 100% as the Authorized Representative of the Authority may determine to pay) of the Rebate Amount determined from the Delivery Date to the end of such fifth Bond Year (but less any portion of the Rebate Amount previously paid to the United States pursuant to this Section). Within 60 days after the payment in full of all outstanding Series 2024A Subordinate Bonds, the Authorized Representative of the Authority, on behalf of the Authority shall pay to the United States in accordance with Section 148(f), from any lawfully available funds, an amount equal to 100% of the Rebate Amount determined from the Delivery Date to the date of such payment in full of all outstanding Series 2024A Subordinate Bonds (but less any portion of the Rebate Amount previously paid to the United States pursuant to this Section 802(iii)).

(iv) The Authority shall keep or provide for the keeping of records of the computations made pursuant to this Section 802, payments made pursuant to this Section and all original source documents pertaining to the investment of gross proceeds and the expenditure of gross proceeds for at least six years after the maturity or retirement of the Series 2024A Subordinate Bonds.

(v) The Authority, in connection with investments of the proceeds of the Series 2024A Subordinate Bonds in nonpurpose investments, will not pay or agree to pay to a party other than the United States any portion of the Rebate Amount with respect to the Series 2024A Subordinate Bonds through a transaction or series of transactions that reduce the aggregate amount earned on all nonpurpose investments in which gross proceeds of the Series 2024A Subordinate Bonds are invested or that result in a smaller profit or a larger loss than would have resulted in an arm's length transaction in which yield on the Series 2024A Subordinate Bonds was not relevant to the Authority or the other party.

(vi) If the Authority and the Trustee receive a written opinion of Bond Counsel that such action would not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2024A Subordinate Bonds, the Authorized Representative of the Authority may, without the consent of or notice to any bondholders, adopt supplements to this Thirty-Third Supplemental Indenture to the extent necessary or desirable to modify, supplement or replace this Section 802 consistent with the other covenants of the Authority in this Thirty-Third Supplemental Indenture.

(vii) If at any time the Authority receives a written opinion of Bond Counsel that failure to comply with this Section 802 or any part of this Section 802 would not adversely affect the exclusion of interest on the Series 2024A Subordinate Bonds from gross income for federal income tax purposes, the Authority may discontinue compliance with this Section 802 or part of this Section 802 to the extent set forth in that opinion.

ARTICLE IX MISCELLANEOUS

Section 901. Limitation of Rights.

With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Thirty-Third Supplemental Indenture or the Series 2024A Subordinate Bonds is intended or shall be construed to give to any person other than the parties hereto and the Series 2024A Subordinate Bondholders any legal or equitable right, remedy or claim under or in respect to this Thirty-Third Supplemental Indenture or any covenants, conditions and agreements herein contained since this Thirty-Third Supplemental Indenture and all of the covenants, conditions and agreements hereof are intended to be and are for the sole and exclusive benefit of the parties hereto and the Series 2024A Subordinate Bondholders as herein provided.

Section 902. Severability.

If any provision of this Thirty-Third Supplemental Indenture shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof, and

this Thirty-Third Supplemental Indenture shall be construed and enforced as if such illegal provision had not been contained herein.

Section 903. Successors and Assigns.

This Thirty-Third Supplemental Indenture shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 904. Limitations on Liability.

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 of Directors of the Authority or officer, employee or agent of the Authority in his or her individual capacity, and neither the members of the Board of Directors of the Authority nor any officer of the Authority executing the Series 2024A Subordinate Bonds shall be liable personally on the Series 2024A Subordinate Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No member of the Board of Directors of the Authority or officer, employee, agent or advisor of the Authority shall incur any personal liability with respect to any other action taken by him or her pursuant to this Thirty-Third Supplemental Indenture or the Indenture or any other document authorized by the Indenture, provided such member, officer, employee, agent or advisor acts in good faith.

Section 905. Applicable Law.

This Thirty-Third Supplemental Indenture shall be governed by the applicable laws of the District of Columbia.

Section 906. Counterparts.

This Thirty-Third Supplemental Indenture may be executed in several counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

[Balance of page intentionally left blank]

DRAFT 05-16-24

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Thirty-Third Supplemental Indenture to be executed in their respective corporate names as of the date first above written.

**DISTRICT OF COLUMBIA WATER
AND SEWER AUTHORITY**

By _____
Mathew T. Brown
Chief Financial Officer and Executive Vice
President, Finance, Procurement and
Compliance

**COMPUTERSHARE TRUST COMPANY, N.A.,
AS TRUSTEE**

By _____
Authorized Signatory

Signature page to
Thirty-Third Supplemental Indenture
(Series 2024A Bonds)

DRAFT 05-16-24

EXHIBIT A

SERIES 2024A SUBORDINATE BOND FORM

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Authority or its agent for registration of transfer, exchange, or payment, and any certificate is registered in the name of Cede & Co., or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

REGISTERED NO.
RA-1

REGISTERED
\$ _____

UNITED STATES OF AMERICA

DISTRICT OF COLUMBIA

WATER AND SEWER AUTHORITY

**PUBLIC UTILITY SUBORDINATE LIEN REVENUE REFUNDING BOND
SERIES 2024A**

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____%	October 1, [____]	[July 30], 2024	254845[____]

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The District of Columbia Water and Sewer Authority (the “Authority”), for value received, hereby promises to pay upon surrender hereof at the designated corporate trust office of Computershare Trust Company, N.A., as trustee, or its successor in trust (the “Trustee”), under the Indenture, as hereinafter defined, solely from the sources and as hereinafter provided, to the registered owner hereof, or registered assigns or legal representative, the principal sum stated above on the maturity date stated above, subject to prior redemption as hereinafter provided, and to pay, solely from such sources, interest hereon semiannually on each April 1 and October 1, beginning April 1, 2025, at the annual rate stated above, calculated on the basis of a 360-day year of twelve 30-day months. Interest is payable from the date of this Series 2024A Subordinate Bond (unless payment of interest hereon is in default, in which case this Series 2024A Subordinate Bond shall bear interest from the date to which interest has been paid). Interest is payable by check or draft mailed to the registered owner hereof at its address as it appears on the fifteenth day of the month preceding each interest payment date on registration books kept by the Trustee; provided,

however, that if the Series 2024A Subordinate Bonds, as hereinafter defined, are registered in the name of a securities depository or its nominee as registered owner or at the option of a registered owner of at least \$1,000,000 of Series 2024A Subordinate Bonds, payment will be made by wire transfer to an account within the United States pursuant to the most recent wire instructions received by the Trustee from such registered owner. Principal, premium, if any, and interest are payable in lawful money of the United States of America. Capitalized terms which are not defined herein shall have the meanings set forth in the Indenture.

Notwithstanding any other provision hereof, this Series 2024A Subordinate Bond is subject to book-entry form maintained by The Depository Trust Company (“DTC”), and the payment of principal, premium, if any, and interest, the providing of notices and other matters shall be made as described in the Authority’s Blanket Letter of Representations to DTC.

This Series 2024A Subordinate Bond is one of an issue of \$[000,000,000] Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024A (the “Series 2024A Subordinate Bonds”), of like date and tenor, except as to number, denomination, rate of interest, privilege of redemption and maturity. The Series 2024A Subordinate Bonds are issued under a Master Indenture of Trust, dated as of April 1, 1998, between the Authority and the Trustee (f.k.a. Norwest Bank, N.A.) (the “Master Indenture”), as amended and supplemented by the Thirty-Third Supplemental Indenture of Trust, dated [July 30], 2024, between the Authority and the Trustee (the “Thirty-Third Supplemental Indenture”), and as previously amended and supplemented by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, the Twelfth Supplemental Indenture, the Thirteenth Supplemental Indenture, the Fourteenth Supplemental Indenture, the Fifteenth Supplemental Indenture, the Sixteenth Supplemental Indenture, the Seventeenth Supplemental Indenture, the Eighteenth Supplemental Indenture, the Nineteenth Supplemental Indenture, the Twentieth Supplemental Indenture, the Twenty-First Supplemental Indenture, the Twenty-Second Supplemental Indenture, the Twenty-Third Supplemental Indenture, the Twenty-Fourth Supplemental Indenture, the Twenty-Fifth Supplemental Indenture, the Twenty-Sixth Supplemental Indenture, the Twenty-Seventh Supplemental Indenture, the Twenty-Eighth Supplemental Indenture, the Twenty-Ninth Supplemental, the Thirtieth Supplemental Indenture, the Thirty-First Supplemental Indenture and in the Thirty-Second Supplemental Indenture, all as defined in the Thirty-Third Supplemental Indenture (the “Indenture”). The Series 2024A Subordinate Bonds are secured under the Indenture as Subordinate Debt by a pledge of Net Revenues subordinate to the pledge that secures Senior Debt and on a parity to the pledge that secures other Subordinate Debt. Reference is hereby made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Authority and the Trustee, the rights of the holders of the Series 2024A Subordinate Bonds and the terms upon which the Series 2024A Subordinate Bonds are issued and secured.

The Series 2024A Subordinate Bonds and the premium, if any, and the interest thereon are limited obligations of the Authority payable from Net Revenues of the System, subject to the prior payment therefrom of the principal of and interest due and payable on all Senior Debt heretofore and hereafter issued or incurred by the Authority, and from certain other funds and accounts

pledged thereto by, and on the terms set forth in, the Indenture. The Series 2024A Subordinate Bonds shall be without recourse to the District of Columbia (the “District”). The Series 2024A Subordinate Bonds shall not be general obligations of the District, shall not be a pledge of or involve the faith and credit or the taxing power of the District, shall not constitute a debt of the District, and shall not constitute lending of the public credit for private undertakings.

The Series 2024A Subordinate Bonds are subject to redemption prior to maturity at the option of the Authority on or after **October 1, 2034**, from any source, in whole or in part on any date, in such order of maturities as shall be determined by the Authority (and by lot within a maturity), at a redemption price of 100% of the principal amount thereof, together with accrued interest, if any, to the redemption date.

The Series 2024A Term Bonds maturing on October 1, 20[], and bearing interest at rates of [0.000]%, are required to be redeemed prior to maturity on October 1 in years and amounts upon payment of 100% of the principal amount thereof plus interest accrued to the redemption date, as follows:

Year	Amount
	\$
†	
† Final Maturity	

The Series 2024A Term Bonds maturing on October 1, 20[], and bearing interest at rates of [0.000]%, are required to be redeemed prior to maturity on October 1 in years and amounts upon payment of 100% of the principal amount thereof plus interest accrued to the redemption date, as follows:

Year	Amount
	\$
†	
† Final Maturity	

The particular maturities of the Series 2024A Subordinate Bonds to be redeemed at the option of the Authority will be determined by the Authority upon advice from Co-Bond Counsel.

If less than all of the Series 2024A Subordinate Bonds are called for redemption, they shall be called in such order of maturity as the Authority may determine and direct the Trustee in writing. If less than all of the Series 2024A Subordinate Bonds of any maturity date are called for redemption, the Series 2024A Subordinate Bonds to be redeemed shall be selected by DTC pursuant to its rules and procedures or, if the book-entry system is discontinued, shall be selected

by the Trustee by lot in such manner as the Trustee in its discretion may determine. The portion of any Series 2024A Subordinate Bond to be redeemed shall be in the principal amount of \$5,000 or some integral multiple thereof. In selecting Series 2024A Subordinate Bonds for redemption, each Series 2024A Subordinate Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Series 2024A Subordinate Bond by \$5,000.

If any of the Series 2024A Subordinate Bonds or portions thereof are called for redemption, the Trustee shall send notice of the call for redemption, identifying the Series 2024A Subordinate Bonds or portions thereof to be redeemed, not fewer than 30 nor more than 60 days prior to the redemption date, by facsimile, registered or certified mail or overnight express delivery, to the registered owner of each such Series 2024A Subordinate Bond; provided, however, the Trustee may send any notice of redemption of Series 2024A Subordinate Bonds not fewer than 20 days prior to the redemption date or such shorter period of time as may be acceptable to the Depository while the Series 2024A Subordinate Bonds are in book-entry form and registered with a Depository. Provided funds for their redemption are on deposit at the place of payment on the redemption date, all Series 2024A Subordinate Bonds or portions thereof so called for redemption shall cease to bear interest on such date, shall no longer be secured by the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture. If a portion of the Series 2024A Subordinate Bonds shall be called for redemption, a new Series 2024A Subordinate Bond in principal amount equal to the unredeemed portion thereof will be issued to DTC or its nominee upon the surrender thereof, or if the book-entry system is discontinued, to the registered owners of the Series 2024A Subordinate Bonds upon the surrender thereof.

The registered owner of this Series 2024A Subordinate Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein or to take any action with respect to any Event of Default or Series 2024A Subordinate Bond Event of Default under the Indenture or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture. Specifically, and without limiting the generality of the foregoing, the Series 2024A Subordinate Bonds, as Subordinate Debt, may not be accelerated if any Senior Debt is outstanding. Modifications or alterations of the Indenture, or of any supplement thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

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 of Directors of the Authority or officer, employee or agent of the Authority in his or her individual capacity, and neither the members of the Board of Directors of the Authority nor any officer of the Authority executing the Series 2024A Subordinate Bonds shall be liable personally on the Series 2024A Subordinate Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No member of the Board of Directors of the Authority or officer, employee, agent or advisor of the Authority shall incur any personal liability with respect to any other action taken by him or her pursuant to this Series 2024A Subordinate Bond, the Thirty-Third Supplemental Indenture or the Indenture or any other document authorized by the Indenture, provided such member, officer, employee, agent or advisor acts in good faith.

The Series 2024A Subordinate Bonds are issuable as registered bonds in denominations of \$5,000 and integral multiples thereof. Upon surrender for transfer or exchange of this Series 2024A Subordinate Bond at the principal corporate trust office of the Trustee, together with an assignment duly executed by the registered owner or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Trustee, the Authority shall execute, and the Trustee shall authenticate and deliver in exchange, a new Series 2024A Subordinate Bond or Series 2024A Subordinate Bonds in the manner and subject to the limitations and conditions provided in the Indenture, having an equal aggregate principal amount, in authorized denominations, of the same series, form and maturity, bearing interest at the same rate and registered in the name or names as requested by the then registered owner hereof or its duly authorized attorney or legal representative. Any such exchange shall be at the expense of the Authority, except that the Trustee may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Trustee shall treat the registered owner as the person exclusively entitled to payment of principal, premium, if any, and interest and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person shown as owner on the fifteenth day of the month preceding each interest payment date.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this Series 2024A Subordinate Bond have happened, exist and have been performed.

This Series 2024A Subordinate Bond shall not become obligatory for any purpose or be entitled to any security or benefit under the Indenture or be valid until the Trustee shall have executed the Certificate of Authentication appearing hereon and inserted the date of authentication hereon.

IN WITNESS WHEREOF, the DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY has caused this Series 2024A Subordinate Bond to be executed by the manual or facsimile signatures of the Chairman of the Board of Directors, its seal to be affixed hereto or a facsimile to be printed hereon and attested by the manual or facsimile signature of the Secretary to the Authority, and this Series 2024A Subordinate Bond to be dated [July 30], 2024.

ATTEST:

Secretary to the Authority

Chairman

[SEAL]

CERTIFICATE OF AUTHENTICATION

Date Authenticated: _____

This Series 2024A Subordinate Bond is one of the Series 2024A Subordinate Bonds described in the within mentioned Indenture.

Computershare Trust Company, N.A.,
Trustee

By _____
Authorized Officer or Employee

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

(please print or typewrite name and address, including zip code, of Transferee)

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFEREE

: :
: :
: :

the within Series 2024A Subordinate Bond and all rights thereunder, hereby irrevocably
constituting _____ and _____ appointing

_____, Attorney, to transfer said Series
2024A Subordinate Bond on the books kept for the registration thereof, with full power of
substitution in the premises.

Dated: _____

Signature Guaranteed

NOTICE: Signature(s) must be
guaranteed by an Eligible Guarantor
Institution such as a Commercial
Institution such as a Commercial Bank,
Trust Company, Securities Broker/Dealer,
Credit Union, or Savings Association who
is a member of a medallion program
approved by The Securities Transfer
Association, Inc.

NOTICE: The signature above must
correspond with the name of the registered
owner as it appears on the front of this Series
2024A Subordinate Bond in every
particular, without alteration or enlargement
or any change whatsoever.

DRAFT 05-16-24

Exhibit B

TENDERED BONDS

Series	CUSIP (254845)	Maturity (October 1)	Interest Rate	Outstanding Principal Amount	Par Amount of Bonds Accepted for Tender
---------------	---------------------------	---------------------------------	--------------------------	---	--

DRAFT 05-16-24

Exhibit C

REFUNDED BONDS

C-1

THIRTY-FOURTH SUPPLEMENTAL INDENTURE OF TRUST

between

**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

and

**COMPUTERSHARE TRUST COMPANY, N.A.
AS TRUSTEE**

Dated July [__], 2024

THIS THIRTY-FOURTH SUPPLEMENTAL INDENTURE OF TRUST dated the [] day of July, 2024 (as defined in more detail below, the “**Thirty-Fourth Supplemental Indenture**”), by and between the District of Columbia Water and Sewer Authority (the “**Authority**”), an independent authority of the District of Columbia (the “**District**”), and Computershare Trust Company, N.A., a national banking association, having a corporate trust office in St. Paul, Minnesota, as trustee (in such capacity, together with any successor in such capacity, herein called the “**Trustee**”), provides:

WHEREAS, the Authority and the Trustee (its predecessor in that capacity having been Norwest Bank, N.A.) entered into the Master Indenture of Trust, dated as of April 1, 1998 (the “**Master Indenture**” and, as previously supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, the Twelfth Supplemental Indenture, the Thirteenth Supplemental Indenture, the Fourteenth Supplemental Indenture, the Fifteenth Supplemental Indenture, the Sixteenth Supplemental Indenture, the Seventeenth Supplemental Indenture, the Eighteenth Supplemental Indenture, the Nineteenth Supplemental Indenture, the Twentieth Supplemental Indenture, the Twenty-First Supplemental Indenture, the Twenty-Second Supplemental Indenture, the Twenty-Third Supplemental Indenture, the Twenty-Fourth Supplemental Indenture, the Twenty-Fifth Supplemental Indenture, the Twenty-Sixth Supplemental Indenture, the Twenty-Seventh Supplemental Indenture, the Twenty-Eighth Supplemental Indenture, the Twenty-Ninth Supplemental Indenture, the Thirtieth Supplemental Indenture, the Thirty-First Supplemental Indenture, the Thirty-Second Supplemental Indenture and the Thirty-Third Supplemental Indenture all as hereinafter defined, and as it may further be supplemented and amended in accordance with its terms, 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 defined in the Master Indenture); and

WHEREAS, pursuant to the First Supplemental Indenture of Trust, dated as of April 1, 1998 (the “**First Supplemental Indenture**”), between the Authority and the Trustee, the Authority issued its Public Utility Revenue Bonds, Series 1998 (the “**Series 1998 Senior Lien Bonds**”) in the aggregate principal amount of \$266,120,000 to finance Costs of the System (as defined in the Master Indenture) and to refund then outstanding debt of the Authority; and

WHEREAS, the Master Indenture permits the Authority, for certain purposes and subject to certain conditions, to issue Other System Indebtedness (as defined therein) secured on a parity with the Series 1998 Senior Lien Bonds and referred to collectively with the Series 1998 Senior Lien Bonds as “Senior Debt,” and also permits the Authority to issue Subordinate Debt (as defined therein), to which it has pledged to its payment Net Revenues as a subordinate lien pledge after the pledge of Net Revenues to Senior Debt; and

WHEREAS, pursuant to the Second Supplemental Indenture of Trust, dated as of November 1, 2001 (the “**Second Supplemental Indenture**”), between the Authority and the

Trustee, the Authority amended and supplemented the Master Indenture in accordance with its terms to clarify provisions thereof related to certain forms of Indebtedness (as defined in the Master Indenture, i.e., Senior Debt and Subordinate Debt) and thereby facilitate the issuance of such forms of Indebtedness; and

WHEREAS, pursuant to the Third Supplemental Indenture of Trust, dated as of November 1, 2001 (the “**Third Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Commercial Paper Notes defined therein as the Series A-B Notes, (ii) designated the Series A-B Notes as Subordinate Debt for purposes of the Indenture, and (iii) made provision for the securing of the Series A-B Notes and of the Reimbursement Obligations to the Bank that provided the Letters of Credit (all as defined therein) that secure the Series A-B Notes; and

WHEREAS, pursuant to the Fourth Supplemental Indenture of Trust, dated August 12, 2003 (the “**Fourth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinated Lien Revenue Bonds, Series 2003, dated August 12, 2003 (the “**Series 2003 Subordinate Bonds**”), in the aggregate principal amount of \$176,220,000 to finance certain Costs of the System and retire Series A-B Notes, (ii) designated the Series 2003 Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2003 Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Fifth Supplemental Indenture of Trust, dated August 3, 2004 (the “**Fifth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinated Lien Revenue Bonds, Series 2004, as Subseries 2004A-1, Subseries 2004A-2, Subseries 2004B-1 and Subseries B-2 (collectively, the “**Series 2004 Subordinate Bonds**”) in the aggregate principal amount of \$295,000,000 to finance certain Costs of the System, (ii) designated the Series 2004 Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2004 Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Sixth Supplemental Indenture of Trust, dated June 6, 2007 (the “**Sixth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinated Lien Revenue Bonds, Series 2007A (the “**Series 2007A Subordinate Bonds**”), in the aggregate principal amount of \$218,715,000 to finance certain Costs of the System and retire Series A-B Notes, (ii) designated the Series 2007A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2007A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Seventh Supplemental Indenture of Trust, dated June 6, 2007 (the “**Seventh Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinated Lien Taxable Revenue Bonds, Series 2007B (the “**Series 2007B Subordinate Bonds**”), in the aggregate principal amount of \$59,000,000 to finance certain Costs of the System, (ii) designated the Series 2007B Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2007B Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Eighth Supplemental Indenture of Trust, dated April 24, 2008 (the “**Eighth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinated Lien Revenue Refunding Bonds, Series 2008 (the “**Series 2008 Subordinate Bonds**”), in the aggregate principal amount of \$290,375,000 to (a) currently refund all of the outstanding Series 2004 Subordinate Bonds and a portion of the Series 2007B Subordinate Bonds, and (b) pay issuance costs of the Series 2008 Subordinate Bonds, (ii) designated the Series 2008 Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2008 Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Ninth Supplemental Indenture of Trust, dated December 19, 2008 (the “**Ninth Supplemental Indenture**”), between the Authority and the Trustee, the Authority agreed to confer on the Holders of the Series 2003 Subordinate Bonds additional rights related to the Reserve Credit Facility (as defined therein) and to cure any ambiguity or omission in the Indenture regarding the obligations of the Authority as a consequence of a downgrade of the Reserve Policy related to the Series 2003 Subordinate Bonds, or in the event that the Reserve Policy were to cease to be in effect; and

WHEREAS, pursuant to the Tenth Supplemental Indenture of Trust, dated February 12, 2009 (the “**Tenth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Senior Lien Revenue Bonds, Series 2009A (the “**Series 2009A Senior Lien Bonds**”), in the aggregate principal amount of \$300,000,000 to finance certain Costs of the System and retire Series A-B Notes, (ii) designated the Series 2009A Senior Lien Bonds as Senior Debt for purposes of the Indenture, and (iii) secured the Series 2009A Senior Lien Bonds by a pledge of Net Revenues on a parity with the pledge of Net Revenues that secures other Senior Debt, including, without limitation, other Senior Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Eleventh Supplemental Indenture of Trust, dated June 2, 2010, as supplemented and amended by the First Amendment to Eleventh Supplemental Indenture of Trust, dated April 5, 2013, and by the Second Amendment to Eleventh Supplemental Indenture of Trust, dated May 18, 2015 (together, the “**Eleventh Supplemental Indenture**”), each between the Authority and the Trustee, the Authority: (i) authorized the

issuance of its (a) Commercial Paper Notes, Series A (the “**2010 Series A Notes**”) in the aggregate principal amount of \$0 to finance certain Costs of the System, (b) Commercial Paper Notes, Series B (the “**2010 Series B Notes**”) in the aggregate principal amount of \$100,000,000 to finance certain Costs of the System, and (c) Commercial Paper Notes, Series C (the “**2010 Series C Notes**”) and, together with the 2010 Series A Notes and the 2010 Series B Note, the “**Series 2010 Notes**”) in the aggregate principal amount of \$50,000,000 to finance certain Costs of the System, (ii) designated the Series 2010 Notes as Subordinate Debt for purposes of the Indenture, and (iii) made provision for the securing of the Series 2010 Notes and of the Authority’s reimbursement obligations to the Bank (as defined in the Eleventh Supplemental Indenture) that provided the Substitute Letters of Credit (as defined in the Eleventh Supplemental Indenture) that secure the Series 2010 Notes; and

WHEREAS, pursuant to the Twelfth Supplemental Indenture of Trust, dated October 27, 2010 (the “**Twelfth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2010A (Federally Taxable – Issuer Subsidy – Build America Bonds) (the “**Series 2010A Subordinate Bonds**”), in the aggregate principal amount of \$300,000,000 to finance certain Costs of the System and fund capitalized interest on a portion of the Series 2010A Subordinate Bonds, subject to specified limitations, (ii) designated the Series 2010A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, (iii) secured the Series 2010A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future, and (iv) included provisions in the Indenture related to potential Direct Payments (as defined therein) received or expected to be received by the Authority, including certain provisions requiring the consent of the holders of a majority of Outstanding Bonds; and

WHEREAS, pursuant to the Thirteenth Supplemental Indenture of Trust, dated March 22, 2012 (the “**Thirteenth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i)(a) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2012A (the “**Series 2012A Subordinate Bonds**”), in the aggregate principal of \$177,430,000 to finance certain Costs of the System and pay certain costs of issuance, (b) designated the Series 2012A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (c) secured the Series 2012A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; (ii)(a) issued its Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2012B (the “**Series 2012B Subordinate Bonds**”), in the aggregate principal amount of \$100,000,000 to finance certain Costs of the System, fund capitalized interest on a portion of the Series 2012B Subordinate Bonds subject to specified limitations, and pay certain costs of issuance, (b) designated the Series 2012B Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (c) secured the Series 2012B Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and (iii)(a) issued its Public Utility Subordinate Lien

Revenue Refunding Bonds, Series 2012C (the “**Series 2012C Subordinate Bonds**”), in the aggregate principal amount of \$163,215,000, and applied the proceeds thereof, together with any other funds of the Authority, to advance refund the Series 2003 Subordinate Bonds and caused them to be deemed paid and no longer Outstanding for purposes of the Indenture, and paid certain costs of issuance, (b) designated the Series 2012C Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (c) secured the Series 2012C Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Fourteenth Supplemental Indenture of Trust, dated as of August 1, 2013 (the “**Fourteenth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2013A (the “**Series 2013A Subordinate Bonds**”), in the aggregate principal amount of \$300,000,000 to finance certain Costs of the System and pay certain costs of issuance, (ii) designated the Series 2013A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2013A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Fifteenth Supplemental Indenture of Trust, dated July 23, 2014 (the “**Fifteenth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Senior Lien Revenue Bonds, Series 2014A (Federally Taxable) (Green Bonds) (the “**Series 2014A Senior Lien Bonds**”), in the aggregate principal amount of \$350,000,000 to finance certain Costs of the System and pay certain costs of issuance, (ii) designated the Series 2014A Senior Lien Bonds as Senior Debt for purposes of the Indenture, and (iii) secured the Series 2014A Senior Lien Bonds by a pledge of Net Revenues on a parity with the pledge of Net Revenues that secures other Senior Debt, including, without limitation, other Senior Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Sixteenth Supplemental Indenture of Trust, dated July 23, 2014 (the “**Sixteenth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2014B (the “**Series 2014B Subordinate Bonds**”), in the aggregate principal amount of \$100,000,000 to finance certain Costs of the System and pay certain costs of issuance, (ii) designated the Series 2014B Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2014B Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Seventeenth Supplemental Indenture of Trust, dated November 20, 2014 (the “**Seventeenth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Refunding

Bonds, Series 2014C (the “Series 2014C Subordinate Bonds”), in the aggregate principal amount of \$377,700,000 to (a) advance refund all or a portion of the Authority’s outstanding Series 2007A Subordinate Bonds, the Series 2008A Subordinate Bonds, and the Series 2009A Senior Lien Bonds, and current refund all of the Authority’s outstanding Subseries 2012B-1 of the Series 2012 Subordinate Bonds, and (b) pay issuance costs of the Series 2014C Subordinate Bonds, (ii) designated the Series 2014C Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2014C Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Eighteenth Supplemental Indenture of Trust, dated October 15, 2015 (the “**Eighteenth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2015A (the “**Series 2015A Subordinate Bonds**”), in the aggregate principal amount of \$100,000,000 to (a) finance certain Costs of the System, and (b) pay issuance costs of the Series 2015A Subordinate Bonds, (ii) designated the Series 2015A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, (iii) secured the Series 2015A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future, (iv) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2015B (the “**Series 2015B Subordinate Bonds**” and, together with the Series 2015A Subordinate Bonds, the “**Series 2015A/B Subordinate Bonds**”), in an aggregate principal amount of \$250,000,000 to (a) finance certain Costs of the System, and (b) pay issuance costs of the Series 2015B Subordinate Bonds, (v) designated the Series 2015B Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (vi) secured the Series 2015B Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Nineteenth Supplemental Indenture of Trust, dated December 1, 2015 (the “**Nineteenth Supplemental Indenture**”) between the Trustee and the Authority, the Authority: (i) authorized the issuance of its Extendable Municipal Commercial Paper Notes, Series A (the “**Series A EMCP Notes**”), in the aggregate principal amount of not to exceed \$100,000,000 outstanding at any time to finance certain Costs of the System, (ii) designated the Series A EMCP Notes as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series A EMCP Notes 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, pursuant to the Twentieth Supplemental Indenture of Trust, dated February 24, 2016 (the “**Twentieth Supplemental Indenture**”) between the Trustee and the Authority, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Refunding

Bonds, Series 2016A (the “**Series 2016A Subordinate Bonds**”), in the aggregate principal amount of \$389,110,000 to (a) refund all or a portion of the Authority’s outstanding Series 2007A Subordinate Bonds, Series 2008A Subordinate Bonds, and Series 2009A Senior Lien Bonds, and (b) pay issuance costs of the Series 2016A Subordinate Bonds, (ii) designated the Series 2016A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2016A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Twenty-First Supplemental Indenture of Trust, dated September 29, 2016 (the “**Twenty-First Supplemental Indenture**”) between the Trustee and the Authority, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2016B (Environmental Impact Bonds) (the “**Series 2016B Subordinate Bonds**”), in the aggregate principal amount of \$25,000,000 to (a) finance certain Costs of the System (specifically, a portion of the costs of the Authority’s DC Clean Rivers Project), and (b) pay certain costs of issuance, (ii) designated the Series 2016B Subordinate Bonds as Subordinate Debt, as Variable Rate Indebtedness and as Tender Indebtedness for purposes of the Indenture, and (iii) secured the Series 2016B Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Twenty-Second Supplemental Indenture of Trust, dated February 23, 2017 (the “**Twenty-Second Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Senior Lien Revenue Bonds, Series 2017A (the “**Series 2017A Senior Lien Bonds**”), in the aggregate principal amount of \$100,000,000 to (a) finance certain Costs of the System (specifically, a portion of the costs of the Authority’s DC Clean Rivers Project), and (b) pay issuance costs of the Series 2017A Senior Lien Bonds, (ii) designated the Series 2017A Senior Lien Bonds as Senior Debt for purposes of the Indenture, (iii) secured the Series 2017A Senior Lien Bonds by a pledge of Net Revenues on a parity with the pledge of Net Revenues that secures other Senior Debt, including, without limitation, other Senior Debt that the Authority may issue from time to time in the future, (iv) issued its Public Utility Senior Lien Revenue Bonds, Series 2017B (the “**Series 2017B Senior Lien Bonds**” and, together with the Series 2017A Senior Lien Bonds, the “**Series 2017A/B Senior Lien Bonds**”), in an aggregate principal amount of \$200,000,000 to (a) finance certain Costs of the System, and (b) pay issuance costs of the Series 2017B Senior Lien Bonds, (v) designated the Series 2017B Senior Lien Bonds as Senior Debt for purposes of the Indenture, and (vi) secured the Series 2017B Senior Lien Bonds by a pledge of Net Revenues on a parity with the pledge of Net Revenues that secures other Senior Debt, including, without limitation, other Senior Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Twenty-Third Supplemental Indenture of Trust, dated April 30, 2018 (the “**Twenty-Third Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2018A (the “**Series 2018A Senior Lien Bonds**”), in the aggregate principal amount of

\$100,000,000 to (a) finance certain Costs of the System (specifically, a portion of the costs of the Authority's DC Clean Rivers Project), and (b) pay issuance costs of the Series 2018A Senior Lien Bonds, (ii) designated the Series 2018A Senior Lien Bonds as Senior Debt for purposes of the Indenture, (iii) secured the Series 2018A Senior Lien Bonds by a pledge of Net Revenues on a parity with the pledge of Net Revenues that secures other Senior Debt, including, without limitation, other Senior Debt that the Authority may issue from time to time in the future, (iv) issued its Public Utility Senior Lien Revenue Bonds, Series 2018B (the "**Series 2018B Senior Lien Bonds**") and, together with the Series 2018A Senior Lien Bonds, the "**Series 2018A/B Senior Lien Bonds**"), in an aggregate principal amount of \$200,000,000 to (a) finance certain Costs of the System, (b) pay issuance costs of the Series 2018B Senior Lien Bonds and (c) refund all of the Authority's then outstanding Commercial Paper Notes, Series B, (v) designated the Series 2018B Senior Lien Bonds as Senior Debt for purposes of the Indenture, and (vi) secured the Series 2018B Senior Lien Bonds by a pledge of Net Revenues on a parity with the pledge of Net Revenues that secures other Senior Debt, including, without limitation, other Senior Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Twenty-Fourth Supplemental Indenture of Trust, dated November 6, 2019 (the "**Twenty-Fourth Supplemental Indenture**"), between the Authority and the Trustee, the Authority: (i)(a) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2019A (Green Bonds) (the "**Series 2019A Subordinate Bonds**") in the aggregate principal amount of \$104,010,000 to (1) finance certain Costs of the System (specifically, a portion of the costs of the Authority's DC Clean Rivers Project), and (2) pay issuance costs of the Series 2019A Subordinate Bonds, (b) designated the Series 2019A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2019A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future, and (ii)(a) issued its Public Utility Subordinate Revenue Bonds, Series 2019B (the "**Series 2019B Subordinate Bonds**") and, together with the Series 2019A Subordinate Bonds, the "**Series 2019A/B Subordinate Bonds**") in an aggregate principal amount of \$58,320,000 to (1) finance certain Costs of the System, and (2) pay issuance costs of the Series 2019B Subordinate Bonds, (b) designated the Series 2019B Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2019B Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Twenty-Fifth Supplemental Indenture of Trust, dated November 6, 2019 (the "**Twenty-Fifth Supplemental Indenture**"), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2019C (the "**Series 2019C Subordinate Bonds**"), in the aggregate principal amount of \$99,505,000 to (a) finance certain Costs of the System, and (b) pay issuance costs of the Series 2019C Subordinate Bonds, (ii) designated the Series 2019C Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2019C Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures

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

WHEREAS, pursuant to the Twenty-Sixth Supplemental Indenture of Trust, dated November 6, 2019 (the “**Twenty-Sixth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2019D (Federally Taxable) (the “**Series 2019D Subordinate Bonds**”), in the aggregate principal amount of \$343,160,000 to (a) refund the Authority’s outstanding Series 2013A Subordinate Bonds, and (b) pay issuance costs of the Series 2019D Subordinate Bonds, (ii) designated the Series 2019D Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2019D Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Twenty-Seventh Supplemental Indenture of Trust, dated April 8, 2020 (the “**Twenty-Seventh Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) entered into the 2020 Term Loan Agreement in connection with the Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2022A (the “**Series 2022A Subordinate Lien Refunding Bonds**”), (ii) pursuant to the 2020 Term Loan Agreement issued its Series 2022A Subordinate Lien Refunding Bonds in the aggregate principal amount of \$294,305,000 in July 2022 to (a)(I) refund all of its outstanding Series 2012A Subordinate Bonds and Series 2012C Subordinate Bonds; and (II) pay certain costs of issuance, (iii) designated the Series 2022A Subordinate Lien Refunding Bonds as Subordinate Debt for purposes of the Indenture, and (iv) secured the Series 2022A Subordinate Lien 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, pursuant to the Twenty-Eighth Supplemental Indenture of Trust, dated as of March 5, 2021 (the “**Twenty-Eighth Supplemental Indenture**”) between the Authority and the Trustee, the Authority entered into a revised Master Letter of Credit Agreement with TD Bank, N.A. to provide letters of credit for the benefit of the Authority’s Rolling Owner Controlled Insurance Program, in an aggregate maximum amount at any one time outstanding of \$25,000,000 and secured the Reimbursement Obligations (as defined in the Twenty-Eighth Supplemental Indenture) 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, pursuant to the Twenty-Ninth Supplemental Indenture of Trust, dated as of March 12, 2021 between the Authority and the Trustee, as amended by the First Amendment to the Twenty-Ninth Supplemental Indenture of Trust dated September 17, 2021 between the Authority and the Trustee (together, the “**Twenty-Ninth Supplemental Indenture**”), the Authority: (i) entered into a 2021 WIFIA Loan Agreement in connection with the Series 2021 Senior Lien Bonds; (ii) issued its Public Utility Senior Lien Revenue Bonds, Series 2021 Senior Lien Bonds (the “**Series 2021 Senior Lien Bonds**”) in the aggregate principal amount of up to

\$156,367,104 to (1) finance certain Costs of the System (specifically, the costs of the 2021 WIFIA Project as defined therein), and (2) pay issuance costs of the Series 2021 Senior Lien Bond, (iii) designate the Series 2021 Senior Lien Bond as Senior Debt for purposes of the Indenture, and (iv) secure the Series 2021 Senior Lien Bond by a pledge of Net Revenues on a parity with the pledge of Net Revenues that secures other Senior Debt, including, without limitation, other Senior Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Thirtieth Supplemental Indenture of Trust, dated as of March 23, 2022 (the “**Thirtieth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i)(a) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2022B (Green Bonds) (the “**Series 2022B Subordinate Bonds**”), in the aggregate principal amount of \$79,585,000 to (1) finance certain Costs of the System (specifically, a portion of the costs of the Authority’s DC Clean Rivers Project), and (2) pay issuance costs of the Series 2022B Subordinate Bonds, (b) designate the Series 2022B Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (c) secure the Series 2022B Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future, (ii)(a) issue the Public Utility Subordinate Lien Revenue and Revenue Refunding Bonds, Series 2022C-1 in an aggregate principal amount of \$206,730,000 (the “**Series 2022C-1 Subordinate Bonds**”) to (1) finance certain Costs of the System, (2) refund a portion of the outstanding subordinate commercial paper notes, (3) purchase the Purchased Refunded Bonds (as defined therein) and (4) pay issuance costs of the Series 2022C Subordinate Bonds and (b) designate the Series 2022C-1 Subordinate Bonds as Subordinate Debt for purposes of the Indenture, (iii)(a) issue the Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2022C-2 in an aggregate principal amount of \$4,418,000 (the “**Series 2022C-2 Subordinate Bonds**”, and together with the Series 2022C-1 Subordinate Bonds, the “**Series 2022C Subordinate Bonds**”) to replace the Exchanged Refunded Bonds and (b) designate the Series 2022C-2 Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iv) secure the Series 2022C Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Thirty-First Supplemental Indenture of Trust, dated March 23, 2022 (the “**Thirty-First Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2022D (Federally Taxable) (the “**Series 2022D Subordinate Bonds**”) in the aggregate principal amount of \$148,925,000 to (a) finance certain Costs of the System, (b) refund a portion of the Authority’s outstanding Series 2014C Subordinate Bonds, and (c) pay issuance costs of the Series 2022D Subordinate Bonds, (ii) designate the Series 2022D Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secure the Series 2022D Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future;

WHEREAS, pursuant to the Thirty-Second Supplemental Indenture of Trust, dated as of March 23, 2022 (the “**Thirty-Second Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2022E (the “**Series 2022E Subordinate Bonds**”), in the aggregate principal amount of \$96,350,000 to: (a) finance certain Costs of the System, and (b) pay issuance costs of the Series 2022E Subordinate Bonds, (ii) designated the Series 2022E Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2022E Subordinate

Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future;

WHEREAS, pursuant to the Thirty-Third Supplemental Indenture of Trust, dated as of July [], 2024 (the “**Thirty-Third Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024A (the “**Series 2024A Subordinate Bonds**”), in the aggregate principal amount of \$[] to: (a) purchase the Tendered Bonds, as defined therein, and (b) currently refund or advance refund, as applicable, the Refunded Bonds, as defined therein, and (c) pay issuance costs of the Series 2024A Subordinate Bonds; (ii) designate the Series 2024A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secure the Series 2024A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future;

WHEREAS, the Authority now intends to: (i)(a) issue Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024B in the aggregate principal amount of \$[101,000,000] (the “**Series 2024B Subordinate Bonds**”), consisting of Subseries 2024B-1 Bonds (the “Subseries 2024B-1 Bonds”) and Subseries 2024B-2 Bonds (the “**Subseries 2024B-2 Bonds**”) to (1) currently refund the Refunded Bonds, as defined herein and (2) pay issuance costs of the Series 2024B Subordinate Bonds; (ii) designate the Series 2024B Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secure the Series 2024B Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, the parties hereto agree, as follows:

ARTICLE I

THIRTY-FOURTH SUPPLEMENTAL INDENTURE

Section 101. Authorization of Thirty-Fourth Supplemental Indenture.

This Thirty-Fourth Supplemental Indenture is authorized and executed by the Authority and delivered to the Trustee pursuant to and in accordance with Articles III and X of the Master Indenture. All terms, covenants, conditions and agreements of the Indenture shall apply with full force and effect to the Series 2024B Subordinate Bonds as Subordinate Debt and to the Holders thereof as Holders of Subordinate Debt, except as otherwise provided in this Thirty-Fourth Supplemental Indenture.

Section 102. Definitions.

Except as otherwise defined in this Thirty-Fourth Supplemental Indenture, capitalized words and terms defined in the Master Indenture as amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, the Twelfth Supplemental Indenture, the Thirteenth Supplemental Indenture, the Fourteenth Supplemental Indenture, the Fifteenth Supplemental Indenture, the Sixteenth Supplemental Indenture, the Seventeenth Supplemental Indenture, the Eighteenth Supplemental Indenture, the Nineteenth Supplemental Indenture, the Twentieth Supplemental Indenture, the Twenty-First Supplemental Indenture, the Twenty-Second Supplemental Indenture, the Twenty-Third Supplemental Indenture, the Twenty-Fourth Supplemental Indenture, the Twenty-Fifth Supplemental Indenture, the Twenty-Sixth Supplemental Indenture, the Twenty-Seventh Supplemental Indenture, the Twenty-Eighth Supplemental Indenture, the Twenty-Ninth Supplemental Indenture, the Thirtieth Supplemental Indenture, the Thirty-First Supplemental Indenture, the Thirty-Second Supplemental Indenture and the Thirty-Third Supplemental Indenture are used in this Thirty-Fourth Supplemental Indenture with the meanings assigned to them therein. In addition, the following words as used in this Thirty-Fourth Supplemental Indenture have the following meanings unless the context or use clearly indicates another or different intent or meaning:

(a) Generally Applicable Definitions

“Book-entry form” or “book-entry system” means a form or system under which the physical Series 2024B Subordinate Bond certificates in fully registered form are issued only to a Depository or its nominee as Holder, with the certificated Series 2024B Subordinate Bonds held by and “immobilized” in the custody of the Depository, and the book-entry system, maintained by and the responsibility of the Depository and not maintained by or the responsibility of the Authority or the Trustee, is the record that identifies, and records the transfer of the interests of, the owners of beneficial, book-entry interests in the Series 2024B Subordinate Bonds.

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of book-entry interests in Series 2024B Subordinate Bonds, and to effect transfers of book-entry interests in Series 2024B Subordinate Bonds, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

“Escrow Agent” means the Trustee as Escrow Agent.

“Escrow Agreement” means the Escrow Agreement, dated July [], 2024, between the Authority and the Escrow Agent, providing for the Refunded Bonds to be deemed paid and no longer Outstanding under the Indenture.

“Interest Payment Dates” means the “Interest Payment Dates” as defined under Section 102(b) below.

“Refunded Bonds” means the Authority’s outstanding Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2019C, issued pursuant to the Twenty-Fifth Supplemental Indenture of Trust, dated November 6, 2019, between the Authority and the Trustee, in the aggregate principal amount of \$99,505,000 as further described in **Exhibit B**.

“Series 2024B Construction Account” means the Series 2024B Construction Account established by this Thirty-Fourth Supplemental Indenture in the Construction Fund.

“Series 2024B Costs of Issuance Subaccount” means the Series 2024B Costs of Issuance Subaccount established by this Thirty-Fourth Supplemental Indenture in the Series 2024B Construction Account of the Construction Fund.

“Series 2024B Escrow Account” means the Series 2024B Escrow Account established by this Thirty-Fourth Supplemental Indenture.

“Series 2024B Rebate Fund” means the Series 2024B Rebate Fund established by this Thirty-Fourth Supplemental Indenture.

“Series 2024B Resolution” means Resolution No. _____, adopted by the Authority’s Board on June 6, 2024, authorizing the Series 2024B Subordinate Bonds.

“Series 2024B Subordinate Bond Event of Default” means any of the events defined as such in Section 903 of this Thirty-Fourth Supplemental Indenture.

“Series 2024B Subordinate Bondholder” or “holder of Series 2024B Subordinate Bonds” means the registered owner of a Series 2024B Subordinate Bond.

“Series 2024B Subordinate Bonds Interest Subaccount” means the Series 2024B Subordinate Bonds Interest Subaccount established by this Thirty-Fourth Supplemental Indenture in the Subordinate Interest Account in the Subordinate Bond Fund.

“Series 2024B Subordinate Bonds Principal Subaccount” means the Series 2024B Subordinate Bonds Principal Subaccount established by this Thirty-Fourth Supplemental Indenture in the Subordinate Principal Account in the Subordinate Bond Fund.

“Series 2024B Subordinate Debt Service Reserve Requirement” means zero.

“Thirty-Fourth Supplemental Indenture” means this Thirty-Fourth Supplemental Indenture of Trust, dated July [], 2024, between the Authority and the Trustee, which supplements and amends the Master Indenture, as previously supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, the Twelfth Supplemental Indenture, the Thirteenth Supplemental Indenture, the Fourteenth Supplemental Indenture, the Fifteenth Supplemental Indenture, the Sixteenth Supplemental Indenture, the Seventeenth Supplemental Indenture, the Eighteenth Supplemental Indenture, the Nineteenth Supplemental Indenture, the Twentieth Supplemental Indenture, the Twenty-First Supplemental Indenture, the Twenty-Second Supplemental Indenture, the Twenty-Third Supplemental Indenture, the Twenty-Fourth Supplemental Indenture, the Twenty-Fifth Supplemental Indenture, the Twenty-Sixth Supplemental Indenture, the Twenty-Seventh Supplemental Indenture, the Twenty-Eighth Supplemental Indenture, the Twenty-Ninth Supplemental Indenture, the Thirtieth Supplemental Indenture, the Thirty-First Supplemental Indenture, the Twenty-Second Supplemental Indenture and the Thirty-Third Supplemental Indenture.

“Variable Rate Series 2024B Subordinate Bonds” means, collectively, each series or subseries of the Series 2024B Subordinate Bonds designated as such in the applicable Certificate of Award pursuant to the Series 2024B Resolution and constituting Variable Rate Indebtedness under the Indenture.

(b) Definitions Applicable to Variable Rate Series 2024B Subordinate Bonds

“Applicable Spread” means the number of basis points or schedule of basis points determined in accordance with Section 403(j) that, when added to the SIFMA Index would equal the minimum interest rate per annum that would enable the Remarketing Agent to sell the Variable Rate Series 2024B Subordinate Bonds on such date at a price equal to the principal amount thereof (but subject to the provisions of the final sentence of Section 403(j)), plus accrued interest, if any, thereon.

“Authority Purchase Account” means the account of that name that may be established in the Purchase Fund pursuant to Section 407.

“Authorized Denominations” means (i) with respect to Fixed Rate Bonds, \$5,000 and integral multiples thereof, (ii) with respect to Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds and Long-Term Rate Bonds, \$100,000 and integral multiples of \$5,000 in excess thereof, and (iii) with respect to Index Rate Bonds, \$5,000 or \$100,000 and integral multiples

thereof, as may be specified in the Certificate of Award or otherwise in writing by an Authorized Official.

“Business Day” means a day other than (i) a Saturday or Sunday, (ii) a day on which commercial banks located in New York, New York or the cities in which the Designated Office of the Trustee, the Tender Agent, the Remarketing Agent or the Credit Facility Provider are located, are required or authorized by law or executive order to close, and (iii) a day on which the New York Stock Exchange is closed.

“Calculation Agent” means initially the Trustee, and thereafter, any Person appointed by the Authority to serve as calculation agent for the Series 2024B Subordinate Bonds.

“Closing Date” means July [], 2024, being the date of delivery of and payment for all of the Variable Rate Series 2024B Subordinate Bonds.

“Computation Date” means during any subsequent Index Rate Period, each Wednesday immediately preceding an Index Interest Period.

“Conversion Date” means a day on which the Variable Rate Series 2024B Subordinate Bonds are converted from one Rate Period to another Rate Period, in accordance with this Thirty-Fourth Supplemental Indenture.

“Credit Facility” means initially, the Standby Bond Purchase Agreement by and between the Authority and TD Bank, N.A., and thereafter a letter of credit, liquidity facility or other credit enhancement instrument delivered by a Credit Facility Provider to the Trustee to secure the payment of the principal of and interest on, and any Purchase Price of, all or some of the Variable Rate Series 2024B Subordinate Bonds, or to provide liquidity for the purchase of tendered Variable Rate Series 2024B Subordinate Bonds. The term “Credit Facility” includes any Substitute Credit Facility.

“Credit Facility Account” means the account by that name that may be established in the Subordinate Bond Fund pursuant to Section 701.

“Credit Facility Provider” means initially TD Bank, N.A., and thereafter a bank, trust company, insurance company or other financial services company, or the Authority (if the Authority is providing liquidity for any Variable Rate Series 2024B Subordinate Bonds itself), issuing a Credit Facility then in effect in its capacity as provider of that Credit Facility.

“Credit Facility Provider Bonds” means Variable Rate Series 2024B Subordinate Bonds purchased by or on behalf of, or pledged to, a Credit Facility Provider pursuant to a Credit Facility and/or Reimbursement Agreement and the terms hereof but excluding Variable Rate Series 2024B Subordinate Bonds no longer considered Credit Facility Provider Bonds pursuant to the terms of a Credit Facility and/or Reimbursement Agreement.

“Credit Facility Provider Rate” means the interest rate(s) applicable from time to time on Credit Facility Provider Bonds as determined in accordance with the Credit Facility and/or Reimbursement Agreement; provided that no Credit Facility Provider Rate shall exceed the Maximum Rate.

“Credit Facility Purchase Account” means the account by that name that may be established in the Purchase Fund pursuant to Section 407.

“Credit Facility Request” means the submission by the Trustee to the Credit Facility Provider of a properly presented and conforming request or draw in accordance with the terms of the Credit Facility to provide funds to pay the Purchase Price of or Debt Service Charges on the Variable Rate Series 2024B Subordinate Bonds.

“Daily Interest Period” means each Interest Period described in Section 403(c) during which the Variable Rate Series 2024B Subordinate Bonds bear interest at a particular Daily Rate.

“Daily Rate” means the per annum interest rate for the Variable Rate Series 2024B Subordinate Bonds during a Daily Rate Period determined on a daily basis as provided in Section 403(c).

“Daily Rate Bonds” means Variable Rate Series 2024B Subordinate Bonds bearing interest at a Daily Rate.

“Daily Rate Period” means the Rate Period during which the Daily Rates are in effect for the Variable Rate Series 2024B Subordinate Bonds.

“Designated Office” means with respect to any entity performing functions under the Indenture, the office or offices of that entity or its affiliate at which those functions are performed, as designated in writing to the Authority, the Trustee, the Tender Agent, any Credit Facility Provider and the Remarketing Agent. The office initially designated by the Trustee for purposes of receiving notices under the Indenture is its St. Paul, Minnesota corporate trust office located at 1505 Energy Park Drive, St. Paul, Minnesota 55108. The office initially designated by the Trustee for the purpose of presentation and surrender of Variable Rate Series 2024B Subordinate Bonds is its St. Paul, Minnesota corporate trust office located at 1505 Energy Park Drive, St. Paul, Minnesota 55108. The Designated Office for any Credit Facility Provider is the office at which Credit Facility Requests are to be submitted by the Trustee, in accordance with the Credit Facility.

“Electronic Means” means facsimile transmission, email transmission or other similar electronic means of communication providing evidence of transmission, including a telephone communication confirmed by any other method set forth in this definition.

“Eligible Account” means an account that is maintained with either (i) a federal or state-chartered depository institution or trust company that has a short-term debt rating assigned by a Rating Agency of at least A-2 (or, if it does not have a short-term debt rating, has a long-term debt rating assigned by the Rating Agency of at least BBB+); or (ii) the corporate trust department of a federal depository institution or state-chartered depository institution that, in either case, has corporate trust powers and is acting in its fiduciary capacity.

“Expiration Date” means, with respect to any Credit Facility, the date upon which the Credit Facility is stated to expire (taking into account any extensions of the Expiration Date) in accordance with its terms.

“Favorable Opinion of Bond Counsel” means an opinion of Bond Counsel addressed to the Authority, the Remarketing Agent, the Credit Facility Provider and the Trustee, to the effect that the proposed action to be taken regarding the Variable Rate Series 2024B Subordinate Bonds is authorized or permitted by this Thirty-Fourth Supplemental Indenture and will not adversely affect the exclusion of interest on the Variable Rate Series 2024B Subordinate Bonds from gross income for purposes of federal income taxation under Section 103 of the Code. If a Favorable Opinion of Bond counsel is delivered in connection with the conversion from one Rate Period to another Rate Period, the opinion with respect to the exclusion of interest from gross income for federal income tax purposes may be limited to interest payable on or prior to the Conversion Date.

“Fixed Rate” means the interest rate or rates to maturity established in accordance with Section 403(g).

“Fixed Rate Bonds” means Variable Rate Series 2024B Subordinate Bonds bearing interest at a Fixed Rate.

“Fixed Rate Period” means the period of time, which shall end at the Maturity Date, during which the Variable Rate Series 2024B Subordinate Bonds bear interest at a Fixed Rate.

“Hard Tender Index Rate Bonds” means Index Rate Bonds that are specified in the Certificate of Award as such for purposes of Section 407(e) for the Initial Period or in the applicable Notice of Conversion for any Subsequent Index Rate Period.

“Index Interest Period” means, during any Index Rate Period, each Interest Period during which the Variable Rate Series 2024B Subordinate Bonds bear interest at a particular Index Rate under Section 403(j) or (k).

“Index Rate” means the SIFMA Index Rate.

“Index Rate Bonds” means any Variable Rate Series 2024B Subordinate Bonds bearing interest at an Index Rate.

“Index Rate Bonds Purchase Date” means the date on which the Index Rate Bonds shall be required to be tendered for purchase in accordance with Section 408(a)(vi).

“Index Rate Period” means any Rate Period during which the Variable Rate Series 2024B Subordinate Bonds bear interest at an Index Rate.

“Initial Period” means the initial Daily Rate Period commencing on the Issue Date and ending on the first to occur of (i) the Conversion Date next succeeding the Issue Date, or (iii) the Maturity Date.

“Interest Payment Date” means (i) when the Variable Rate Series 2024B Subordinate Bonds bear interest at a Daily Rate, a Weekly Rate or an Index Rate, the first Business Day of each calendar month commencing, during the Initial Period, on August 1, 2024; (ii) when the Variable Rate Series 2024B Subordinate Bonds bear interest at a Fixed Rate or Long-Term Rate, each April 1 and October 1 or such other date or dates as are specified in the applicable notice of

conversion; (iii) when the Variable Rate Series 2024B Subordinate Bonds bear interest at a Short-Term Rate, the last day of the Short-Term Rate Period; (iv) with respect to Credit Facility Provider Bonds, the interest payment dates set forth in the Credit Facility and/or Reimbursement Agreement; provided (unless otherwise provided in the Reimbursement Agreement with respect to Credit Facility Provider Bonds) that, if any such day is not a Business Day, any payment due on such date may be made on the next Business Day, without additional interest and with the same force and effect as if made on the specified date for such payment; and (v) each Conversion Date.

“Interest Period” means a (i) Daily Interest Period, (ii) a Weekly Interest Period, (iii) an Index Interest Period, (iv) a Short-Term Interest Period, (v) a Long-Term Interest Period, or (vi) a Fixed Interest Period.

“Issue Date” means July [__], 2024.

“Long-Term Interest Period” means each Interest Period described in Section 403(f) during which Variable Rate Series 2024B Subordinate Bonds accrue interest at a particular Long-Term Rate.

“Long-Term Rate” means the per annum interest rate to be determined on the Variable Rate Series 2024B Subordinate Bonds for a term of at least 12 months pursuant to Section 403(f).

“Long-Term Rate Bonds” means any Variable Rate Series 2024B Subordinate Bonds bearing interest at a Long-Term Rate.

“Long-Term Rate Period” means the Rate Period during which Long-Term Rates are in effect for the Variable Rate Series 2024B Subordinate Bonds.

“Mandatory Sinking Fund Redemption Requirements” means the mandatory redemption requirements set forth in Section 501(b).

“Maturity Dates” means, for the Variable Rate Series 2024B Subordinate Bonds, whether designated as SubSeries 2014B-1 Bonds or SubSeries 2014B-2 Bonds, [October 1, 20__], all subject to prior redemption as provided in Article V.

“Maximum Rate” means the least of (i) the maximum rate permitted by law, (ii) 12% per annum, and (iii) when a Credit Facility is in effect and solely with respect to Variable Rate Series 2024B Subordinate Bonds that are not Credit Facility Provider Bonds, the maximum rate utilized to determine the amount available under such Credit Facility.

“New York Banking Day” means any date (other than a Saturday or Sunday) on which commercial banks are open for business in New York, New York.

“Notice of Conversion” means any notice of conversion given by the Authority pursuant to Section 404(a)(i).

“Official’s Certificate” means a certificate signed by an Authorized Official.

“Participants” means those financial institutions for whom the Depository effects book-entry transfers and pledges of securities deposited with the Depository, as such listing of Participants exists at the time of such reference.

“Payment Date” means an Interest Payment Date or a Principal Payment Date.

“Payment Default” means a failure by the Authority to pay principal of or interest on Variable Rate Series 2024B Subordinate Bonds when due.

“Penalty Rate” means, for purposes of Section 407(e) with respect to (i) Soft Tender Index Rate Bonds after they are tendered for purchase but not purchased, eight percent (8%) per annum, or (ii) Variable Rate Series 2024B Subordinate Bonds bearing interest at the Weekly Rate, Daily Rate or Short-Term Rate with no Credit Facility in effect and funds are insufficient to purchase such Variable Rate Series 2024B Subordinate Bonds on a Purchase Date, the Maximum Rate.

“Prevailing Market Conditions” means, to the extent relevant (in the professional judgment of the Remarketing Agent) at the time of establishment of a rate or rates for Variable Rate Series 2024B Subordinate Bonds as provided in Section 403, (i) interest rates on comparable securities then being issued and traded, (ii) other financial market rates and indices that may have a bearing on rates of interest, (iii) general financial market conditions (including then current forward supply figures) that may have a bearing on rates of interest, and (iv) the financial condition, results of operation and credit standing of the Authority and the Credit Facility Provider to the extent such standing has a bearing on rates of interest.

“Principal Payment Date” means each date on which principal of a Variable Rate Series 2024B Subordinate Bond is due and payable, whether at maturity or upon redemption.

“Purchase Date” means each date on which Variable Rate Series 2024B Subordinate Bonds are subject to optional or mandatory purchase pursuant to Article IV.

“Purchase Fund” means the fund by that name established pursuant to Section 407 and held by the Tender Agent.

“Purchase Price” means, with respect to a Variable Rate Series 2024B Subordinate Bond subject to purchase on a Purchase Date, an amount equal to 100% of the principal amount thereof plus (if such Purchase Date is not an Interest Payment Date therefor) accrued and unpaid interest thereon to such Purchase Date.

“Rate Period” means (i) a Daily Rate Period (comprised of separate Daily Interest Periods), (ii) a Weekly Rate Period (comprised of separate Weekly Interest Periods), (iii) a Short-Term Rate Period (comprised of separate Short-Term Interest Periods), (iv) a Long-Term Rate Period (comprised of separate Long-Term Interest Periods), (v) a Fixed Rate Period, (vi) an Index Rate Period (comprised of separate Index Interest Periods) or (vii) a Subsequent Index Rate Period (comprised of separate Subsequent Index Interest Periods).

“Regular Record Date” means (i) with respect to each Interest Payment Date for Daily Rate Bonds, Weekly Rate Bonds, Index Rate Bonds or Short-Term Rate Bonds, the close of

business on the Business Day immediately preceding that Interest Payment Date, and (ii) with respect to each Interest Payment Date for Fixed Rate Bonds or Long-Term Rate Bonds, the close of business on the 15th day of the calendar month next preceding such Interest Payment Date.

“Reimbursement Agreement” means any reimbursement agreement (or standby bond purchase agreement) between the Authority and a Credit Facility Provider setting forth the obligations of the Authority to such Credit Facility Provider arising out of any payments under a Credit Facility and which provides that it shall be deemed to be a Reimbursement Agreement for the purpose of this Thirty-Fourth Supplemental Indenture.

“Reimbursement Obligations” means the Authority’s payment obligations pursuant to a Reimbursement Agreement.

“Remarketing Agent” shall mean any Remarketing Agent designated by the Authority for the Series 2024B Bonds. BofA Securities, Inc. and Loop Capital Markets LLC are the initial Remarketing Agents.

“Remarketing Proceeds Account” means the account of that name established in the Purchase Fund pursuant to Section 407.

“Short-Term Interest Period” means each Interest Period determined as provided in Section 403(e) during which the Variable Rate Series 2024B Subordinate Bonds bear interest at a particular Short-Term Rate.

“Short-Term Rate” means the per annum interest rate for the Variable Rate Series 2024B Subordinate Bonds during a Short-Term Rate Period determined on a periodic basis as provided in Section 403(e).

“Short-Term Rate Bonds” means any Variable Rate Series 2024B Subordinate Bonds bearing interest at a Short-Term Rate.

“Short-Term Rate Period” means the Rate Period during which Short-Term Rates are in effect for the Variable Rate Series 2024B Subordinate Bonds.

“SIFMA Index” means, for any Computation Date, the level of the index which is issued weekly and which is compiled from the weekly interest rate resets of tax-exempt variable rate issues included in a database maintained by Municipal Market Data which meet specific criteria established from time to time by the Securities Industry and Financial Markets Association and issued on Wednesday of each week, or if any Wednesday is not a Business Day, the next preceding Business Day. If the SIFMA Index is no longer published, then “SIFMA Index” shall mean the Standard & Poor’s Weekly High Grade Index. If the Standard & Poor’s Weekly High Grade Index is no longer published, then “SIFMA Index” shall mean the prevailing rate determined by the Calculation Agent for tax-exempt state and local government bonds meeting criteria determined in good faith by the Calculation Agent to be comparable under the circumstances to the criteria used by the Securities Industry and Financial Markets Association to determine the SIFMA Index immediately prior to the date on which the Securities and Financial Markets Association ceased publication of the SIFMA Index.

“SIFMA Index Rate” means a per annum rate of interest equal to the sum of the Applicable Spread *plus* the relevant SIFMA Index.

“SIFMA Index Rate Period” means each Index Interest Period during which the Variable Rate Series 2024B Subordinate Bonds bear interest at the SIFMA Index Rate, from and including the Conversion Date to but excluding the earlier of (i) the immediately succeeding Index Rate Bonds Purchase Date and (ii) the maturity or redemption date of the Variable Rate Series 2024B Bonds.

“SIFMA Index Reset Date” means Thursday of each week.

“Soft Tender Index Rate Bonds” means Index Rate Bonds in the applicable Notice of Conversion for any Subsequent Index Rate Period.

“Subsequent Index Interest Period” means, during any Subsequent Rate Period, each period determined as provided in Section 403(j) during which the Variable Rate Series 2024B Subordinate Bonds bear interest at a particular Index Rate.

“Subsequent Index Rate Period” means any Rate Period during which the Variable Rate Series 2024B Subordinate Bonds bear interest at the Index Rate pursuant to Section 403(j).

“Substitute Credit Facility” means a letter of credit, standby bond purchase agreement or other similar agreement replacing a Credit Facility in accordance with Section 413.

“Substitution Date” means a date on which a Substitute Credit Facility is accepted by the Trustee and becomes effective with respect to the Variable Rate Series 2024B Subordinate Bonds, or a date on which an existing Credit Facility Provider assigns all or a portion of its rights and/or obligations to an assignee Credit Facility Provider (other than a participant), in each case, in accordance with Section 413(b).

“Tender Agent” means initially the Trustee, and any successor Tender Agent as determined or designated under or pursuant to this Thirty-Fourth Supplemental Indenture.

“Undelivered Bond” means any Variable Rate Series 2024B Subordinate Bond that is subject to purchase pursuant to Section 406 or 408 on a Purchase Date and that is not tendered and delivered for purchase on that Purchase Date but as to which the Tender Agent holds in the Purchase Fund sufficient funds to pay the Purchase Price of that Variable Rate Series 2024B Subordinate Bond.

“Undelivered Bond Payment Account” means the account by that name in the Purchase Fund established pursuant to Section 407.

“Voluntary Termination Date” means, with respect to any Credit Facility, the date chosen by the Authority on which the Credit Facility will terminate, as elected by the Authority.

“Weekly Interest Period” means each period described in Section 403(d) during which the Variable Rate Series 2024B Subordinate Bonds bear interest at a particular Weekly Rate.

“Weekly Rate” means the per annum interest rate for the Variable Rate Series 2024B Subordinate Bonds during a Weekly Interest Period determined on a weekly basis as provided in Section 403(d).

“Weekly Rate Bonds” means Variable Rate Series 2024B Subordinate Bonds bearing interest at a Weekly Rate.

“Weekly Rate Period” means the period during which Weekly Rates are in effect for the Variable Rate Series 2024B Subordinate Bonds.

“Written Request” means a request in writing signed by an Authorized Official.

Section 103. Reference to Articles and Sections.

Unless otherwise indicated, all references herein to particular articles or sections are references to articles or sections of this Thirty-Fourth Supplemental Indenture.

ARTICLE II

AUTHORIZATION OF SERIES 2024B SUBORDINATE BONDS

Section 201. Authorization of Series 2024B Subordinate Bonds.

Pursuant to Article III of the Master Indenture and, specifically, Section 305 thereof, and the Series 2024B Resolution, the Authority is authorized to issue its Series 2024B Subordinate Bonds in an aggregate principal amount of \$[101,000,000], designated “Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds, Series 2024B,” consisting of two subseries designated as (a) “Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds, Series 2024B-1” in the aggregate principal amount of \$[50,500,000] (the “**SubSeries 2024B-1 Subordinate Bonds**”), and (b) “Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds, Series 2024B-2” in the aggregate principal amount of \$[50,500,000] (the “**SubSeries 2024B-2 Subordinate Bonds**”), each issued for the purpose of: the purpose of: (i) currently refunding the Refunded Bonds and (ii) paying issuance costs of the Series 2024B Subordinate Bonds.

The Series 2024B Subordinate Bonds are issued as Subordinate Debt pursuant to the Indenture. Under the Series 2024B Resolution, the Series 2024B Subordinate Bonds are designated as Variable Rate Series 2024B Subordinate Bonds. All provisions of this Thirty-Fourth Supplemental Indenture shall be applicable to both subseries of Series 2024B Subordinate Bonds collectively and separately as the case may be.

ARTICLE III

Section 301. Delivery of Series 2024B Subordinate Bonds.

The Trustee shall authenticate and deliver the Series 2024B Subordinate Bonds when there have been filed with or delivered to it the following items:

- (a) An original executed counterpart of this Thirty-Fourth Supplemental Indenture;
- (b) A certified copy of applicable resolution(s) of the Board of Directors of the Authority and related Certificate of Award: (i) authorizing the execution and delivery of the Thirty-Fourth Supplemental Indenture, and (ii) authorizing the issuance, sale, award, execution and delivery of the Series 2024B Subordinate Bonds.
- (c) A certificate signed by an Authorized Representative of the Authority and dated the date of such issuance, to the effect that:
 - (1) Either: (A) upon and immediately following such issuance, no Event of Default has occurred which has not been cured or waived, and no event or condition exists which, with the giving of notice or lapse of time or both, would become an Event of Default, or (B) if any such event or condition is happening or existing, specifying such event or condition, stating that the Authority will act with due diligence to correct such event or condition after the issuance of the Series 2024B Subordinate Bonds, and describing in reasonable detail the actions to be taken by the Authority toward such correction; and
 - (2) All required approvals, limitations, conditions and provisions precedent to the issuance of the Series 2024B Subordinate Bonds have been obtained, observed, met and satisfied.
- (d) An Opinion or Opinions of Counsel, subject to customary exceptions and qualifications, substantially to the effect that this Thirty-Fourth Supplemental Indenture has been duly authorized, executed and delivered to the Trustee and is a valid, binding and enforceable obligation of the Authority.
- (e) An opinion or opinions of Co-Bond Counsel, subject to customary exceptions and qualifications, substantially to the effect that the issuance of the Series 2024B Subordinate Bonds has been duly authorized, that the Series 2024B Subordinate Bonds are valid and binding limited obligations of the Authority, and that the interest on the Series 2024B Subordinate Bonds is excludable from gross income for purposes of Federal income taxation and District of Columbia income taxation.
- (f) A certificate of an Authorized Representative of the Authority, stating that rates, fees and charges are in effect or scheduled to go into effect to meet the Rate Covenant immediately after the issuance of the Series 2024B Subordinate Bonds.
- (g) A request and authorization of the Authority, signed by an Authorized Representative of the Authority, to the Trustee to authenticate and deliver such Bonds to the purchaser upon payment to the Trustee in immediately available funds for the account of the Authority of a specified sum plus accrued interest to the date of delivery.
- (h) An original executed counterpart of the Escrow Agreement for the current refunding of the Refunded Bonds.

ARTICLE IV

DETAILS AND FORM OF VARIABLE RATE SERIES 2024B SUBORDINATE BONDS

Section 401. Issuance and Delivery of Variable Rate Series 2024B Subordinate Bonds, Principal Maturity and Initial Interest Rate.

The Series 2024B Subordinate Bonds shall be designated “Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds, Series 2024B.” The Variable Rate Series 2024B Subordinate Bonds shall be numbered in such manner and carry such other designations as determined by the Authority in order to distinguish each bond from any other bond and identify the interest payment and tender option provisions applicable thereto, shall be dated as of their date of original authentication and delivery, and shall bear interest from the most recent Interest Payment Date for which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from their date of original authentication and delivery. The Variable Rate Series 2024B Subordinate Bonds of the same maturity may bear interest at different interest rates; provided, however, all Variable Rate Series 2024B Subordinate Bonds of a SubSeries must be in the same Rate Period at any given time. In the event that one SubSeries of the Variable Rate Series 2024B Subordinate Bonds bears interest in an Interest Period different from that of the other SubSeries, the Trustee shall maintain separate funds and Accounts for each such SubSeries, and the moneys therein shall be applied to the payment of Debt Service Charges (as hereinafter defined) of the applicable SubSeries, and not comingled with the moneys held by the Trustee for the other SubSeries.

The SubSeries 2024B-1 Subordinate Bonds and SubSeries 2024B-2 Subordinate Bonds shall mature on their respective Maturity Dates, subject to prior redemption as set forth herein.

The interest on the Variable Rate Series 2024B Subordinate Bonds shall be payable on the Interest Payment Dates applicable to the Rate Period then in effect. Interest on the Variable Rate Series 2024B Subordinate Bonds shall be payable by check or draft mailed to the registered owners at their addresses as they appear on the Regular Record Date preceding the Interest Payment Date on the registration books kept by the Trustee; provided, however, if the Variable Rate Series 2024B Subordinate Bonds are registered in the name of a Depository or its nominee as registered owner or at the option of a registered owner of at least \$1,000,000 of Variable Rate Series 2024B Subordinate Bonds, payment shall be made by wire transfer pursuant to the wire instructions received by the Trustee with respect to each such payment from such registered owner. Any interest that is not timely paid or duly provided for shall cease to be payable to the Holder hereof (or of one or more predecessor bonds) as of the Regular Record Date and shall be payable to the Holder hereof at the close of business on a special record date to be fixed by the Trustee for the payment of that overdue interest. Notice of such a special record date shall be mailed to Holders not less than ten days prior thereto. Principal, premium, if any, and interest shall be payable in lawful money of the United States of America.

The Variable Rate Series 2024B Subordinate Bonds shall be issued in Authorized Denominations.

During the Initial Period, the Variable Rate Series 2024B Subordinate Bonds shall bear interest at the lesser of (i) the Daily Rate, and (ii) the Maximum Rate.

In the event the Variable Rate Series 2024B Subordinate Bonds are designated Soft Tender Index Rate Bonds and are mandatorily tendered pursuant to Section 408(a)(v) and the Authority fails to pay the Purchase Price, the Variable Rate Series 2024B Subordinate Bonds shall bear interest at the Penalty Rate unless and until the Purchase Price is paid or the Variable Rate Series 2024B Subordinate Bonds otherwise cease to be Outstanding; provided, however, that the interest rate on the Variable Rate Series 2024B Subordinate Bonds shall at no time exceed the Maximum Rate.

The Variable Rate Series 2024B Subordinate Bonds are subject to optional redemption, purchase in lieu of optional redemption, and mandatory redemption through Mandatory Sinking Fund Requirements as provided in Article V.

Section 402. Depository Provisions.

Notwithstanding any other provision of this Thirty-Fourth Supplemental Indenture or the Variable Rate Series 2024B Subordinate Bonds, so long as the Variable Rate Series 2024B Subordinate Bonds are in a Book Entry System and the Depository or its nominee is the Holder of the Variable Rate Series 2024B Subordinate Bonds:

(i) Presentation of Variable Rate Series 2024B Subordinate Bonds to the Trustee at redemption or at maturity, or delivery of Variable Rate Series 2024B Subordinate Bonds to the Tender Agent in connection with a purchase of tendered Variable Rate Series 2024B Subordinate Bonds, shall be deemed made to the Trustee when the right to exercise ownership rights in the Variable Rate Series 2024B Subordinate Bonds through the Depository or the Depository's participants is transferred by the Depository on its books.

(ii) Notice of a tender for purchase pursuant to Section 406 hereof shall be given by the beneficial owner of the Variable Rate Series 2024B Subordinate Bonds exercising ownership rights through the Depository or the Depository's participants by telephonic or written notice (confirmed in writing) to the Tender Agent at the times set forth in that Section.

(iii) The Depository may present notices, approvals, waivers, votes or other communications required or permitted to be made by Holders under this Thirty-Fourth Supplemental Indenture on a fractionalized basis on behalf of some or all of those persons entitled to exercise ownership rights in the Variable Rate Series 2024B Subordinate Bonds through the Depository or its participants.

(iv) Variable Rate Series 2024B Subordinate Bonds purchased by the Authority shall not be registered in the name of the Authority on the Register maintained by the Trustee and shall not be physically held by any party other than the Depository.

(v) Variable Rate Series 2024B Subordinate Bonds or any portion thereof shall not be transferable or exchangeable except:

(A) To any successor of the Depository;

(B) To any new Depository upon (i) the resignation of then current Depository or its successor from its functions as Depository or (ii) termination of the use of the Depository by direction of the Authority;

(C) To any Persons who are the assigns of the Depository or its nominee, upon (i) the resignation of the Depository from its functions as Depository hereunder or (ii) termination by the Authority of use of the Depository.

Subject to any arrangements made by the Trustee with a Depository with respect to the Variable Rate Series 2024B Subordinate Bonds held in a Book Entry System, which arrangements are hereby authorized subject to the approval of an Authorized Official of the Authority, principal of, premium, if any, and interest shall be payable on any Variable Rate Series 2024B Subordinate Bond as provided in this Thirty-Fourth Supplemental Indenture.

Section 403. Determination of Interest Rates.

(a) General.

(i) The Variable Rate Series 2024B Subordinate Bonds may bear interest at any time in any Rate Period, and different subseries may bear interest in different Rate Periods.

(ii) The amount of interest payable with respect to Variable Rate Series 2024B Subordinate Bonds on any Interest Payment Date shall be computed (A) during a Daily Interest Period, Weekly Interest Period, Short-Term Interest Period or Index Rate Period, on the basis of a 365- or 366-day year for the number of days actually elapsed, and (B) during a Fixed Rate Period and any Long-Term Interest Periods, on the basis of a 360-day year of twelve 30-day months. Interest payable on each Interest Payment Date shall be the interest accrued and unpaid from and including the immediately preceding Interest Payment Date to and including the day preceding such Interest Payment Date. Notwithstanding the foregoing, the amount of interest payable with respect to Credit Facility Provider Bonds shall be calculated as provided in the Reimbursement Agreement.

(iii) All determinations of interest rates, amounts of interest payable on the Variable Rate Series 2024B Subordinate Bonds and Rate Periods pursuant to this Thirty-Fourth Supplemental Indenture shall be conclusive and binding upon the Authority, the Trustee, the Tender Agent, the Credit Facility Provider and the Holders of the Variable Rate Series 2024B Subordinate Bonds to which such rates are applicable. The Authority, the Trustee, the Tender Agent, the Remarketing Agent and the Credit Facility Provider shall not be liable to any Holder for failure to give any notice specified in this Section or for the failure of any Holder to receive any such notice.

(b) Determination by Remarketing Agent.

(i) The interest rate for Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds, Long-Term Rate Bonds and, if engaged as Remarketing Agent in connection with the conversion to Fixed Rate Bonds, the Fixed Rate(s), for each Rate Period shall be determined by a Remarketing Agent, to be appointed by the Authority, as the lowest rate of interest that, in the judgment of the Remarketing Agent, would cause the Variable Rate Series 2024B Subordinate Bonds to be sold at a price as of the date of determination equal to the principal amount thereof, taking into account Prevailing Market Conditions, provided that in no event will the interest rate on any Variable Rate Series 2024B Subordinate Bonds exceed the Maximum Rate.

(ii) In the event the Remarketing Agent fails for any reason to determine the interest rate for any Rate Period:

(A) If the applicable Variable Rate Series 2024B Subordinate Bonds are bearing interest at a Daily Rate, Weekly Rate or Short-Term Rate, the applicable Variable Rate Series 2024B Subordinate Bonds shall bear interest at a rate equal to the prior week's rate, unless there is a failure by the Remarketing Agent to set the rate for two consecutive Weekly Rate Periods or seven consecutive Daily Rate Periods, in which case the applicable Variable Rate Series 2024B Subordinate Bonds shall bear interest at 105% of the SIFMA Index, until the Trustee is notified of a new Daily Rate, Weekly Rate or Short-Term Rate, as appropriate, determined by the Remarketing Agent.

(B) If the applicable Variable Rate Series 2024B Subordinate Bonds are bearing interest at a Long-Term Rate (1) the Rate Period shall be converted to a Weekly Rate Period and shall bear interest at a rate equal to 105% of the SIFMA Index, but only if the Authority furnishes to the Trustee a Favorable Opinion of Bond Counsel or (2) if the opinion described in clause (1) is not furnished, the Rate Period will remain in the Long-Term Rate Period and the applicable Variable Rate Series 2024B Subordinate Bonds shall bear interest at a rate equal to the "Revenue Bond Index" as published in The Bond Buyer as of a recent date or, if such index is no longer published, then a comparable index selected by the Authority and acceptable to the Trustee.

(iii) Notice of the interest rate for each Daily Rate Bond, Weekly Rate Bond, Short-Term Rate Bond, Long-Term Rate Bond and, if engaged as Remarketing Agent in connection with the conversion to Fixed Rate Bonds, the Fixed Rate(s), shall be communicated by the Remarketing Agent to the Authority, the Trustee and any Credit Facility Provider by Electronic Means, (a) in the case of Daily Rate Bonds on the date such interest rate is determined by 10:30 a.m., New York City time, and (b) in the case of Weekly Rate Bonds, Short-Term Rate Bonds, Long-Term Rate Bonds or Fixed Rate Bonds, not later than 5:00 p.m., New York City time, on the date such interest rate is determined, and shall be available to Holders after such time, from the Remarketing Agent at its Designated Office and shall also be communicated by the Remarketing Agent to any Holder upon request.

(c) Daily Rates.

(i) Whenever the Variable Rate Series 2024B Subordinate Bonds are to bear interest accruing at a Daily Rate, Daily Interest Periods shall commence on each Business Day and shall extend to, but not include, the next succeeding Business Day.

(ii) The interest rate for each Daily Interest Period shall be effective from and including the commencement date thereof and shall remain in effect to, but not including, the next succeeding Business Day.

(iii) Each such interest rate shall be determined by the Remarketing Agent no later than 10:00 a.m., New York City time, on the commencement date of the Daily Interest Period to which it relates.

(d) Weekly Rates.

(i) Whenever the Variable Rate Series 2024B Subordinate Bonds are to bear interest accruing at a Weekly Rate, Weekly Interest Periods shall commence on Thursday of each week and end on Wednesday of the following week; provided, however, that (A) in the case of a conversion to a Weekly Rate Period, the post-conversion initial Weekly Interest Period for the Variable Rate Series 2024B Subordinate Bonds shall commence on the Conversion Date and end on the next succeeding Wednesday and (B) in the case of a conversion from a Weekly Rate to a Daily Rate, the last Weekly Interest Period prior to conversion shall end on the last day immediately preceding the Conversion Date.

(ii) The interest rate for each Weekly Interest Period shall be effective from and including the commencement date of such period and shall remain in effect through and including the last day thereof.

(iii) Each such interest rate shall be determined by the Remarketing Agent by 5:00 p.m., New York City time, on the Business Day immediately preceding the commencement date of the Weekly Interest Period to which it relates.

(e) Short-Term Rates. Short-Term Rates on, and Short-Term Interest Periods for, Short-Term Rate Bonds shall be determined as follows:

(i) Each Short-Term Interest Period shall be determined by the Remarketing Agent on the first Business Day of that Short-Term Interest Period as that Short-Term Interest Period which will, in the judgment of the Remarketing Agent, produce the greatest likelihood of the lowest net interest cost; provided that each Short-Term Interest Period (A) shall be from 1 to 270 days in length but shall not exceed the number of days of interest coverage provided by the Credit Facility minus five days, shall not extend beyond the date that is five days before the Expiration Date of the Credit Facility and shall not exceed the remaining number of days prior to the Conversion Date if the Remarketing Agent has given or received notice of any conversion to a different Rate Period, (B) shall commence on a Business Day (except in the case of a conversion to a Short-Term Rate Period, the initial Short-Term Interest Period shall commence on the Conversion Date), shall end on a day preceding a Business Day, and (C) in any event

shall end no later than the day preceding the Maturity Date. The Remarketing Agent may, in the reasonable exercise of its judgment, determine a Short-Term Interest Period that results in a Short-Term Rate on the Variable Rate Series 2024B Subordinate Bonds that is higher than would be borne by the Variable Rate Series 2024B Subordinate Bonds with a shorter Short-Term Interest Period in order to increase the likelihood of achieving the lowest net interest cost during the term of the Variable Rate Series 2024B Subordinate Bonds by assuring the effectiveness of such Short-Term Rate for a longer Short-Term Interest Period. The determination of a Short-Term Interest Period by the Remarketing Agent shall be based upon the relative market yields of the Variable Rate Series 2024B Subordinate Bonds and other securities that bear interest at a variable rate or at fixed rates that, in the reasonable exercise of the judgment of the Remarketing Agent are otherwise comparable to the Variable Rate Series 2024B Subordinate Bonds, or any fact or circumstance relating to the Variable Rate Series 2024B Subordinate Bonds or affecting the market for the Variable Rate Series 2024B Subordinate Bonds or affecting such other comparable securities in a manner that, in the reasonable exercise of the judgment of the Remarketing Agent, will affect the market for the Variable Rate Series 2024B Subordinate Bonds. The Remarketing Agent in its discretion, may consider such information and resources as it deems appropriate in making the determinations described in this paragraph, including consultations with the Authority, but the Remarketing Agent's determination of the Short-Term Interest Period will be based solely upon the reasonable exercise of the Remarketing Agent's judgment.

(ii) The interest rate for each Short-Term Interest Period shall be effective from and including the commencement date of that Short-Term Interest Period and shall remain in effect through and including the last day thereof.

(iii) All Short-Term Rate Bonds of a subseries of the Variable Rate Series 2024B Subordinate Bonds shall bear interest accruing at the same Short-Term Rate, and for the same Short-Term Interest Period.

(iv) Each such interest rate shall be determined by the Remarketing Agent by 4:00 p.m., New York City time, on the Business Day immediately preceding the commencement date of the Short-Term Interest Period to which it relates.

(f) Long-Term Rates. A Long-Term Rate for Long-Term Rate Bonds shall be determined for each Long-Term Interest Period as follows:

(i) Long-Term Interest Periods shall commence on a Conversion Date and subsequently on an Interest Payment Date which is at least 12 calendar months after the Conversion Date to a Long-Term Rate Period, and end on the day preceding either the commencement date of the following Long-Term Interest Period or the Conversion Date on which a different Rate Period shall become effective or the Maturity Date.

(ii) The Long-Term Rate for each Long-Term Interest Period shall be effective from and including the commencement date thereof and remain in effect to and including the last day thereof. Each such Long-Term Rate shall be determined on the Business Day immediately preceding the commencement date of such period.

(iii) Long-Term Interest Periods shall not extend to a date beyond the fifth day next preceding the Expiration Date of the Credit Facility.

(iv) The term of each Long-Term Interest Period shall be specified in writing by the Authority to the Remarketing Agent, the Trustee, the Tender Agent and the Credit Facility Provider at least 20 days before its commencement.

(g) Fixed Rate. The Fixed Rate shall be determined as set forth in this subsection (g). Variable Rate Series 2024B Subordinate Bonds bearing interest at a Fixed Rate may not be converted to any other type of Rate Period pursuant to Section 404.

The Fixed Rate Period shall commence on a Conversion Date and shall extend to the earlier of the date of redemption or the Maturity Date. The Fixed Rate shall be determined (1) by the Remarketing Agent, if the Remarketing Agent is engaged in connection with the conversion to Fixed Rate Bonds, not later than 12:00 noon, New York City time, on the Business Day prior to the Conversion Date; or (2) set in the firm underwriting or purchase contract described in Section 404(b)(iv). Such determination shall be conclusive and binding on the Authority, the Trustee, any Credit Facility Provider and the Holders of the Variable Rate Series 2024B Subordinate Bonds to which such rate shall be applicable.

In determining the amount of interest and principal that shall be payable on the Payment Dates, the Remarketing Agent or the firm of underwriters or recognized institutional investors (the "Firm") underwriting or purchasing the Variable Rate Series 2024B Subordinate Bonds then being converted, as applicable, shall use the following guidelines:

(i) The interest rate on each Variable Rate Series 2024B Subordinate Bond then being converted shall be the lowest interest rate that will enable such Variable Rate Series 2024B Subordinate Bond, upon conversion, to be remarketed at par (plus any accrued interest), taking into account (A) any market premium determined by the Authorized Official to be necessary to fund fees and expenses relating to the conversion and remarketing of the Variable Rate Series 2024B Subordinate Bonds, including fees and expenses relating to a Credit Facility, any deposit to the Debt Service Reserve Fund and any amount owed upon termination of any Hedge Agreement, (B) the principal amortization schedule for the Variable Rate Series 2024B Subordinate Bonds, and (C) current market conditions for bonds that have similar tax status and a comparable credit rating; and

(ii) If a Favorable Opinion of Bond Counsel has been obtained, the schedule of principal payments of the Variable Rate Series 2024B Subordinate Bonds may be modified based on a Mandatory Sinking Fund Requirements schedule agreed to by the Authority and the firm that agrees to underwrite or purchase the Variable Rate Series 2024B Subordinate Bonds being converted, in accordance with Section 404(b)(iv), and delivered to the Trustee. If a Favorable Opinion of Bond Counsel is not received, all Variable Rate Series 2024B Subordinate Bonds shall mature on the Maturity Date and shall be subject to mandatory sinking fund redemption (or serial maturities pursuant to subparagraph (iii) below) on the dates and in the respective principal amounts established at the time of original delivery of the Variable Rate Series 2024B Subordinate Bonds.

(iii) The foregoing subparagraphs (i) and (ii) notwithstanding, upon provision of a Favorable Opinion of Bond Counsel, Variable Rate Series 2024B Subordinate Bonds may be scheduled to mature serially on January 1 in the years and respective principal amounts agreed to by the Authority and delivered to the Trustee, and the Remarketing Agent may establish more than one Fixed Rate to apply to the Variable Rate Series 2024B Subordinate Bonds being converted to Fixed Rate Bonds, in accordance with this Section, taking into account the scheduled mandatory redemption dates or serial maturity dates to be assigned to the Variable Rate Series 2024B Subordinate Bonds.

(h) Credit Facility Provider Bonds. Notwithstanding the above provisions of this Section, Credit Facility Provider Bonds shall bear interest at the Credit Facility Provider Rate and shall be payable at the times and by such means as provided in the Reimbursement Agreement. The Trustee shall register on its books and records the Credit Facility Provider as the Holder or the pledgee of such Credit Facility Provider Bonds, as directed by such Credit Facility Provider. The Credit Facility Provider Rate shall be supplied in writing to the Trustee by the Credit Facility Provider. If the Remarketing Agent has notified the Holder of any Credit Facility Provider Bonds that it has located a purchaser for some or all of that Holder's Credit Facility Provider Bonds, then, subject to Section 410, that Holder must deliver those Credit Facility Provider Bonds to the Tender Agent for purchase. Upon such delivery and receipt of the Purchase Price by that Holder, and provided no Event of Default has occurred and is continuing under the Reimbursement Agreement, the Tender Agent shall notify the Trustee that the Variable Rate Series 2024B Subordinate Bonds so purchased are no longer "Credit Facility Provider Bonds" and the Trustee shall note on the registration books for the Variable Rate Series 2024B Subordinate Bonds that those Variable Rate Series 2024B Subordinate Bonds are not Credit Facility Provider Bonds. Notwithstanding anything herein to the contrary, only the Credit Facility Provider or any Holder of Credit Facility Provider Bonds may receive interest on any Variable Rate Series 2024B Subordinate Bonds at the Credit Facility Provider Rate.

For all purposes of the Indenture, payments of principal and interest on the Credit Facility Provider Bonds are secured in the same manner as payments of principal and interest on the Variable Rate Series 2024B Subordinate Bonds. Amounts owed by the Authority to a Credit Facility Provider (including, without limitation, reimbursement obligations) shall be included in the calculation of "Annual Debt Service" under the Indenture if and to the extent required by the Indenture's definition of "Annual Debt Service."

(i) [Reserved].

(j) Index Rates. During any Index Rate Period, a Remarketing Agent shall determine the Applicable Spread that will be used in determining the Index Rate for each Index Interest Period as follows: (i) the Applicable Spread shall be the number of basis points or schedule of basis points as determined by the Remarketing Agent that, when added to the SIFMA Index would equal the minimum interest rate per annum that would enable the Remarketing Agent to sell the applicable Variable Rate Series 2024B Subordinate Bonds on the first day of such Subsequent Rate Period at a price equal to the principal amount thereof (but subject to the final sentence of this Section 403(j)), plus accrued interest, if any, thereon. The Remarketing Agent shall determine the Applicable Spread for any such Index Rate Period not later than the day preceding the commencement of such Index Rate Period and shall notify the Trustee, the

Calculation Agent and the Authority thereof by telephone or such other manner as may be appropriate by not later than 2:00 P.M. New York City time on such date, which notice shall be promptly confirmed in writing. If at any time that the Remarketing Agent is required to determine the Applicable Spread, the Remarketing Agent recommends in writing to the Authority that the Variable Rate Series 2024B Subordinate Bonds may be remarketed at a specified discount from their principal amount that would enable the Authority to achieve a lower net interest cost than if such Variable Rate Series 2024B Subordinate Bonds were remarketed at their principal amount, and if the Authority accepts that recommendation in writing signed by an Authorized Official, then the Remarketing Agent shall determine the Applicable Spread based upon the minimum interest rate per annum that would enable the Remarketing Agent to sell the applicable Variable Rate Series 2024B Subordinate Bonds at the agreed upon discounted price.

(k) Index Rates – General. During any Index Rate Period, the Calculation Agent shall determine the Index Rate on each Computation Date, and such rate shall become effective on the SIFMA Index Reset Date next succeeding the Computation Date; provided that in no event will the Index Rate exceed the Maximum Rate. The Calculation Agent shall (i) upon determining the Index Rate for each week, notify the Authority and the Trustee of such Index Rate by Electronic Means as promptly as practicable, and (ii) no later than the day preceding each Interest Payment Date, provide the Authority and the Trustee with a report that shows all the reset rates for the preceding month. The determination of the Index Rate (absent manifest error) shall be conclusive and binding upon the Authority and the Holders of the Variable Rate Series 2024B Subordinate Bonds. If for any reason the Index Rate shall not be established, the Variable Rate Series 2024B Subordinate Bonds shall bear interest at the Index Rate last in effect until such time as a new Index Rate shall be established pursuant to this Thirty-Fourth Supplemental Indenture.

Section 404. Conversions Between Rate Periods.

(a) Notice of Conversion. The Authority may, with the prior written consent of the Credit Facility Provider, if any, if the same Credit Facility will secure the Variable Rate Series 2024B Subordinate Bonds before and after the conversion, elect to convert all, but not less than all, of one or both SubSeries of the Variable Rate Series 2024B Subordinate Bonds from one Rate Period to another Rate Period (other than from a Fixed Rate Period) as follows:

(i) Notices by Authority. The Authority shall give written notice of any proposed conversion of some or all Variable Rate Series 2024B Subordinate Bonds to the Trustee, and during an Index Rate Period to the Calculation Agent, not fewer than seven Business Days (14 Business Days in the case of a proposed conversion to a Short-Term Rate Period) prior to the date the notice to affected Holders must be given pursuant to Section 404(2)(ii).

(ii) Notices by Trustee. Upon receipt of the notice specified in Section 404(a)(i), the Trustee shall promptly give written notice of the proposed conversion, via Electronic Means or by written notice, to the Tender Agent, the Remarketing Agent, any Credit Facility Provider and any Rating Agency. The Trustee shall give notice (which may be combined, where applicable, with any notice required by Section 408(d)) by first-class mail of the proposed conversion to the affected Holders of

the Variable Rate Series 2024B Subordinate Bonds not less than 10 days before the proposed Conversion Date. Such notice shall state:

(A) the proposed Conversion Date and the proposed Rate Period to be effective on such date;

(B) that all or a specified portion of the Variable Rate Series 2024B Subordinate Bonds will be subject to mandatory tender for purchase on the Conversion Date and, if fewer than all;

(C) the conditions, if any, to the conversion pursuant to subsection (b), and the consequences of such conditions not being fulfilled pursuant to subsection (c);

(D) if the Variable Rate Series 2024B Subordinate Bonds are in certificated form, information with respect to required delivery of the Variable Rate Series 2024B Subordinate Bond certificates and payment of the Purchase Price;

(E) the new Interest Payment Dates and Regular Record Dates.

(b) Conditions to Conversion. No conversion of Rate Periods will become effective unless the prior written consent of the Credit Facility Provider, if any, if the same Credit Facility will secure the Variable Rate Series 2024B Subordinate Bonds before and after the conversion, is obtained, and:

(i) If the conversion is from a Short-Term Rate Period, the Trustee has received, prior to the date on which notice of conversion is required to be given to Holders, written confirmation from the Remarketing Agent that it has not established and will not establish any Short-Term Interest Periods extending beyond the day before the Conversion Date; and

(ii) If the conversion is either (A) from a Short-Term Rate Period, a Weekly Rate Period or a Daily Rate Period to a Long-Term Rate Period or a Fixed Rate Period, or (B) from a Long-Term Rate Period to a Short-Term Rate Period, a Weekly Rate Period or a Daily Rate Period, the Authority shall have provided to the Trustee, and the Remarketing Agent, no later than one day before the Conversion Date, a Favorable Opinion of Bond Counsel, which opinion shall be confirmed in writing on the Conversion Date; and

(iii) Any Credit Facility to be held by the Trustee after the Conversion Date shall be in an amount equal to the aggregate principal amount of all of the Outstanding Variable Rate Series 2024B Subordinate Bonds, plus an amount for payment of interest equal to at least (a) 34 days' interest (183 days' interest if the conversion is to Long-Term Rate Bonds or, if the conversion is to Short-Term Rate Bonds, the maximum number of days of a Short-Term Interest Period, as provided in Section 403(e)(i) plus five days), plus in the case of a Credit Facility that does not automatically reinstate coverage for interest following a drawing to pay interest on the Variable Rate Series 2024B

Subordinate Bonds, the number of days during which the Variable Rate Series 2024B Subordinate Bonds may continue to bear interest until purchased upon mandatory tender under Section 408(a)(iv) following a drawing in which the Credit Facility Provider may notify the Trustee that interest coverage has not reinstated or (b) in the event that a rating will be maintained on the Variable Rate Series 2024B Subordinate Bonds, then such other number of days of interest as may be required by any Rating Agency; and

(iv) If an Index Rate is in effect prior to the Conversion, the Conversion Date must be on a date that would otherwise be an Interest Payment Date; and

(v) If the conversion is to a Fixed Rate Period, the Authority's written notice pursuant to Section 404(a)(i) shall also be provided to the Remarketing Agent and shall also specify the Conversion Date on which the Fixed Rate Period is to commence, and the Authority shall deliver with such notice any Favorable Opinion of Bond Counsel required pursuant to Section 403(g) and a firm underwriting or purchase contract from a firm, which can be the Remarketing Agent, to underwrite or purchase all of the Variable Rate Series 2024B Subordinate Bonds at a price of 100% of the principal amount thereof at an agreed upon interest rate which such firm certifies is the lowest rate that will permit the Variable Rate Series 2024B Subordinate Bonds to be sold at par on the first day of the Fixed Rate Period and containing a Mandatory Sinking Fund Requirements schedule prepared in accordance with Section 403(g). Upon receipt by the Trustee of such notice from the Authority, the Trustee shall promptly cause the same information contained in such notice to be delivered to the Tender Agent, any Credit Facility Provider and any Rating Agency. A conversion to the Fixed Interest Rate shall not occur unless the Authority shall also file with the Trustee any Favorable Opinion of Bond Counsel to the same effect dated the Conversion Date; and

(vi) The conversion shall not occur unless the Conversion Date is a date on which the Variable Rate Series 2024B Subordinate Bonds being converted could be redeemed without premium pursuant to Section 501(a); and

(vii) If the conversion is to a Short-Term Rate Period, (A) the Authority must engage, at its expense, a commercial paper trustee and paying agent (the "Issuing Agent"), which may or may not be the Trustee and which shall be reasonably acceptable to the Trustee, any Credit Facility Provider and the Tender Agent, having access to the Depository's electronic money market issuing and payment system and otherwise eligible to serve as an issuing and paying agent under the Depository's policies and procedures for the issuance and payment of commercial paper; and (B) the Remarketing Agent must arrange for the execution and delivery to the Depository of its required letter of representation for the eligibility of the Variable Rate Series 2024B Subordinate Bonds in the Short-Term Rate Period in the Depository's book entry system and the provision of any needed CUSIP numbers; and (C) the Authority shall take all other action needed to comply with the Depository's requirements applicable to the issuance and payment of the Variable Rate Series 2024B Subordinate Bonds while in the Short-Term Rate Period; and (D) the Authority shall enter into any amendment of this Thirty-Fourth Supplemental Indenture permitted under the Indenture that is needed to comply with the Depository's

or any Rating Agency's requirements concerning the issuance and payment of the Variable Rate Series 2024B Subordinate Bonds in the Short-Term Rate Period; and

(viii) If the conversion is only of one SubSeries or of both SubSeries to different Interest Periods, the Trustee shall have provided for separate funds and Accounts for each SubSeries, the moneys in which shall be held and applied solely for the payment of Debt Service Charges for the applicable SubSeries and shall not be comingled with moneys held for the other SubSeries.

(c) Failure of Conditions to Conversion. In the event any condition precedent to a conversion is not fulfilled, (i) the Conversion Date shall not occur, (ii) the mandatory tender pursuant to Section 408(a)(i) shall not occur and (iii) the Variable Rate Series 2024B Subordinate Bonds shall continue in the then existing Rate Period with the length of the Rate Period and the interest rate being determined in accordance with Section 403. Notice of withdrawal of a conversion notice shall be given by the Authority to the Trustee, the Remarketing Agent, the Tender Agent and any Credit Facility Provider by telephone, promptly confirmed in writing, and shall thereafter be promptly given to the Holders by the Trustee via Electronic Means or by first-class mail. No failure or cancellation of conversion pursuant to this subsection (c) shall constitute an Event of Default.

Section 405. Tender Agent.

The Trustee is the initial Tender Agent. There shall be a Tender Agent for the Variable Rate Series 2024B Subordinate Bonds as provided in this Section at all times that any Variable Rate Series 2024B Subordinate Bonds are Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds, Index Rate Bonds or Long-Term Rate Bonds. The Tender Agent shall be appointed by the Authority and shall be a commercial bank, national association or trust company organized and doing business under the laws of the United States of America or of any state thereof, authorized to exercise corporate trust powers in the State, subject to supervision or examination by federal or state authority, and authorized to perform all of the duties imposed upon it by this Thirty-Fourth Supplemental Indenture, and having a combined capital and surplus of at least \$75,000,000. If such corporation or association publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining Authority, then for the purposes of this Section, the combined capital and surplus of such corporation or association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Tender Agent shall perform the duties imposed upon the Tender Agent by this Thirty-Fourth Supplemental Indenture, but only upon the terms and conditions set forth herein, including the following:

(a) hold all Variable Rate Series 2024B Subordinate Bonds delivered to it hereunder in trust for the benefit of the respective Holders which shall have so delivered such Variable Rate Series 2024B Subordinate Bonds until moneys representing the Purchase Price of such Variable Rate Series 2024B Subordinate Bonds shall have been delivered to or for the account of or to the order of such Holders;

(b) hold all moneys delivered to it hereunder for the purchase of Variable Rate Series 2024B Subordinate Bonds in trust solely for the benefit of the Person which shall have so delivered such moneys until the Variable Rate Series 2024B Subordinate Bonds purchased with such moneys shall have been delivered to or for the account of such Person;

(c) hold all moneys, other than proceeds of payments under a Credit Facility, delivered to it hereunder for the purchase of Variable Rate Series 2024B Subordinate Bonds as agent of, and in escrow for the exclusive benefit of, the Person which shall have so delivered such moneys until the Variable Rate Series 2024B Subordinate Bonds purchased with such moneys shall have been delivered to or for the account of such Person;

(d) hold all moneys delivered to it hereunder from payments under a Credit Facility for the purchase of Variable Rate Series 2024B Subordinate Bonds as agent of, and in escrow for the exclusive benefit of, the Holders who shall deliver Variable Rate Series 2024B Subordinate Bonds to it for purchase until the Variable Rate Series 2024B Subordinate Bonds purchased with such moneys shall have been delivered to or for the account of the Credit Facility Provider;

(e) keep such books and records as shall be consistent with customary corporate trust industry practice that shall accurately reflect the transactions hereunder and to make such books and records available for inspection by the Authority, the Trustee, the Remarketing Agent and the Credit Facility Provider during normal business hours upon reasonable prior written notice;

(f) hold all Credit Facility Provider Bonds delivered to it hereunder as agent of, and in escrow for the benefit of, the Credit Facility Provider;

(g) deliver any notices required by this Thirty-Fourth Supplemental Indenture to be delivered by the Tender Agent; and

(h) perform all other duties of the Tender Agent under this Thirty-Fourth Supplemental Indenture.

The Tender Agent shall be entitled to reasonable compensation for its services as Tender Agent as agreed upon with the Authority.

The Tender Agent at any time may resign and be discharged of the duties and obligations imposed upon the Tender Agent by this Thirty-Fourth Supplemental Indenture, by giving written notice thereof to the Authority, the Trustee, the Remarketing Agent and the Credit Facility Provider at least 30 days prior to the effective date of such resignation. The Tender Agent shall resign at any time that it shall cease to be eligible in accordance with the provisions of this Section, effective upon the appointment of and acceptance of such appointment by a successor Tender Agent.

The Tender Agent may be removed at any time by the Authority by an instrument in writing delivered to the Tender Agent, the Trustee, the Remarketing Agent and the Credit Facility Provider.

If the Tender Agent shall resign, be removed or become incapable of acting for any cause, the Authority shall promptly appoint a successor Tender Agent by an instrument in

writing delivered to the Trustee, the Remarketing Agent, the Credit Facility Provider, and the retiring Tender Agent. Every such successor Tender Agent appointed pursuant to the provisions of this Section shall meet the eligibility requirements of this Section. No successor Tender Agent shall accept its appointment unless at the time of such acceptance such successor Tender Agent shall be qualified and eligible under this Article.

Every successor Tender Agent appointed hereunder shall execute and deliver to the Authority, the Trustee, the Remarketing Agent, any Credit Facility Provider, and the retiring Tender Agent an instrument accepting such appointment, designating its Designated Office and accepting the duties and obligations imposed upon it hereunder. No resignation or removal of the Tender Agent and no appointment of a successor Tender Agent pursuant to this Section shall become effective until the acceptance of appointment by the successor Tender Agent hereunder.

The Trustee shall give notice of each resignation and each removal of the Tender Agent and each appointment of a successor Tender Agent by mailing written notice of such event by first-class mail, within 30 days of the resignation or removal of the Tender Agent or the appointment of a successor Tender Agent, to the Authority, any Credit Facility Provider, the Remarketing Agent, each Rating Agency and the Holders as their names and addresses appear in the Bond Register maintained by the Trustee. Each notice shall include the name of the successor Tender Agent and the address of its Designated Office.

In the event of the resignation or removal of the Tender Agent, and the appointment of a successor Tender Agent, the retiring Tender Agent shall pay over, assign and deliver any moneys and Variable Rate Series 2024B Subordinate Bonds held by it in such capacity to its successor.

In the event that the Tender Agent shall resign or be removed, or be dissolved, or if the property or affairs of the Tender Agent shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the Authority shall not have appointed a successor as Tender Agent, the Trustee shall ipso facto be deemed to be the Tender Agent for all purposes of this Thirty-Fourth Supplemental Indenture until the appointment by the Authority of the successor Tender Agent.

Any corporation or association into which the Tender Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any merger, conversion or consolidation to which the Tender Agent in its individual capacity shall be a party, or any corporation or association to which all or substantially all the corporate trust business of the Tender Agent in its individual capacity may be sold or otherwise transferred, shall be the Tender Agent under this Thirty-Fourth Supplemental Indenture without further act; provided, that the Tender Agent shall promptly give notice of such action to the Authority, and the Authority shall have 45 days to exercise an option to appoint a successor Tender Agent by an instrument in writing delivered to the Trustee, the Remarketing Agent, the Credit Facility Provider, and the then current Tender Agent. Every such successor Tender Agent appointed pursuant to the provisions of this Section shall meet the eligibility requirements of this Section. No successor Tender Agent shall accept its appointment unless at the time of such acceptance such successor Tender Agent shall be qualified and eligible under this Article.

Section 406. Optional Tenders of Variable Rate Series 2024B Subordinate Bonds in Certain Rate Periods.

(a) Holders of Daily Rate Bonds or Weekly Rate Bonds may elect to have their Variable Rate Series 2024B Subordinate Bonds (other than Credit Facility Provider Bonds or Variable Rate Series 2024B Subordinate Bonds owned by or for the benefit of the Authority), or portions thereof in Authorized Denominations, purchased at the applicable Purchase Price on the following Purchase Dates and, upon the giving of the following Electronic Means or written notices meeting the further requirements set forth in subsection (b) below, provided, however, that so long as the Variable Rate Series 2024B Subordinate Bonds are in book entry form the provisions set forth in Section 402 and the procedures established by the Depository generally for tenders of Variable Rate Series 2024B Subordinate Bonds shall apply with respect to notice of tenders, delivery of Variable Rate Series 2024B Subordinate Bonds, payment of Purchase Price and related matters. If less than all of the Variable Rate Series 2024B Subordinate Bonds of a Holder are tendered for purchase the amount retained by that Holder must be in an Authorized Denomination.

(i) Daily Rate Bonds (other than Credit Facility Provider Bonds or Variable Rate Series 2024B Subordinate Bonds owned by or for the benefit of the Authority) may be tendered for purchase at the Purchase Price payable in immediately available funds on any Business Day upon Electronic Means or written notice of tender to the Tender Agent and the Remarketing Agent not later than 11:00 a.m., New York City time, on the designated Purchase Date.

(ii) Weekly Rate Bonds (other than Credit Facility Provider Bonds or Variable Rate Series 2024B Subordinate Bonds owned by or for the benefit of the Authority) may be tendered for purchase at the Purchase Price payable in immediately available funds on any Business Day upon delivery of a written or Electronic Means notice of tender to the Tender Agent not later than 5:00 p.m., New York City time, on a Business Day not fewer than seven days prior to the designated Purchase Date.

(b) Each notice of tender for Daily Rate Bonds and Weekly Rate Bonds:

(i) shall, in case of a written notice, be delivered to the Tender Agent at its Designated Office and, with respect to Daily Rate Bonds, to the Remarketing Agent at its Designated Office, and be in form satisfactory to the Tender Agent;

(ii) shall state, whether delivered in writing or by Electronic Means, (A) the principal amount of the Daily Rate Bond or Weekly Rate Bond to which the notice relates and the CUSIP number of that Bond, (B) that the Holder irrevocably demands purchase of that Variable Rate Series 2024B Subordinate Bond or a specified portion thereof in an Authorized Denomination, (C) the Purchase Date on which that Variable Rate Series 2024B Subordinate Bond or portion thereof is to be purchased and (D) payment instructions with respect to the Purchase Price; and

(iii) shall automatically constitute, whether delivered in writing or by Electronic Means, (A) an irrevocable offer to sell the Variable Rate Series 2024B

Subordinate Bond (or portion thereof) to which such notice relates on the Purchase Date to any purchaser selected by the Remarketing Agent (or to the Credit Facility Provider in the case of purchases made with funds paid under the Credit Facility), at a price equal to the Purchase Price, (B) an irrevocable authorization and instruction to the Tender Agent to effect transfer of such Variable Rate Series 2024B Subordinate Bond (or portion thereof) upon receipt by the Tender Agent of funds sufficient to pay the Purchase Price on the Purchase Date, (C) an irrevocable authorization and instruction to the Tender Agent to effect the exchange of the Variable Rate Series 2024B Subordinate Bond to be purchased in whole or in part for other Variable Rate Series 2024B Subordinate Bonds in an equal aggregate principal amount so as to facilitate the sale of that Variable Rate Series 2024B Subordinate Bond (or portion thereof to be purchased), (D) an acknowledgment that such Holder will have no further rights with respect to that Variable Rate Series 2024B Subordinate Bond (or portion thereof) upon deposit of an amount equal to the Purchase Price thereof with the Tender Agent on the Purchase Date, except for the right of such Holder to receive the Purchase Price upon surrender of that Variable Rate Series 2024B Subordinate Bond to the Tender Agent, and (E) an agreement of such Holder to deliver such Daily Rate Bonds or Weekly Rate Bonds, with all necessary endorsements for transfer and signature guarantees, to the Tender Agent at its Designated Office not later than 1:00 p.m., New York City time, on the Purchase Date.

The determination of the Tender Agent as to whether a notice of tender has been properly delivered pursuant to the foregoing shall be conclusive and binding upon the Holder. The Tender Agent may waive any irregularity or nonconformity in any notice of tender.

(c) Notwithstanding anything to the contrary herein, all Daily Rate Bonds or Weekly Rate Bonds as to which a written notice specifying the Purchase Date has been delivered pursuant to this Section (and which have not been tendered to the Tender Agent) shall be deemed tendered on the Purchase Date specified. From and after the specified Purchase Date of a Variable Rate Series 2024B Subordinate Bond tendered to the Tender Agent or deemed tendered pursuant to this Section, the former Holder of such Variable Rate Series 2024B Subordinate Bond shall be entitled solely to the payment of the applicable Purchase Price of the Variable Rate Series 2024B Subordinate Bond tendered or deemed tendered which Purchase Price shall be payable only as set forth in Section 407(d).

(d) The Tender Agent shall promptly return any notice of tender delivered pursuant to this Section (together with the Variable Rate Series 2024B Subordinate Bonds submitted therewith) that is incomplete or improperly completed or not delivered within the times required by this Section to the Person or Persons submitting such notice.

(e) Notwithstanding the foregoing, if the Variable Rate Series 2024B Subordinate Bonds are held in a book-entry form at the Depository, the right to optionally tender Daily Rate Bonds or Weekly Rate Bonds may be exercised by the beneficial owners of those Variable Rate Series 2024B Subordinate Bonds. Such right shall be exercised by delivery by a beneficial owner to the Tender Agent no later than the times specified in subsection (a) of the notice described in subsection (b) stating that such beneficial owner will cause its beneficial interest (or portion thereof in an Authorized Denomination) to be tendered, the amount of such interest to be tendered, the date on which such interest will be tendered and the identity of the Participant

through which the beneficial owner maintains its interest. Upon delivery of such notice, the beneficial owner must make arrangements to have its beneficial ownership interest in the Variable Rate Series 2024B Subordinate Bonds being tendered to the Tender Agent to be transferred on the records of the Depository to the Tender Agent at or prior to 1:00 p.m., New York City time, on the Purchase Date.

Section 407. Purchase Fund; Purchase of Variable Rate Series 2024B Subordinate Bonds by Tender Agent; Procedures and Consequences Related to Inadequate Funds for Purchase Upon Tender.

(a) The Tender Agent shall establish a special trust fund for the Variable Rate Series 2024B Subordinate Bonds to be designated the Purchase Fund. Within the Purchase Fund, the Tender Agent shall establish four separate accounts to be designated the Remarketing Proceeds Account, the Credit Facility Purchase Account, the Authority Purchase Account and the Undelivered Bond Payment Account, each of which shall be an Eligible Account. Only the Tender Agent shall have any right of withdrawal from the Purchase Fund; and the Purchase Fund and such right of withdrawal shall be for the sole and exclusive benefit of the Holders of the Variable Rate Series 2024B Subordinate Bonds subject to purchase on Purchase Dates (and the Credit Facility Provider to the extent provided in subsection (f)); and the Authority and the Holders of Variable Rate Series 2024B Subordinate Bonds not subject to purchase shall have no legal, beneficial or equitable interest in the Purchase Fund. Amounts on deposit in the Purchase Fund shall be held uninvested and without bearing interest. Amounts in a particular account of a Purchase Fund shall not be commingled with amounts in any other account of that Purchase Fund. Any moneys received by the Tender Agent by reason of the remarketing by the Remarketing Agent of any Variable Rate Series 2024B Subordinate Bonds subject to purchase on a Purchase Date shall be deposited by the Tender Agent in the Remarketing Proceeds Account and applied by the Tender Agent in accordance with subsections (d) and (e). Any moneys received by the Tender Agent representing amounts paid by the Credit Facility Provider under the Credit Facility for the purchase of a Variable Rate Series 2024B Subordinate Bond subject to purchase on a Purchase Date shall be deposited by the Tender Agent in the Credit Facility Purchase Account and applied by the Tender Agent in accordance with subsections (d) and (e). Any moneys received by the Tender Agent representing amounts paid by the Authority for the purchase of a Variable Rate Series 2024B Subordinate Bond subject to purchase on a Purchase Date shall be deposited by the Tender Agent in the Authority Purchase Account of the Purchase Fund and applied by the Tender Agent in accordance with subsections (d) and (e). Moneys shall be transferred to the Undelivered Bond Payment Account from the other accounts of the Purchase Fund or to the Credit Facility Provider in accordance with subsection (e); and moneys shall be applied from the Undelivered Bond Payment Account in accordance with subsection (f).

(b) Upon receipt of notice, in writing or by any Electronic Means, of tender relating to Daily Rate Bonds, the Tender Agent shall immediately notify the Remarketing Agent, the Authority, the Trustee and any Credit Facility Provider by telephonic notice of the amount of the Variable Rate Series 2024B Subordinate Bonds to be tendered pursuant to such notice. The Tender Agent shall confirm such telephonic notice by Electronic Means by 11:15 a.m., New York City time, on the Purchase Date, with the Tender Agent including in such telephonic notice and the confirmation thereof the amount of the Purchase Price of the Variable Rate Series 2024B

Subordinate Bonds and the portion, if any, thereof representing accrued and unpaid interest on such Bonds to the Purchase Date. Upon receipt of notice, in writing or by any Electronic Means, of tender relating to Weekly Rate Bonds, the Tender Agent shall, not later than 5:00 p.m., New York City time, on the next Business Day, send notice of such tender to the Authority, the Remarketing Agent, the Trustee and any Credit Facility Provider by Electronic Means, with the Tender Agent including in such notice the amount of the Purchase Price of the Variable Rate Series 2024B Subordinate Bonds and the portion, if any, thereof representing accrued and unpaid interest on the Variable Rate Series 2024B Subordinate Bonds to the Purchase Date. Simultaneously with giving notice pursuant to Section 408(d) of any mandatory tender of the Variable Rate Series 2024B Subordinate Bonds pursuant to Section 408(a), the Trustee shall give notice by telephone or Electronic Means, promptly confirmed in writing, to the Tender Agent, the Remarketing Agent, any Credit Facility Provider and the Authority specifying the Purchase Date, the aggregate principal amount and Purchase Price of the Variable Rate Series 2024B Subordinate Bonds subject to mandatory tender on such Purchase Date, and the portion, if any, of such Purchase Price representing accrued and unpaid interest on such Variable Rate Series 2024B Subordinate Bonds to such Purchase Date.

(c) Not later than 11:30 a.m., New York City time, on each Purchase Date, the Remarketing Agent shall notify the Trustee, the Tender Agent and any Credit Facility Provider by Electronic Means of (i) the Purchase Price of the Variable Rate Series 2024B Subordinate Bonds to be sold by the Remarketing Agent and (ii) the Purchase Price of the Variable Rate Series 2024B Subordinate Bonds tendered for purchase which will not be sold by the Remarketing Agent, and the Tender Agent shall then determine the amount, if any, by which the Purchase Price of the Variable Rate Series 2024B Subordinate Bonds to be purchased on such Purchase Date exceeds the amount of the proceeds of the remarketing of such Variable Rate Series 2024B Subordinate Bonds by the Remarketing Agent on deposit in the Remarketing Proceeds Account at such time and shall immediately give telephonic or Electronic Means notice of that amount to the Trustee, the Authority and any Credit Facility Provider, which notice shall be promptly confirmed in writing; and

(i) if a Credit Facility is in effect on such Purchase Date, then, except with respect to Credit Facility Provider Bonds held pursuant to Section 411(b) and Variable Rate Series 2024B Subordinate Bonds held by the Authority, (A) the Trustee shall submit in accordance with the terms of the Credit Facility and by such time as is required to receive funds on the Purchase Date for the payment of the Purchase Price, a Credit Facility Request to the Credit Facility Provider requesting the purchase by that Credit Facility Provider under the Credit Facility, or the funding by the Credit Facility Provider under the Credit Facility of moneys for the purchase, of the Variable Rate Series 2024B Subordinate Bonds at a Purchase Price equal to the amount of the excess of the aggregate Purchase Price over any amounts on hand for payment to tendering Bondholders, and (B) not later than 2:00 p.m., New York City time, on such Purchase Date, the Trustee shall transfer to the Tender Agent and the Tender Agent shall deposit the proceeds of the Credit Facility Request received by the Trustee in the Credit Facility Purchase Account; or

(ii) if no Credit Facility is in effect on such Purchase Date, then (A) not later than 12:30 p.m., New York City time, on such Purchase Date, the Tender Agent shall

notify the Authority of the amount of the excess of the aggregate Purchase Price over any amounts on hand for payment to tendering Bondholders, which shall thereupon be payable by the Authority to the Tender Agent for the purpose of causing the Tender Agent to purchase such Bonds on behalf of the Authority, and (B) not later than 2:30 p.m., New York City time, on such Purchase Date, the Tender Agent shall deposit the amount, if any, received by the Tender Agent from the Authority for such purpose in the Authority Purchase Account; provided, however, the Authority has no obligation to deposit moneys in the Authority Purchase Account and has no obligation to purchase tendered Variable Rate Series 2024B Subordinate Bonds.

(d) Not later than 2:30 p.m., New York City time, on each Purchase Date, the Tender Agent shall disburse the Purchase Price of the Variable Rate Series 2024B Subordinate Bonds to be purchased on such Purchase Date to the Holders thereof (upon surrender thereof for payment of such Purchase Price), from the following sources and in the following order of priority:

(i) Moneys on deposit in the Remarketing Proceeds Account (representing the proceeds of the remarketing by the Remarketing Agent of such Variable Rate Series 2024B Subordinate Bonds); and

(ii) If a Credit Facility is in effect on such Purchase Date, moneys on deposit in the Credit Facility Purchase Account (representing the proceeds of a Credit Facility Request); and

(iii) Moneys on deposit in the Authority Purchase Account (representing amounts paid by the Authority to the Tender Agent for the purchase of such Variable Rate Series 2024B Subordinate Bonds). The Authority has no obligation to deposit moneys in the Authority Purchase Account and has no obligation to purchase tendered Variable Rate Series 2024B Subordinate Bonds that are not remarketed.

(e) If the funds available from the sources specified in the preceding clause (d) for the purchase of the Variable Rate Series 2024B Subordinate Bonds subject to purchase on a Purchase Date are insufficient to purchase all of the Variable Rate Series 2024B Subordinate Bonds subject to purchase on such Purchase Date (including Undelivered Bonds), then, no purchase of any of those Variable Rate Series 2024B Subordinate Bonds shall occur on such Purchase Date, and on such Purchase Date, the Tender Agent shall (i) return to the Holders all of such Variable Rate Series 2024B Subordinate Bonds that were tendered, (ii) return all moneys received by the Tender Agent for the purchase of such Variable Rate Series 2024B Subordinate Bonds to the respective Persons that provided such moneys (in the respective amounts in which such moneys were so provided), and (iii) notify the Trustee of the foregoing. If a Credit Facility is in effect with respect to such Variable Rate Series 2024B Subordinate Bonds, and if the Credit Facility Provider is not in default thereunder, then the failure to purchase the Variable Rate Series 2024B Subordinate Bonds shall cause the Variable Rate Series 2024B Subordinate Bonds to remain outstanding and to bear interest at the Penalty Rate from and after the Purchase Date and until the Purchase Price for all such Variable Rate Series 2024B Subordinate Bonds shall have been paid in full or until they otherwise cease to be Outstanding, but shall not constitute an Event of Default hereunder. Otherwise, (i) if such Variable Rate Series 2024B Subordinate Bonds shall have been designated Hard Tender Index Rate Bonds, then the failure to purchase

the Variable Rate Series 2024B Subordinate Bonds shall constitute an Event of Default under Section 903(e), but (ii) if such Variable Rate Series 2024B Subordinate Bonds (a) shall have been designated Soft Tender Index Rate Bonds, or (b) bear interest at a Weekly Rate, Daily Rate or Short-Term Rate, then the failure to purchase the Variable Rate Series 2024B Subordinate Bonds shall not constitute an Event of Default under Section 903(e), and the Variable Rate Series 2024B Subordinate Bonds shall bear interest at the Penalty Rate from and after the Purchase Date and until the Purchase Price for all such Variable Rate Series 2024B Subordinate Bonds shall have been paid in full or until they otherwise cease to be Outstanding.

(f) Any moneys remaining in the Remarketing Proceeds Account, the Credit Facility Purchase Account or the Authority Purchase Account and representing (but not exceeding) the Purchase Price of the Variable Rate Series 2024B Subordinate Bonds subject to purchase on the Purchase Date but not tendered and delivered for purchase on the Purchase Date (following the payments described in subsection (d)) shall be transferred by the Tender Agent to the Undelivered Bond Payment Account not later than 3:30 p.m., New York City time, on the Purchase Date (and retained therein, subject to subsection (a), for application in accordance with subsection (f)). Any moneys remaining in the Remarketing Proceeds Account, the Credit Facility Purchase Account and the Authority Purchase Account on a Purchase Date (after the payments described in subsection (d) and the transfer described in the preceding sentence of this subsection (e)) shall be wire transferred by the Tender Agent, in immediately available funds, prior to the close of business on such Purchase Date, to the Credit Facility Provider, to the extent of any amounts owed to the Credit Facility Provider in respect of a Credit Facility Request, and then to the Authority.

(g) Moneys transferred to the Undelivered Bond Payment Account of the Purchase Fund on any Purchase Date shall be applied, on or after such Purchase Date, by the Tender Agent to pay the Purchase Price of the Undelivered Bonds in respect of which they were so transferred, upon the surrender of such Variable Rate Series 2024B Subordinate Bonds to the Tender Agent for such purpose.

(h) Notwithstanding the foregoing, in the event that the Variable Rate Series 2024B Subordinate Bonds are converted to a Fixed Rate and remarketed at a premium over par, remarketing proceeds received by the Tender Agent in excess of the amount required to pay the Purchase Price of the Variable Rate Series 2024B Subordinate Bonds tendered for purchase shall be delivered by the Tender Agent to the Trustee for deposit in a separate account in the custody of the Trustee. Such excess remarketing proceeds shall be disbursed by the Trustee in accordance with the written directions of an Authorized Official to pay fees and expenses relating to the conversion and remarketing, including any fees and expenses relating to any Credit Facility, to make any required deposit to the Debt Service Reserve Fund, to pay any amount owed upon early termination of any Hedge Agreement and otherwise to apply consistently with the Indenture.

Section 408. Mandatory Tender and Purchase of Variable Rate Series 2024B Subordinate Bonds.

(a) All the Variable Rate Series 2024B Subordinate Bonds shall be subject to mandatory tender for purchase by the Tender Agent at the Purchase Price, as follows:

(i) Short-Term and Long-Term Rate Bonds. Each Short-Term Rate Bond shall be subject to mandatory tender for purchase by the Tender Agent on the first day following the last day of each Short-Term Interest Period applicable to such Short-Term Rate Bond, and each Long-Term Rate Bond shall be subject to mandatory tender for purchase on the first day following the last day of each Long-Term Interest Period.

(ii) Conversion of Modes. Each subseries of the Variable Rate Series 2024B Subordinate Bonds shall be subject to mandatory tender for purchase by the Tender Agent on each Conversion Date for such subseries.

(iii) Expiration of a Credit Facility, Voluntary Termination of a Credit Facility or Replacement of a Credit Facility With a Substitute Credit Facility. Variable Rate Series 2024B Subordinate Bonds requiring the maintenance of a Credit Facility are subject to mandatory tender for purchase by the Tender Agent (1) on a Business Day selected by the Trustee which shall be at least five days prior to the Expiration Date of the Credit Facility; (2) on a Business Day selected by the Trustee which shall be at least five days prior to the Voluntary Termination Date of the Credit Facility and (3) on each Substitution Date, which shall be at least five days prior to the Expiration Date of the Credit Facility being replaced. Payment of the Purchase Price shall be made from proceeds of remarketing or a draw of moneys upon the Credit Facility that is expiring or being replaced.

(iv) Notice by the Credit Facility Provider. While a Credit Facility is in effect, the Variable Rate Series 2024B Subordinate Bonds are subject to mandatory tender for purchase by the Tender Agent (a) on a Business Day selected by the Trustee that is not more than one Business Day after the Trustee's receipt of notification from that Credit Facility Provider of that Credit Facility Provider's decision to exercise its right of mandatory tender as a result of the occurrence of certain events of default or termination under the Reimbursement Agreement, and (b) on the date designated by the Trustee following receipt by the Trustee of notice from the Credit Facility Provider that the Credit Facility Provider is not reinstating the Credit Facility following a draw, which date shall be a Business Day and shall be not more than one Business Day after the Trustee receives notice of non-reinstatement from the Credit Facility Provider.

(v) Index Rate Bonds Purchase Dates. Variable Rate Series 2024B Subordinate Bonds that are converted to Index Rate Bonds (regardless of whether they are then currently Index Rate Bonds) for any Index Rate Period shall be subject to mandatory tender (A) on the Index Rate Bonds Purchase Date specified in the applicable Notice of Conversion, which shall also specify if such Variable Rate Series 2024B Subordinate Bonds shall be Hard Tender Index Rate Bonds or Soft Tender Index Rate Bonds, and (B) at the option of the Authority on any Business Day on or after a date specified in the applicable Notice of Conversion.

(b) Variable Rate Series 2024B Subordinate Bonds to be purchased pursuant to subsection (a) shall be delivered by the Holders thereof to the Tender Agent (together with necessary assignments and endorsements) at or prior to 1:00 p.m., New York City time, on the applicable Purchase Date.

(c) Any Variable Rate Series 2024B Subordinate Bonds to be purchased by the Tender Agent pursuant to this Section that are not delivered for purchase on or prior to the Purchase Date, for which there has been irrevocably deposited in trust with the Tender Agent an amount sufficient to pay the Purchase Price of such Variable Rate Series 2024B Subordinate Bonds, shall be deemed to have been delivered to the Tender Agent for purchase, and the Holders of such Variable Rate Series 2024B Subordinate Bonds shall not be entitled to any payment (including any interest to accrue on or after the Purchase Date) other than the respective Purchase Prices of such Variable Rate Series 2024B Subordinate Bonds, and such Variable Rate Series 2024B Subordinate Bonds shall not be entitled to any benefits of the Indenture, except for payment of such Purchase Price out of the moneys deposited for such payment as aforesaid.

(d) In addition to any other requirements set forth in this Thirty-Fourth Supplemental Indenture, notices of mandatory tender shall be mailed to Holders and shall:

(i) specify the proposed Purchase Date and the event which gives rise to the proposed Purchase Date;

(ii) state that such Variable Rate Series 2024B Subordinate Bonds shall be subject to mandatory tender for purchase on such Purchase Date;

(iii) state that Holders may not elect to retain the Variable Rate Series 2024B Subordinate Bonds subject to mandatory tender;

(iv) state that all of the Variable Rate Series 2024B Subordinate Bonds subject to mandatory tender shall be required to be delivered to the Designated Office of the Tender Agent at or before 1:00 p.m., New York City time, on the Purchase Date;

(v) state that if the Holder of any Variable Rate Series 2024B Subordinate Bonds subject to mandatory tender fails to deliver such Variable Rate Series 2024B Subordinate Bonds to the Tender Agent for purchase on the Purchase Date, and if the Tender Agent is in receipt of funds sufficient to pay the Purchase Price thereof, such Variable Rate Series 2024B Subordinate Bonds shall nevertheless be deemed purchased on the Purchase Date and ownership of such Variable Rate Series 2024B Subordinate Bonds shall be transferred to the purchaser thereof;

(vi) state that any Holder that fails to deliver such Variable Rate Series 2024B Subordinate Bonds for purchase shall have no further rights thereunder or under the Indenture except the right to receive the Purchase Price thereof upon presentation and surrender of such Variable Rate Series 2024B Subordinate Bonds to the Tender Agent and that the Trustee will place a stop transfer against the Variable Rate Series 2024B Subordinate Bonds subject to mandatory tender registered in the name of such Holder(s) on the registration books;

(vii) in the case of mandatory tender upon any proposed conversion of Variable Rate Series 2024B Subordinate Bonds, state that such conversion and such mandatory tender will not occur if certain events and conditions specified in Section 404(b) do not occur or are not satisfied and summarize those events and conditions; and

(viii) in the case of mandatory tender on a Substitution Date, state the information required by Section 412(d).

(e) Notice of mandatory tender of Variable Rate Series 2024B Subordinate Bonds shall be given by the Trustee via Electronic Means or by first-class mail, to the Holders of the Variable Rate Series 2024B Subordinate Bonds (at their addresses as they appear on the Register as of the date of such notice), and to the Authority, any Remarketing Agent, the Tender Agent and any Credit Facility Provider, as follows. If the mandatory tender is by reason of the events described in clauses (ii) or (iii) of subsection (a), that notice shall be given no fewer than 10 days prior to the Purchase Date. If the mandatory tender is by reason of the events described in clause (iv) of subsection (a), that notice shall be given immediately. No notice of mandatory tender is required to be given when the tender is by reason of clause (i) of subsection (a).

(f) Failure to mail such notice or any defect therein shall not affect the rights or obligations of Holders and the Trustee shall not be liable to any Holder by reason of its failure to mail such notice or any defect therein.

(g) If, following the giving of notice of mandatory tender of Variable Rate Series 2024B Subordinate Bonds, an event occurs which, in accordance with the terms of this Thirty-Fourth Supplemental Indenture, causes such mandatory tender not to occur, then (i) the Trustee shall so notify the Holders of the Variable Rate Series 2024B Subordinate Bonds (at their addresses as they appear on the Bond Register on the date of such notice), via Electronic Means or by first-class mail, as soon as may be practicable after the Purchase Date, and (ii) the Tender Agent shall return to their Holders any of the Variable Rate Series 2024B Subordinate Bonds tendered to the Tender Agent in connection with such mandatory tender of the Variable Rate Series 2024B Subordinate Bonds.

Section 409. The Remarketing Agent.

(a) Each Remarketing Agent shall perform the duties of the Remarketing Agent pursuant to the Remarketing Agreement and this Thirty-Fourth Supplemental Indenture. Successor Remarketing Agents may be appointed from time to time by the Authority with the prior written consent of the Credit Facility Provider (which consent shall not be unreasonably withheld). The Remarketing Agents shall be corporations or other legal entities organized and doing business under the laws of the United States of America or of any state thereof, authorized under such laws to perform all duties imposed upon the Remarketing Agents by this Thirty-Fourth Supplemental Indenture, and shall be either (a) a member of the National Association of Securities Dealers, Inc. and registered as a Municipal Securities Dealer under the Securities Exchange Act of 1934, as amended, or (b) a national banking association, commercial bank or trust company. So long as the Variable Rate Series 2024B Subordinate Bonds are held in book-entry form at the Depository, each Remarketing Agent must be a Participant in the Depository with respect to the Variable Rate Series 2024B Subordinate Bonds.

(b) Each Remarketing Agent appointed in accordance with this Thirty-Fourth Supplemental Indenture shall designate its Designated Office and signify its acceptance of the duties and obligations imposed upon it as described herein by a written instrument of acceptance delivered to the Authority, the Trustee, the Tender Agent and any Credit Facility Provider, or by

executing and delivering a Remarketing Agreement, in either case under which the Remarketing Agent will agree, particularly:

(i) to hold all moneys delivered to it hereunder for the purchase of the Variable Rate Series 2024B Subordinate Bonds in trust for the exclusive benefit of the Person or Persons that shall have so delivered such moneys until the Variable Rate Series 2024B Subordinate Bonds purchased with such moneys shall have been delivered to or for the account of such Person or Persons;

(ii) to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Authority, the Trustee, the Tender Agent and the Authority at all reasonable times;

(iii) to determine (A) the Daily Rates, Weekly Rates, Short-Term Rates and Long-Term Rates, and, pursuant to Section 403(j), during any Subsequent Index Rate Period, the Applicable Spread that will be used in determining the Index Rate for each Subsequent Index Interest Period, (B) if engaged as Remarketing Agent in connection with the conversion to Fixed Rate Bonds, the Fixed Rate(s), and give notice of such rates in accordance with Article IV;

(iv) to remarket Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds and Long-Term Rate Bonds at rates no higher than the rate of interest available under the Credit Facility, if a Credit Facility secures the Variable Rate Series 2024B Subordinate Bonds, and to remarket Short-Term Rate Bonds and Long-Term Rate Bonds for Short-Term Periods or Long-Term Rate Periods, as appropriate, no longer than interest is available under the Credit Facility if a Credit Facility secures the Variable Rate Series 2024B Subordinate Bonds all in accordance with Section 413;

(v) to offer for sale and use its best efforts to find purchasers for the Variable Rate Series 2024B Subordinate Bonds tendered for purchase, any such sale to be made in accordance with the terms of this Thirty-Fourth Supplemental Indenture;

(vi) to deliver to the Tender Agent all of the Variable Rate Series 2024B Subordinate Bonds held by it in accordance with the terms of this Thirty-Fourth Supplemental Indenture and the Remarketing Agreement; and

(vii) to perform such other duties and responsibilities (including with respect to Credit Facility Bonds) as are provided in this Thirty-Fourth Supplemental Indenture to be performed by a Remarketing Agent.

Notwithstanding the foregoing, a Remarketing Agent may be engaged for only certain types of Rate Periods, and in that event the Remarketing Agent shall not be required to perform the duties of the Remarketing Agent for any other type of Rate Period.

(c) A Remarketing Agent may at any time resign and be discharged of the duties and obligations described in this Thirty-Fourth Supplemental Indenture by giving at least 60 days' notice to the Authority, the Trustee, the Tender Agent, any Credit Facility Provider and each Rating Agency. A Remarketing Agent may be removed at any time upon the Written Request of

the Authority and upon written notice to the Remarketing Agent, the Tender Agent, the Trustee and any Credit Facility Provider; provided, however, that no such resignation or removal shall be or become effective unless and until a successor Remarketing Agent shall have been appointed and accepted such appointment in accordance with subsection (a).

(d) If and so long as no successor Remarketing Agent is appointed by the Authority after the office of a Remarketing Agent becomes vacant, the Tender Agent or Trustee, at the expense of the Authority, may petition a court to appoint a successor Remarketing Agent.

(e) A Remarketing Agent may in good faith hold the Variable Rate Series 2024B Subordinate Bonds or any other form of indebtedness issued by the Authority; own, accept or negotiate any drafts, bills of exchange, acceptances or obligations thereof, and make disbursements therefor and enter into any commercial or business arrangement therewith; all without any liability on the part of the Remarketing Agent for any real or apparent conflict of interest by reason of any such actions.

Section 410. Sale of Variable Rate Series 2024B Subordinate Bonds by Remarketing Agent.

(a) Upon the receipt by a Remarketing Agent of (i) notice of tender of Daily Rate Bonds or Weekly Rate Bonds pursuant to Section 406, or (ii) notice of mandatory tender of the Variable Rate Series 2024B Subordinate Bonds pursuant to Section 408, the Remarketing Agent shall offer for sale and use its best efforts to solicit purchases of Variable Rate Series 2024B Subordinate Bonds subject to purchase on the Purchase Date at a price equal to the applicable purchase price.

(b) A Remarketing Agent shall direct that the proceeds of all purchases of the Variable Rate Series 2024B Subordinate Bonds solicited and arranged by the Remarketing Agent be paid to the Tender Agent (for deposit in the Remarketing Proceeds Account), at or prior to 12:00 p.m., New York City time, on the Purchase Date, in immediately available funds (and, promptly upon receipt thereof, the Tender Agent shall deposit such proceeds in the Remarketing Proceeds Account).

(c) [Reserved].

(d) A Remarketing Agent shall offer for sale and use its best efforts to arrange for the sale and remarketing of all Credit Facility Provider Bonds, prior to the sale and remarketing of any Variable Rate Series 2024B Subordinate Bonds, at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest thereon (at the rate that would be borne by such Credit Facility Provider Bonds if such Credit Facility Provider Bonds were not Credit Facility Provider Bonds). In connection with each remarketing of Credit Facility Provider Bonds by the Remarketing Agent:

(i) The Remarketing Agent shall (A) provide to the Authority, the Credit Facility Provider, the Trustee and the Tender Agent not less than one Business Day's prior notice of such remarketing, and (B) pay, or cause to be paid to the Credit Facility Provider, by wire transfer of immediately available funds, the proceeds of such remarketing;

(ii) The Trustee shall (A) in consultation with the Credit Facility Provider, calculate the Credit Facility Provider Bonds Purchase Price, (B) in consultation with the Remarketing Agent, determine the amount of remarketing proceeds paid to the Credit Facility Provider by the Remarketing Agent, and (C) pay to the Credit Facility Provider, from moneys in the Debt Service Fund and by wire transfer of immediately available funds, the balance of the Credit Facility Provider Bonds Purchase Price owed to the Credit Facility Provider (representing the difference between the accrued interest on the Credit Facility Provider Bonds paid by the purchaser of the Credit Facility Provider Bonds and the accrued interest on those Credit Facility Provider Bonds at the Credit Facility Provider Rate);

(iii) The Trustee shall confirm with the Credit Facility Provider the receipt by that Credit Facility Provider of the Credit Facility Provider Bonds Purchase Price, the reinstatement of the Credit Facility in respect of such Credit Facility Provider Bonds and the authorization of that Credit Facility Provider to release such Credit Facility Provider Bonds; and

(iv) After, and only after, receipt by the Trustee of confirmation by the Credit Facility Provider of the reinstatement of the Credit Facility to cover such Credit Facility Provider Bonds following remarketing thereof and authorization by that Credit Facility Provider of such transfer or such authentication and delivery, the Trustee shall (A) while a book-entry system is in effect with respect to the Variable Rate Series 2024B Subordinate Bonds, cause the ownership interest in such Credit Facility Provider Bonds to be transferred to or for the benefit of such purchaser or purchasers as are specified by the Remarketing Agent for such purpose, and (B) while a book-entry system is not in effect with the Depository with respect to the Variable Rate Series 2024B Subordinate Bonds, authenticate other Variable Rate Series 2024B Subordinate Bonds in lieu of such Credit Facility Provider Bonds and to deliver the same to or upon the instruction of the Remarketing Agent.

(e) A Remarketing Agent shall offer for sale and use its best efforts to arrange for the sale and remarketing of (i) all Variable Rate Series 2024B Subordinate Bonds subject to purchase on a Purchase Date that are purchased with moneys provided by the Authority to the Tender Agent for such purpose (as described in Section 407(c)(ii)), and (ii) all of the Variable Rate Series 2024B Subordinate Bonds that are purchased by the Authority pursuant to the Credit Facility and not surrendered by the Authority for cancellation.

Section 411. Delivery of Purchased Variable Rate Series 2024B Subordinate Bonds.

(a) Upon application of the moneys described in Section 407(d)(i) to the purchase of Variable Rate Series 2024B Subordinate Bonds on a Purchase Date pursuant to Section 407(d)(i) (and/or to the transfer thereof to the Undelivered Bond Payment Account on a Purchase Date pursuant to Section 407(e)), the Tender Agent shall cause the Trustee to register the transfer of Variable Rate Series 2024B Subordinate Bonds purchased therewith in the names of the purchasers thereof in accordance with information provided by the Remarketing Agent for such

purpose and to have such transferred Variable Rate Series 2024B Subordinate Bonds available for delivery against payment therefor.

(b) Upon application of the moneys described in Section 407(d)(ii) to the purchase of Variable Rate Series 2024B Subordinate Bonds on a Purchase Date pursuant to Section 407(d)(ii) (and/or to the transfer thereof to the Undelivered Bond Payment Account on a Purchase Date pursuant to Section 407(e)), (i) the Variable Rate Series 2024B Subordinate Bonds purchased (or, in the case of such transfer, provided to be purchased) with such moneys shall constitute Credit Facility Provider Bonds (unless and until such Variable Rate Series 2024B Subordinate Bonds cease to be Credit Facility Provider Bonds as described in the definition thereof), and (ii) if a book-entry system is in effect with the Depository with respect to the Variable Rate Series 2024B Subordinate Bonds, the ownership interest in such Credit Facility Provider Bonds shall be transferred on the books of the Depository to or for the account of the Tender Agent or a Participant acting on behalf of the Tender Agent and the Tender Agent shall, and shall cause such Participant to, mark its own books and records to reflect the beneficial ownership of such Credit Facility Provider Bonds by the Credit Facility Provider, and (iii) if a book-entry system is not in effect with the Depository with respect to the Variable Rate Series 2024B Subordinate Bonds, such Bonds shall be delivered by the Tender Agent to the Trustee for registration of transfer and shall be registered by the Trustee in the name of the Credit Facility Provider, or any nominee of the Credit Facility Provider, and delivered by the Trustee to the Tender Agent and held by the Tender Agent as the custodian of the Credit Facility Provider. The Tender Agent shall release and redeliver or transfer Credit Facility Provider Bonds (being remarketed by the Remarketing Agent) as provided in Section 410(d). Any other disposition of Credit Facility Provider Bonds shall be made only at the written direction or with the prior written consent of the Credit Facility Provider, subject to receipt by the Trustee of confirmation by the Credit Facility Provider of the reinstatement of the Credit Facility to cover such Credit Facility Provider Bonds.

(c) Upon the application of moneys described in Section 407(d)(iii) to the purchase of Variable Rate Series 2024B Subordinate Bonds on a Purchase Date pursuant to Section 407(d)(iii) (and/or to the transfer thereof to the Undelivered Bond Payment Account on a Purchase Date pursuant to Section 407(e), the Variable Rate Series 2024B Subordinate Bonds purchased (or, in the case of such transfer, provided to be purchased) with such moneys shall be registered in the name of the Authority and shall, at the direction of the Authority, be delivered to the Trustee for cancellation (and canceled by the Trustee) or delivered to the Tender Agent for the account of the Authority and remarketed in accordance with Section 410(e).

(d) Any Variable Rate Series 2024B Subordinate Bonds canceled by the Trustee pursuant to this Section and any Variable Rate Series 2024B Subordinate Bonds surrendered by the Authority to the Trustee for cancellation shall be allocated to the next succeeding scheduled mandatory redemption obligation pursuant to Section 501(b) then as a credit against such future scheduled mandatory redemption obligation pursuant to Section 501(c) as the Authority may specify in a Written Request; provided, however, that there shall be first redeemed any Outstanding Credit Facility Provider Bonds. Prior to the Expiration Date, the Trustee shall notify the Credit Facility Provider of the aggregate principal amount of the Variable Rate Series 2024B Subordinate Bonds so canceled and shall submit to the Credit Facility Provider such documents, if any, as are required in accordance with the terms of the Credit Facility to cause the

amounts available under the Credit Facility to be reduced in respect of such Variable Rate Series 2024B Subordinate Bonds so canceled.

Section 412. Credit Facility.

(a) The Trustee shall make Credit Facility Requests in accordance with Sections 407(c). The Trustee shall only draw upon a Credit Facility when that Credit Facility is in a stated amount not less than (i) the aggregate principal amount of the Variable Rate Series 2024B Subordinate Bonds, plus (ii) such number of days of interest as may accrue prior to any Interest Payment Date based on the Rate Period then in effect, and the Trustee shall not draw upon a Credit Facility that by its terms is not available during the Rate Period.

(b) The Trustee shall not terminate or reduce the amounts available under a Credit Facility except by reason of the redemption, cancellation and/or defeasance of the Variable Rate Series 2024B Subordinate Bonds, or unless the Authority has properly furnished a Substitute Credit Facility, as provided in Section 413.

(c) The Authority shall maintain a Credit Facility for the Variable Rate Series 2024B Subordinate Bonds in effect in accordance with Section 413 herein at all times it is required to do so by this Section.

(d) The Authority may furnish a Substitute Credit Facility in substitution for any then existing Credit Facility for the Variable Rate Series 2024B Subordinate Bonds upon satisfaction of the conditions set forth in Section 413. The Trustee shall give notice to the Holders of the Variable Rate Series 2024B Subordinate Bonds (at their addresses as they appear on the registration books of the Trustee as of the date of such notice), via Electronic Means or by first-class mail, of the proposed substitution of a Substitute Credit Facility for the Credit Facility then in effect for the Variable Rate Series 2024B Subordinate Bonds and the related Substitution Date (stating the issuer or issuers and the term of such Substitute Credit Facility) at least 10 days prior to such Substitution Date. Such notice shall also constitute the notice of mandatory tender of the Variable Rate Series 2024B Subordinate Bonds on the related Substitution Date; provided, however, that, if the Substitution Date is more than 15 days prior to the Expiration Date of the Credit Facility being replaced, in addition to the information required by Section 408(d), such notice may state that such mandatory tender of the Variable Rate Series 2024B Subordinate Bonds will not occur if, on or prior to the proposed Substitution Date, the Trustee does not receive such Substitute Credit Facility, together with the supporting substitution documents. If, by reason of the conditions to such mandatory tender of the Variable Rate Series 2024B Subordinate Bonds (as stated in such notice), there is no mandatory tender of the Variable Rate Series 2024B Subordinate Bonds on the proposed Substitution Date, (i) the Tender Agent shall so notify the Trustee, (ii) the Trustee shall so notify the Holders of the Variable Rate Series 2024B Subordinate Bonds (at their addresses as they appear on the registration books of the Trustee as of the date of such notice) via Electronic Means or by first-class mail, and (iii) the Tender Agent shall return to their Holders any of the Variable Rate Series 2024B Subordinate Bonds tendered to the Tender Agent in connection with such mandatory tender of the Variable Rate Series 2024B Subordinate Bonds.

(e) No Credit Facility is required if the requirements of Section 413 are met for the expiration of any Credit Facility without substitution of a Substitute Credit Facility.

Section 413. Substitute Credit Facility.

(a) During any time that Variable Rate Series 2024B Subordinate Bonds are Daily Rate Bonds or Weekly Rate Bonds, the Authority shall maintain a Credit Facility for the Variable Rate Series 2024B Subordinate Bonds under which the Credit Facility Provider is required to purchase or provide funds for the purchase of the Variable Rate Series 2024B Subordinate Bonds tendered for purchase in accordance with this Thirty-Fourth Supplemental Indenture. The Credit Facility shall be issued by a bank, trust company, national banking association, insurance company or other financial services company or entity or the Authority, in an amount not less than (i) the aggregate principal amount of all Outstanding Variable Rate Series 2024B Subordinate Bonds, plus (ii) an amount equal to at least 34 days' interest on all Outstanding Variable Rate Series 2024B Subordinate Bonds at the Maximum Rate, plus (iii) in the case of a Credit Facility that does not automatically reinstate coverage for interest following a drawing to pay interest on the Variable Rate Series 2024B Subordinate Bonds, the number of days during which the Variable Rate Series 2024B Subordinate Bonds may continue to bear interest until purchased upon mandatory tender under Section 408(a)(iv) following a drawing in which the Credit Facility Provider may notify the Trustee that interest coverage has not reinstated. The Authority will not voluntarily terminate a Credit Facility while Variable Rate Series 2024B Subordinate Bonds are Daily Rate Bonds or Weekly Rate Bonds without at least 30 days' prior written notice to the Trustee and without providing for a Substitute Credit Facility (including the Authority providing its own Credit Facility) prior to the effective date of such termination.

(b) At any time the Authority may furnish a Substitute Credit Facility subject to the following limitations and the other limitations set forth in this Section:

(i) The principal amount of the Substitute Credit Facility must be not less than that required by Section 413(a).

(ii) The term of the Substitute Credit Facility must be at least 90 days.

(iii) On or prior to the effective date of a Substitute Credit Facility, the Authority shall furnish to the Trustee (i) an Opinion or Opinions of Counsel acceptable to the Trustee to the effect that the Credit Facility has been duly authorized, executed and delivered by the Credit Facility Provider and is a valid and binding obligation of the Credit Facility Provider enforceable in accordance with its terms (subject as to enforceability to standard exceptions respecting bankruptcy, insolvency and similar laws and principles of equity) and that the exemption of the Variable Rate Series 2024B Subordinate Bonds (or any securities evidenced thereby) from the registration requirements of the Securities Act of 1933, as amended, and the exemption of the Indenture from qualification under the Trust Indenture Act of 1939, as amended, shall not be impaired by such Substitute Credit Facility or that the registration or qualification requirements of such acts have been satisfied, and (ii) if such Bonds are then rated, notice from the Rating Agency to the effect that such Rating Agency has reviewed the proposed

Substitute Credit Facility and the provision of such Substitute Credit Facility will not, by itself, result in (A) a permanent withdrawal of the rating on the Bonds or (B) a reduction in the then current rating on the Series 2024B Subordinate Bonds.

(iv) The Authority shall give written notice to the Trustee, the Tender Agent, the Credit Facility Provider, the Remarketing Agent and each Rating Agency, not less than 30 days prior to the Substitution Date and not less than 30 days prior to the Expiration Date of a Credit Facility then in effect, specifying that the Authority intends to replace the Credit Facility with a Substitute Credit Facility on or before the Expiration Date of the Credit Facility then in effect.

(v) The Authority shall cause to be delivered to the Trustee not less than 30 days prior to the Expiration Date of an existing Credit Facility a commitment by the Credit Facility Provider that will issue the Substitute Credit Facility. If the Substitution Date for that Substitute Credit Facility is less than 15 days prior to the Expiration Date for the existing Credit Facility, the Authority shall provide the Substitute Credit Facility or an irrevocable commitment therefor together with the opinion described in Section 413(b)(iii) not later than 15 days prior to the Expiration Date.

(vi) If there are outstanding any Credit Facility Provider Bonds, the Substitute Credit Facility must provide for the purchase of those Bonds.

(c) The Authority may provide its own Credit Facility for the Variable Rate Series 2024B Subordinate Bonds if the Authority has agreed to pay the Purchase Price of any tendered Variable Rate Series 2024B Subordinate Bonds itself. As a result, any references herein to the Credit Facility Provider of the Variable Rate Series 2024B Subordinate Bonds or to the Credit Facility of the Variable Rate Series 2024B Subordinate Bonds shall be ignored or shall be construed as referencing the Authority for as long as the Authority has agreed to pay the Purchase Price of any tendered Variable Rate Series 2024B Subordinate Bonds itself. References to a Credit Facility Request or a “draw” or “drawing” (or a similar term) on the Credit Facility, for example, shall be construed in the absence of a Credit Facility to be a notice to the Authority of the need to provide funds for the purchase of the Variable Rate Series 2024B Subordinate Bonds. If the Authority provides its own Credit Facility, then the Variable Rate Series 2024B Subordinate Bonds are subject to mandatory tender under the same terms as that of providing a Substitute Credit Facility herein.

(d) In the case of mandatory tender because of the delivery of a Substitute Credit Facility in substitution for the existing Credit Facility, the Trustee shall submit any necessary Credit Facility Request to the existing Credit Facility Provider on and prior to the Substitution Date and shall not draw upon the Substitute Credit Facility that will become effective on or after such Substitution Date, and the Trustee shall not surrender the existing Credit Facility until the Purchase Price of the Variable Rate Series 2024B Subordinate Bonds has been paid in full.

Section 414. Subrogation Rights of Credit Facility Provider; Credit Facility Provider Bonds; Fees.

(a) To the extent that proceeds of a Credit Facility Request are used to pay principal of or interest on the Variable Rate Series 2024B Subordinate Bonds (“Debt Service Charges”), and the amount of such Credit Facility Request is not subsequently reimbursed to such Credit Facility Provider pursuant to the provisions of the Reimbursement Agreement, as long as the amount of such Credit Facility Request has not been reimbursed, the Credit Facility Provider shall be subrogated to and assigned the rights of and be deemed a subrogee and assignee of the rights of the Holders of those Variable Rate Series 2024B Subordinate Bonds to receive such Debt Service Charges. For purposes of the subrogation and assignment rights of a Credit Facility Provider hereunder, (a) any reference to the Holders of those Variable Rate Series 2024B Subordinate Bonds shall mean the Credit Facility Provider, (b) any Debt Service Charges on the Variable Rate Series 2024B Subordinate Bonds paid with proceeds of the Credit Facility shall be deemed to be unpaid Debt Service Charges payable under and secured as Subordinate Debt by the lien of the Indenture, and (c) the Credit Facility Provider may exercise any rights it would have as Holder of the Variable Rate Series 2024B Subordinate Bonds. The subrogation rights granted to such Credit Facility Provider in this Thirty-Fourth Supplemental Indenture are not intended to be exclusive of any other remedy or remedies available to a Credit Facility Provider, and such subrogation rights shall be cumulative and in addition to every other remedy given under the Indenture, under the Reimbursement Agreement or under any other agreement or instrument with respect to the reimbursement of moneys paid by a Credit Facility Provider under a Credit Facility or with respect to security for the Reimbursement Obligations, and every other remedy now or hereafter existing at law or in equity. The Trustee, at the expense of the Authority, shall register in the name of the Credit Facility Provider the ownership of that portion of the Variable Rate Series 2024B Subordinate Bonds the principal of which was paid by such Credit Facility Provider from the proceeds of a Credit Facility Request that has not been reimbursed by the Authority in accordance with the Reimbursement Agreement. The Trustee also shall take such action, at the expense of the Authority, as is reasonably necessary to evidence the Credit Facility Provider as the subrogee and assignee of the Holders of the Variable Rate Series 2024B Subordinate Bonds for which interest payments have been made by the Credit Facility Provider from the proceeds of a Credit Facility Request that has not been reimbursed by the Authority in accordance with the Reimbursement Agreement.

(b) To the extent that proceeds of a Credit Facility Request are used to pay the Purchase Price of the Variable Rate Series 2024B Subordinate Bonds and the amount of such Credit Facility Request is not subsequently reimbursed to the Credit Facility Provider pursuant to the provisions of the Reimbursement Agreement, those Variable Rate Series 2024B Subordinate Bonds shall be Credit Facility Provider Bonds, and the transfer and assignment of property to the Trustee pursuant to the granting clauses hereof and in the Indenture, and all covenants, agreement and other obligations of the Trustee to the Holders shall continue to exist and shall run to the benefit of the Credit Facility Provider, and such Credit Facility Provider Bonds shall bear interest and be payable and secured as provided in this Thirty-Fourth Supplemental Indenture and in the Reimbursement Agreement.

(c) Except as provided in subsections (a) and (b) above, all fees, expenses and other amounts payable by the Authority to the Credit Facility Provider under the Reimbursement

Agreement shall be treated as Operating Expenses under the Indenture payable from the Revenue Fund.

Section 415. Credit Facility Provider Deemed Holder of Variable Rate Series 2024B Subordinate Bonds.

Notwithstanding any provision to the contrary in this Thirty-Fourth Supplemental Indenture, and provided that (a) the Credit Facility Provider is and remains solvent and not a party to any proceeding for the rehabilitation, liquidation, conservation or dissolution of the Credit Facility Provider, (b) the Credit Facility is in full force and effect, and (c) the Credit Facility Provider shall have made and be continuing to make all payments pursuant to Credit Facility Requests, then the Credit Facility Provider shall be deemed to be the Holder of all the Variable Rate Series 2024B Subordinate Bonds and may act in the place of the Holders of the Variable Rate Series 2024B Subordinate Bonds for purposes of making requests and giving directions and consents to the Trustee and exercising any and all other rights which the holders of those Variable Rate Series 2024B Subordinate Bonds would have the power and authority to make, give, or exercise as Holders of Subordinate Debt under Article IX hereof as a result of the occurrence and continuation of an Event of Default, and making or giving any other consent, direction, or approval permitted or required under the Indenture to be made or given by Holders of the Variable Rate Series 2024B Subordinate Bonds.

Section 416. Trustee Provisions.

(a) While any Credit Facility is in effect, the Trustee may seek indemnification pursuant to the Indenture before suffering, taking or omitting any action under the Indenture unless such action is directly related to (i) paying the Purchase Price of or Debt Service Charges on the Variable Rate Series 2024B Subordinate Bonds when due, (ii) submitting Credit Facility Requests, or (iii) exercising its obligations in connection with a mandatory tender of the Variable Rate Series 2024B Subordinate Bonds under Section 408, and (iv) exercising its obligations in connection with the redemption of Variable Rate Series 2024B Subordinate Bonds. The Trustee may not use the proceeds from a Credit Facility Request or remarketing proceeds to pay any fees or costs of the Trustee.

(b) Upon resignation by or removal of the Trustee in accordance with Sections 1106 or 1107 of the Master Indenture, the Trustee shall transfer any Credit Facility to the successor Trustee. Such resignation or removal shall not take effect until the appointment of a successor Trustee and acceptance by the successor Trustee of such trusts as required by Article XI of the Master Indenture and transfer to the successor Trustee of any Credit Facility then outstanding.

(c) While a Credit Facility is in effect with respect to the Variable Rate Series 2024B Subordinate Bonds, the Trustee shall act as Tender Agent for the Variable Rate Series 2024B Subordinate Bonds.

Section 417. Modification of Dates and Times.

Notwithstanding any other provision of this Thirty-Fourth Supplemental Indenture, and with respect to this Article IV, the dates and times by which notices are to be given and draws, transfers, disbursements and deposits are to be made may be modified upon written approval by

the Trustee of a letter of instructions from the Authority, any Credit Facility Provider and the Remarketing Agent setting forth the preferred dates and times and written confirmation from each of the Rating Agencies that have rated the Variable Rate Series 2024B Subordinate Bonds that such changes will not affect the rating(s) on the Variable Rate Series 2024B Subordinate Bonds.

Section 418. Particular Defeasance Provisions.

(a) If the Variable Rate Series 2024B Subordinate Bonds are to be deemed paid or discharged pursuant to Article XII of the Master Indenture (“Defeased Variable Rate Series 2024B Subordinate Bonds”), and the Rate Period for the Variable Rate Series 2024B Subordinate Bonds ends prior to the maturity or redemption date to which provision for payment of Debt Services Charges is to be made, then for purposes of calculating those Debt Service Charges, interest on the Variable Rate Series 2024B Subordinate Bonds shall be calculated at the Maximum Rate for each day after the end of the Rate Period and prior to such maturity or redemption date. The Defeased Variable Rate Series 2024B Subordinate Bonds will continue to be subject to all payment provisions under this Thirty-Fourth Supplemental Indenture until and including the maturity or redemption date, as applicable. Debt Service Charges on Defeased Variable Rate Series 2024B Subordinate Bonds subject to a remarketing shall not be paid with proceeds from a draw on a Credit Facility. At such time as the Debt Service Charges are paid on any Defeased Variable Rate Series 2024B Subordinate Bonds that were unsuccessfully remarketed, such Defeased Variable Rate Series 2024B Subordinate Bonds shall be cancelled.

(b) If and to the extent that payment of Debt Service Charges on Variable Rate Series 2024B Subordinate Bonds has been made from a draw on the Credit Facility then, so long as the Authority owes any amounts to the Credit Facility Provider pursuant to the Reimbursement Agreement (as certified in writing by the Credit Facility Provider to the Trustee): (a) the lien of the Indenture shall not be discharged; (b) the Credit Facility Provider shall be subrogated to the extent of such amounts owed by the Authority to that Credit Facility Provider to all rights of the Holders of the Variable Rate Series 2024B Subordinate Bonds to enforce the payment of the Variable Rate Series 2024B Subordinate Bonds from the Net Revenues and all other rights of the Holders under the Variable Rate Series 2024B Subordinate Bonds and the Indenture; (c) the Credit Facility Provider shall be entitled in its own right upon payment in full of Debt Service Charges on the Variable Rate Series 2024B Subordinate Bonds to exercise all rights of enforcement and remedies set forth in Article IX of this Thirty-Fourth Supplemental Indenture of the Master Indenture; (d) the Holders will be deemed paid to the extent of money drawn by the Trustee under the Credit Facility; and (e) the Trustee shall sign, execute and deliver all documents or instruments and do all things that may be reasonably required by the Credit Facility Provider to effect the Credit Facility Provider’s subrogation of rights of enforcement and remedies set forth in Article IX of this Thirty-Fourth Supplemental Indenture in accordance with the intent of this Section.

ARTICLE V

REDEMPTION OF VARIABLE RATE SERIES 2024B SUBORDINATE BONDS

Section 501. Redemption of the Variable Rate Series 2024B Subordinate Bonds.

The Variable Rate Series 2024B Subordinate Bonds shall be subject to redemption in Authorized Denominations prior to maturity under the circumstances, in the manner and subject to the conditions provided in this Section and in the form of the Variable Rate Series 2024B Subordinate Bonds.

(a) Optional Redemption. The Variable Rate Series 2024B Subordinate Bonds are subject to redemption and payment prior to maturity, in whole or in part, at the option of the Authority, upon written direction from the Authorized Official to the Trustee, as follows:

(i) Daily Rate Bonds and Weekly Rate Bonds are subject to optional redemption on any date at the redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

(ii) Short-Term Rate Bonds are subject to optional redemption on any Interest Payment Date at the redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

(iii) Long-Term Rate Bonds are subject to optional redemption on the day after the end of each Long-Term Interest Period at a redemption price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date.

(iv) Index Rate Bonds are subject to optional redemption, in whole or in part, at a redemption price equal to the principal amount of the Index Rate Bonds to be redeemed plus interest accrued to, but not including, the redemption date on any date or dates specified in the applicable Notice of Conversion as an optional redemption date.

(v) Fixed Rate Bonds are subject to optional redemption at any time on and after the no-call period shown below, at the respective redemption prices set out below, plus accrued interest thereon to the redemption date (unless an alternate optional redemption schedule is determined pursuant to this subparagraph (v)):

Period to Final Maturity	No Call Period	Redemption Price
Greater than or equal to 11 Years	8 years	100%
Greater than or equal to 8 years and less than 11 years	6 years	100%
Greater than or equal to 4 years and less than 8 years	3 years	100%
Less than 4 years	No optional redemption	N/A

Notwithstanding the foregoing, if before the first day of a Fixed Rate Period an alternate optional redemption schedule is delivered by the Authority to the Trustee setting forth redemption dates and redemption prices during that Fixed Rate Period together with a certificate of the Remarketing Agent certifying that the redemption terms set forth therein are advantageous for the Remarketing Agent to remarket those Bonds for that period and a Favorable Opinion of Bond Counsel, then the Variable Rate Series 2024B Subordinate Bonds shall be subject to redemption during that period in accordance with that optional redemption schedule rather than the schedule set forth above, provided that ten (10) years shall be the longest period that any Variable Rate Series 2024B Subordinate Bonds shall not be subject to optional redemption.

If a Credit Facility in the form of a direct pay bank letter of credit is in effect for the Variable Rate Series 2024B Subordinate Bonds, the Trustee shall call the Variable Rate Series 2024B Subordinate Bonds for optional redemption only if the Trustee, prior to the mailing of the notice of redemption as provided in Section 502, is entitled to draw on that Credit Facility in an aggregate amount sufficient to pay the redemption price of the Variable Rate Series 2024B Subordinate Bonds called for redemption, plus accrued and unpaid interest.

(b) Mandatory Sinking Fund Redemption Requirements of Variable Rate Series 2024B Subordinate Bonds. The Variable Rate Series 2024B Subordinate Bonds shall be redeemed by the Authority on October 1 (or, if the Variable Rate Series 2024B Subordinate Bonds are Daily Rate Bonds or Weekly Rate Bonds and that date is not an Interest Payment Date, on the Interest Payment Date immediately succeeding that date) in the years and the amounts set forth below (the Mandatory Sinking Fund Redemption Requirements) at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium (subject to any adjustment in connection with a conversion of the interest rate to a Fixed Rate in accordance with this Thirty-Fourth Supplemental Indenture).

**Mandatory Sinking Fund Redemption Requirements
for SubSeries 2024B-1 Subordinate Bonds**

<u>Year</u>	<u>Amount</u>
-------------	---------------

The remaining principal amount of the Series 2024B-1 Subordinate Bonds (\$_____) is payable on their Maturity Date.

**Mandatory Sinking Fund Redemption Requirements
for SubSeries 2024B-2 Subordinate Bonds**

<u>Year</u>	<u>Amount</u>
-------------	---------------

The remaining principal amount of the SubSeries 2024B-2 Subordinate Bonds (\$_____) is payable on their Maturity Date.

(c) Credits Against Scheduled Mandatory Sinking Fund Redemption Requirements. At the option of the Authority, to be exercised by delivery of a certificate of the Authorized Official to the Trustee on or before the 45th day next preceding any scheduled mandatory redemption date, the Authority may (1) deliver to the Trustee for cancellation Variable Rate Series 2024B Subordinate Bonds subject to scheduled mandatory redemption on that date or portions thereof in Authorized Denominations or (2) specify a principal amount of Variable Rate Series 2024B Subordinate Bonds or portions thereof in Authorized Denominations which prior to that date have been purchased or redeemed (otherwise than pursuant to this Section) and canceled by the Trustee at the request of the Authority and not theretofore applied as a credit against any scheduled mandatory redemption payment of Variable Rate Series 2024B Subordinate Bonds. Each Variable Rate Series 2024B Subordinate Bond or portion thereof so delivered or previously redeemed shall be credited by the Trustee at the principal amount thereof against the obligation of the Authority to redeem Variable Rate Series 2024B Subordinate Bonds on the scheduled mandatory redemption date or dates designated in writing to the Trustee by the Authorized Official occurring at least 45 days after delivery of such designation to the Trustee, provided that if no such designation is made, such credit shall not be credited against such obligation.

(d) Special Mandatory Redemption of Credit Facility Provider Bonds. Credit Facility Provider Bonds shall be subject to special mandatory redemption upon the written direction to the Trustee from the Credit Facility Provider on the date and in the amount set forth in the Reimbursement Agreement with respect to any required principal amortization of Credit Facility Provider Bonds or upon an event of default under the Reimbursement Agreement.

Section 502. Notice of Redemption.

The Trustee shall cause notice of any redemption of Variable Rate Series 2024B Subordinate Bonds to be (i) mailed to the Holders of all Variable Rate Series 2024B Subordinate Bonds to be redeemed at the registered addresses appearing in the Register, (ii) transmitted by Electronic Means to each Depository and to the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board; provided however, failure to deliver notice as described in (ii) shall not affect the validity of the redemption of any Variable Rate Series 2024B Subordinate Bond. Each such notice shall (i) be sent not more than 45 nor fewer than 15 calendar days (30 days for Long-Term Rate Bonds or Fixed Rate Bonds) prior to the date fixed for redemption, (ii) identify the Bonds to be redeemed (specifying the CUSIP numbers, if any, assigned to the Variable Rate Series 2024B Subordinate Bonds), (iii) specify the redemption date and the redemption price, (iv) set forth the name, address and telephone number of the person from whom information pertaining to the redemption may be obtained, and (v) state that on the redemption date the Variable Rate Series 2024B Subordinate Bonds called for redemption will be payable at the Designated Office of the Trustee, that from that date interest will cease to accrue, and that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the Variable Rate Series 2024B Subordinate Bonds. No defect affecting any Variable Rate Series 2024B Subordinate Bond, whether in the notice of redemption or the delivery thereof (including any failure to mail such notice), shall affect the validity of the redemption proceedings for any other Variable Rate Series 2024B Subordinate Bonds.

If at the time of mailing of notice of an optional redemption of Variable Rate Series 2024B Subordinate Bonds there has not been deposited with the Trustee moneys sufficient to redeem all Variable Rate Series 2024B Subordinate Bonds called for such redemption, then such notice shall state that the redemption is conditional upon the deposit of moneys sufficient for the redemption with the Trustee and satisfaction of such requirements not later than the opening of business on the redemption date, and such notice will be of no effect and such Variable Rate Series 2024B Subordinate Bonds shall not be redeemed unless such moneys or such Direct Obligations are so deposited.

Any notice of redemption shall be mailed by first-class mail, postage prepaid. Notice of redemption also shall be given by Electronic Means to a Depository. A certificate of the Trustee shall conclusively establish the mailing of any such notice for all purposes.

Section 503. Partial Redemption.

If fewer than all of the Variable Rate Series 2024B Subordinate Bonds that are stated to mature on different dates are called for redemption at one time, those Variable Rate Series 2024B Subordinate Bonds that are called shall be designated by the Authority; provided, that there shall be first redeemed any Credit Facility Provider Bonds. If fewer than all of the Variable

Rate Series 2024B Subordinate Bonds of a single maturity are to be redeemed, the selection of the Variable Rate Series 2024B Subordinate Bonds to be redeemed, or portions thereof in amounts of \$5,000 or any integral multiple thereof, so long as the Variable Rate Series 2024B Subordinate Bonds remain in book-entry form, shall be made by the Depository (or any successor Depository) in accordance with the Depository's procedures and otherwise will be made as specified by and selected at the sole discretion of the Authority. In the case of a partial redemption of the Variable Rate Series 2024B Subordinate Bonds by lot when the Variable Rate Series 2024B Subordinate Bonds of Authorized Denominations greater than \$5,000 are then outstanding, each \$5,000 unit of principal thereof shall be treated as though it were a separate Variable Rate Series 2024B Subordinate Bond of the denomination of \$5,000.

If it is determined that one or more, but not all of the \$5,000 units of principal amount represented by a Variable Rate Series 2024B Subordinate Bond are to be called for redemption, then upon notice of redemption of a \$5,000 unit or units the Holder of that Variable Rate Series 2024B Subordinate Bond may, but is not required to surrender the Variable Rate Series 2024B Subordinate Bond to the Trustee (a) for payment of the redemption price of the \$5,000 unit or units called for redemption (including without limitation, the interest accrued to the date fixed for redemption and any premium), and (b) for issuance, without charge to the Holder thereof, of a new Variable Rate Series 2024B Subordinate Bond or Bonds, of any authorized denomination or denominations in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date or dates as, the Variable Rate Series 2024B Subordinate Bond surrendered.

Section 504. Payment of Redeemed Variable Rate Series 2024B Subordinate Bonds.

Notice having been mailed in the manner provided in Section 502, and moneys having been deposited with the Trustee sufficient to pay the redemption price, the Variable Rate Series 2024B Subordinate Bonds and portions thereof called for redemption shall become due and payable on the redemption date, and upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price, plus interest accrued to the redemption date.

If the moneys for the redemption of all of the Variable Rate Series 2024B Subordinate Bonds and portions thereof to be redeemed, together with interest accrued thereon to the redemption date, is held by the Trustee on the redemption date, so as to be available therefor on that date and if notice of redemption has been deposited in the mail as aforesaid, then from and after the redemption date those Variable Rate Series 2024B Subordinate Bonds and portions thereof called for redemption shall cease to bear interest and no longer shall be considered to be Outstanding under the Indenture. If those moneys shall not be so available on the redemption date, or that notice shall not have been deposited in the mail as aforesaid, those Variable Rate Series 2024B Subordinate Bonds and portions thereof shall continue to bear interest, until they are paid, at the same rate as they would have borne had they not been called for redemption.

All moneys held by the Trustee for the redemption of particular Variable Rate Series 2024B Subordinate Bonds shall be held in trust for the account of the Holders thereof and shall

be paid to them, respectively, upon presentation and surrender of those Variable Rate Series 2024B Subordinate Bonds.

Section 505. Purchase in Lieu of Redemption.

By their acceptance of the Variable Rate Series 2024B Subordinate Bonds, the Holders irrevocably grant to the Authority the option to purchase any Variable Rate Series 2024B Subordinate Bond which is redeemable by optional redemption on any date on which the Variable Rate Series 2024B Subordinate Bond is redeemable at a purchase price no less than the redemption price to be paid to Holders upon optional redemption. The Authority may exercise such option by delivering written direction to the Trustee in time for the Trustee thereupon to give the Holders of the Variable Rate Series 2024B Subordinate Bonds to be purchased notice of such purchase in the manner specified in the Indenture as though such purchase were a redemption, and the Trustee shall thereupon do so, and the purchase of such Variable Rate Series 2024B Subordinate Bonds shall be mandatory and enforceable against the Holders. On the date fixed for purchase pursuant to any exercise of such option, the Authority shall pay the purchase price of the Variable Rate Series 2024B Subordinate Bonds then being purchased to the Trustee in immediately available funds, and the Trustee shall pay the same to the Holders of such Variable Rate Series 2024B Subordinate Bonds against delivery. Following such purchase, the Trustee shall cause such Variable Rate Series 2024B Subordinate Bonds to be registered in the name of the Authority or its nominee and shall deliver them to the Authority or its nominee. In the case of the purchase of less than all of the Variable Rate Series 2024B Subordinate Bonds, the particular Variable Rate Series 2024B Subordinate Bonds to be purchased shall be selected in accordance with the provisions of the Master Indenture as though such purchase were a redemption; or in such other manner as the Authority shall direct, provided such selection method is described in the Written Request to the Trustee. No purchase of Variable Rate Series 2024B Subordinate Bonds pursuant to this paragraph shall operate to extinguish the indebtedness evidenced by the purchased Variable Rate Series 2024B Subordinate Bonds. Notwithstanding the foregoing, no purchase shall be made pursuant to the provisions of this paragraph unless the Authority shall have delivered to the Trustee concurrently therewith a Favorable Opinion of Bond Counsel with respect to such purchase.

ARTICLE VI

APPLICATION OF PROCEEDS OF SERIES 2024B SUBORDINATE BONDS

Section 601. Application of Proceeds.

The net proceeds of the Series 2024B Subordinate Bonds in the amount of \$[_____], which represents the par amount of the Series 2024B Subordinate Bonds less Underwriter’s discount, at the request and direction of the Authority shall be applied as follows:

- (a) \$[_____] from the net proceeds of the Series 2024B Subordinate Bonds shall be deposited in the Series 2024B Escrow Account [together with \$[_____] from the Series 2019C Subordinate Bonds Interest Subaccount in the Subordinate Bond Fund] to currently refund the Refunded Bonds.

(b) \$[] shall be deposited in the Series 2024B Costs of Issuance Subaccount of the Series 2024B Construction Account of the Construction Fund and used to pay costs of issuance.

ARTICLE VII

FUNDS AND ACCOUNTS

Section 701. Series 2024B Construction Account, Series 2024B Credit Facility Account and Series 2024B Escrow Account.

In the Construction Fund, there shall be established a Series 2024B Construction Account and, within that Account, a Series 2024B Costs of Issuance Subaccount. The portions of the proceeds of the Series 2024B Subordinate Bonds specified in Section 601(b) shall be deposited in the Series 2024B Costs of Issuance Subaccount and used to pay costs of issuance related to the Series 2024B Subordinate Bonds. When all costs of issuance have been paid or moneys have been reserved to pay all remaining unpaid costs of issuance, the balance of any Series 2024B Subordinate Bond proceeds remaining in excess of the amount to be reserved for payment of unpaid costs of issuance shall, as directed by the Authority, either (i) be deposited in the Series 2024B Construction Account of the Construction Fund and used to pay Costs of the System, or (ii) be deposited in the Subordinate Bond Fund to be used solely to pay principal of and interest on the Series 2024B Subordinate Bonds, in either case subject to the condition of a Favorable Opinion of Bond Counsel.

In connection with the Authority's causing a Credit Facility to be delivered to the Trustee, the Trustee shall establish a Credit Facility Account for the purpose of receiving and disbursing such funds as are required to be paid to the Credit Facility Provider other than from the Series 2024B Subordinate Bonds Interest Subaccount or the 2024B Subordinate Bonds Principal Subaccount.

The Trustee shall establish and hold the Series 2024B Escrow Account for the purpose of receiving the portion of the proceeds of the Series 2024B Subordinate Bonds to be deposited therein specified in Section 601(a). Those proceeds, together with any other funds to be deposited in the Series 2024B Escrow Account pursuant to the Escrow Agreement, shall be applied pursuant to the Escrow Agreement to the payment of the principal of, interest on and redemption price of the Refunded Bonds.

Section 702. Series 2024B Subordinate Bonds Subaccounts in the Subordinate Interest Account and Subordinate Principal Account.

(a) Within the Subordinate Interest Account there shall be established a "Series 2024B Subordinate Bonds Interest Subaccount." Within the Subordinate Principal Account there shall be established a "Series 2024B Subordinate Bonds Principal Subaccount."

(b) In accordance with Section 604(e) of the Master Indenture, Net Revenues shall be deposited in the Series 2024B Subordinate Bond Interest Subaccount (i) on or prior to the last Business Day of each of the six months prior to any month in which an Interest Payment Date occurs for any Series 2024B Subordinate Bond that bears interest payable semi-annually, in an amount equal to one-sixth (1/6) of the interest due and payable on such Series 2024B Subordinate Bonds on such Interest Payment Date; and (ii) on or prior to the last Business Day of each of the six months prior to any month in which an Interest Payment Date occurs for any Series 2024B Subordinate Bond that bears interest more frequently than semi-annually, in an amount equal to the interest due and payable on such Series 2024B Subordinate Bonds on such Interest Payment Date.

(c) In accordance with Section 604(e) of the Master Indenture, Net Revenues shall be deposited in the Series 2024B Subordinate Bonds Principal Subaccount (i) on or prior to the last Business Day of each of the twelve months prior to any month in which principal of Series 2024B Subordinate Bonds is payable on their stated maturity date or pursuant to mandatory redemption requirements, in an amount equal to one-twelfth (1/12) of the principal amount scheduled to be due and payable on the Series 2024B Subordinate Bonds in such month; and (ii) on or prior to the last Business Day of each month prior to any month in which principal of Series 2024B Subordinate Bonds is payable on their stated maturity date or pursuant to mandatory redemption requirements, any amount that may be required to supplement the amounts deposited therein pursuant to the preceding clause (i) to cause the balance in the Series 2024B Subordinate Bonds Principal Subaccount to suffice for the payment of the principal due on that maturity or mandatory redemption date.

Section 703. Rebate Funds.

There is hereby established the Series 2024B Rebate Fund which shall be used in accordance with (i) Article X hereof, and (ii) the Authority’s covenants in the Tax Compliance Certificate of the Issuer, executed by the Authority, dated July 30, 2024. There is hereby established the Series 2022E Rebate Fund which shall be used in accordance with (i) Article X of the Thirty-Second Supplemental Indenture, and (ii) the Authority’s covenants in the Tax Compliance Certificate of the Issuer, executed by the Authority, dated March 23, 2022.

ARTICLE VIII

SECURITY FOR SERIES 2024B SUBORDINATE BONDS

Section 801. Security for Series 2024B Subordinate Bonds.

The Series 2024B Subordinate Bonds shall be secured as Subordinate Debt under the Indenture, including, without limitation, by a pledge of: (i) 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 Subordinate Debt, including, without limitation, any other Subordinate Debt that the Authority may issue in the future, without preference, priority or distinction of any Series 2024B Subordinate Bond over any other Series 2024B Subordinate Bond or of any Subordinate Debt over any other Subordinate Debt, as provided in the Indenture; and (ii) the moneys and Permitted Investments in the Subordinate Bond Fund on a parity with the pledge of

Net Revenues that secures other Subordinate Debt, including, without limitation, any other Subordinate Debt that the Authority may issue in the future, without preference, priority or distinction of any Series 2024B Subordinate Bond over any other Series 2024B Subordinate Bond or of any Subordinate Debt over any other Subordinate Debt, as provided in the Indenture.

ARTICLE IX

DEFAULTS AND REMEDIES

Section 901. Application of Article IX and Other Remedies Provisions of the Master Indenture.

The Series 2024B Subordinate Bonds do not constitute “Bonds” under the Master Indenture. Accordingly, the provision of Article IX of the Master Indenture that confer certain rights upon the Holders of Bonds or a specified percentage thereof do not apply to the Series 2024B Subordinate Bonds or to the Series 2024B Subordinate Bondholders. Pursuant to Section 305 of the Master Indenture, the Series 2024B Subordinate Bonds, as Subordinate Debt, may not be accelerated if any Senior Debt is outstanding.

Section 902. Rights of Series 2024B Subordinate Bondholders Upon Occurrence of Events of Default.

In addition to and in furtherance and implementation of the rights that Series 2024B Subordinate Bondholders have under the penultimate paragraph of Section 906 of the Master Indenture, Sections 903 through 911, inclusive, of this Thirty-Fourth Supplemental Indenture shall apply to the Series 2024B Subordinate Bonds.

Section 903. Events of Default.

Each of the following events shall be a Series 2024B Subordinate Bond Event of Default:

(a) Default in the due and punctual payment of the principal of or premium, if any, on any Series 2024B Subordinate Bond (whether at maturity or call for redemption);

(b) Default in the due and punctual payment of the interest on any Series 2024B Subordinate Bond;

(c) Failure of the Authority to make the deposits required by subsection (e) or subsection (f) of Section 604 of the Master Indenture at the time and in the amount required from Net Revenues available for such deposit under the Indenture; or

(d) Failure of the Trustee to apply moneys in accordance with the penultimate paragraph of Section 906 of the Master Indenture.

(e) If Series 2024B Subordinate Bonds are Index Rate Bonds and have been designated Hard Tender Index Rate Bonds, default in the due and punctual payment of the Purchase Price of any Series 2024B Subordinate Bond.

Section 904. Remedies of Series 2024B Subordinate Bondholders.

Upon the occurrence and continuation of a Series 2024B Subordinate Bond Event of Default, the Trustee may, and if requested by the holders of not less than 25% in aggregate principal amount of outstanding Series 2024B Subordinate Bonds and if indemnified to its reasonable satisfaction, shall proceed to protect and enforce their rights by mandamus or other suit, action or proceeding at law or in equity, including an action for specific performance.

No remedy conferred by this Indenture upon or reserved to the Trustee and Series 2024B Subordinate Bondholders is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee and Series 2024B Subordinate Bondholders hereunder or now or hereafter existing at law, in equity or by statute.

No delay or omission to exercise any right or power accruing upon any default or Series 2024B Subordinate Bond Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Series 2024B Subordinate Bond Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Series 2024B Subordinate Bond Event of Default hereunder by the Trustee or Series 2024B Subordinate Bondholders shall extend to or shall affect any subsequent Series 2024B Subordinate Bond Event of Default or shall impair any rights or remedies consequent thereon.

The Authority agrees that the Trustee in its name or in the name of the Authority may, in the manner and to the extent provided herein, enforce all rights of the Trustee and of the Authority and all obligations of the Credit Facility Provider (including the obligation of the Credit Facility Provider to honor drafts duly presented in accordance with the terms and conditions of the Credit Facility) under and pursuant to the Credit Facility, for the benefit of the Series 2024B Subordinate Bondholders. The Trustee agrees to assume and perform the duties and obligations contemplated under the Credit Facility to be assumed and performed by the Trustee.

If a Credit Facility is in effect, and if the provider thereof has failed to honor its payment obligations under the Credit Facility, twenty five percent (25%) of the Series 2024B Subordinate Bondholders enhanced by such Credit Facility (excluding Series 2024B Subordinate Bonds owned by the Authority and Bank Bonds), shall have the right at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Credit Facility, or any other proceedings thereunder; provided that such direction shall be in accordance with applicable law.

In the event the Credit Facility Provider wrongfully dishonors a conforming drawing for any payment with respect to the Series 2024B Subordinate Bonds or the Credit Facility Provider repudiates such obligation, the Trustee agrees to take all reasonable steps to enforce the

obligation of the Credit Facility Provider to honor drafts duly presented in accordance with the terms and conditions of the Credit Facility for the benefit of the Series 2024B Subordinate Bondholders.

Section 905. Right of Series 2024B Subordinate Bondholders to Direct Proceedings.

The holders of a majority in aggregate principal amount of Series 2024B Subordinate Bonds then outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Thirty-Fourth Supplemental Indenture or any other proceedings hereunder, provided, however, that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

Section 906. Application of Moneys.

All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys, the expenses, liabilities and advances incurred or reasonably anticipated to be made by the Trustee, and its fees and the expenses of the Authority in carrying out this Thirty-Fourth Supplemental Indenture, be deposited in the Series 2024B Subordinate Bonds Interest Subaccount or the Series 2024B Subordinate Bonds Principal Subaccount, as the case may be, and applied as follows and for no other purpose:

(a) All such moneys shall be applied:

First - To the payment to the persons entitled thereto of all installments of interest then due on the Series 2024B Subordinate Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Series 2024B Subordinate Bonds; and

Second - To the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on any of the Series 2024B Subordinate Bonds which shall have become due (other than Series 2024B Subordinate Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full Series 2024B Subordinate Bonds due on any particular date, then to the payment of such principal and premium, if any, ratably, according to the amount of such principal due on such date, to the persons entitled thereto, without any discrimination or preference.

For purposes of paragraphs First and Second above, the interest component of any Purchase Price payable by the Authority shall be treated as interest, and the principal component of any Purchase Price payable by the Authority shall be treated as principal.

(b) Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times and from time to time as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) on which such application is to be made and on such date interest shall cease to accrue on the amounts of principal to be paid. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date.

Section 907. Remedies Vested in Trustee.

All rights of action (including the right to file proof of claims) under this Thirty-Fourth Supplemental Indenture or under any of the Series 2024B Subordinate Bonds may be enforced by the Trustee without the possession of any of the Series 2024B Subordinate Bonds or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted by the Trustee may be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Series 2024B Subordinate Bondholders, and any recovery of judgment shall be for the equal benefit of the Series 2024B Subordinate Bondholders.

Section 908. Limitation on Suits.

Except to enforce the rights given under Sections 904 and 905 of this Thirty-Fourth Supplemental Indenture, no Series 2024B Subordinate Bondholder shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or any other remedy hereunder, unless: (a) a Series 2024B Subordinate Bond Event of Default has occurred and is continuing and the Holders of 25% in aggregate principal amount of Series 2024B Subordinate Bonds then outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (b) such requesting Series 2024B Subordinate Bondholders have offered to the Trustee indemnity as provided in Section 1101(1) of the Master Indenture, (c) the Trustee has thereafter failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name, (d) no direction inconsistent with such written request has been given to the Trustee by the holders of a majority in aggregate principal amount of Series 2024B Subordinate Bonds then outstanding, and (e) notice of such action, suit or proceeding is given to the Trustee; it being understood and intended that no one or more Series 2024B Subordinate Bondholders shall have any right in any manner whatsoever to affect, disturb or prejudice the Indenture by its or their action or to enforce any rights hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted and maintained in the manner herein provided and for the equal benefit of all Series 2024B Subordinate Bondholders then outstanding. The notification, request and offer of indemnity set forth above, at the option of the Trustee, shall be conditions precedent to the execution of the powers and trusts of this Thirty-Fourth Supplemental Indenture and to any action or cause of action for the enforcement of this Thirty-Fourth Supplemental Indenture or for any other remedy hereunder.

Section 909. Termination of Proceedings.

In case the Trustee shall have proceeded to enforce any right under this Thirty-Fourth Supplemental Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then and in every such case the Authority and the Trustee shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 910. Waivers of Events of Default.

Subject to the Indenture (including, without limitation, Section 1101 of the Master Indenture), the Trustee may in its discretion waive any Series 2024B Subordinate Bond Event of Default hereunder or any action taken pursuant to any Series 2024B Subordinate Bond Event of Default, and shall do so at the written request of the holders of: (a) a majority in aggregate principal amount of Series 2024B Subordinate Bonds then outstanding in respect of which default in the payment of principal and/or premium, if any, and/or interest exists, or (b) a majority in aggregate principal amount of Series 2024B Subordinate Bonds then outstanding in the case of any other Series 2024B Subordinate Bond Event of Default; provided, however, that there shall not be waived without the written consent of all then Outstanding Series 2024B Subordinate Bondholders (A) any Series 2024B Subordinate Bond Event of Default in the payment of the principal of any Outstanding Series 2024B Subordinate Bonds (whether at maturity or by mandatory redemption or as part of the Purchase Price payable upon mandatory tender), or (B) any default in the payment when due of the interest on any such Series 2024B Subordinate Bonds unless, prior to such waiver or rescission,

(i) there shall have been paid or provided for all arrears of interest with interest, to the extent permitted by law, at the rate borne by the Series 2024B Subordinate Bonds on overdue installments of interest, all arrears of principal and premium, if any, and all expenses of the Trustee in connection with such default, and

(ii) in case of any such waiver or rescission or in the case of any discontinuance, abandonment or adverse determination of any proceeding taken by the Trustee on account of any such default, the Authority, the Trustee, and the Series 2024B Subordinate Bondholders shall be restored to their former positions and rights hereunder respectively.

No such waiver or rescission relating to the Series 2024B Subordinate Bonds shall extend to any subsequent or other default or impair any right consequent thereon.

Section 911. Non-Impairment of Authority's Obligation to Pay Principal, Premium and Interest.

Nothing in this Thirty-Fourth Supplemental Indenture shall, however, affect or impair the obligation of the Authority to pay the principal of, premium, if any, and interest on each of the

Series 2024B Subordinate Bonds to the respective Holders thereof at the time and place, from the source and in the manner specified in the Indenture

ARTICLE X TAX COVENANTS

Section 1001. Tax Covenants – General.

(i) The Authority covenants that it will use, and will restrict the use and investment of, the proceeds of the Series 2024B Subordinate Bonds in such manner and to such extent as may be necessary so that (a) the Series 2024B Subordinate Bonds will not constitute private activity bonds, arbitrage bonds or hedge bonds under Sections 141, 148 or 149 of the Code, or be treated other than as bonds to which Section 103(a) of the Code applies, and (b) the interest on the Series 2024B Subordinate Bonds will not be treated as an item of tax preference under Section 57 of the Code.

(ii) The Authority further covenants that (a) it will take or cause to be taken such actions that may be required of it for the interest on the Series 2024B Subordinate Bonds to be and remain excluded from gross income for federal income tax purposes, (b) it will not take or authorize to be taken any actions that would adversely affect that exclusion, and (c) it, or persons acting for it, will, among other acts of compliance, (1) apply the proceeds of the Series 2024B Subordinate Bonds to the governmental purposes of the borrowing, (2) restrict the yield on investment property, (3) make timely and adequate payments to the federal government, including but not limited to the required payment of any Rebate Amounts under Section 148(f) of the Code, as further provided in Section 902 hereof, (4) maintain books and records and make calculations and reports, and (5) refrain from certain uses of those proceeds and, as applicable, of property financed with such proceeds, all in such manner and to the extent necessary to assure that exclusion of that interest under the Code.

(iii) The Authorized Representative of the Authority is hereby authorized (a) to make or effect any election, selection, designation, choice, consent, approval or waiver on behalf of the Authority with respect to the Series 2024B Subordinate Bonds as the Authority is permitted to make or give under the federal income tax laws, including, without limitation, any of the elections provided for or available under Section 148 of the Code, for the purpose of assuring, enhancing or protecting favorable tax treatment or status of the Series 2024B Subordinate Bonds or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments of penalties, or making payments of special amounts in lieu of making computations to determine, or paying, excess earnings as rebate, or obviating those amounts or payments, as determined by the Authorized Representative of the Authority, which action shall be in writing and signed by the Authorized Representative of the Authority, (b) to take any and all other actions, make or obtain calculations, make payments, and make or give reports, covenants and certifications of and on behalf of the Authority, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Series 2024B Subordinate Bonds, and (c) to give one or more appropriate certificates, for inclusion in the transcript of proceedings for the Series 2024B

Subordinate Bonds, setting forth the reasonable expectations of the Authority regarding the amount and use of all the proceeds of the Series 2024B Subordinate Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of the interest on and the tax status of the Series 2024B Subordinate Bonds.

Section 1002. Calculation and Payment of Rebate.

(i) As used in this Section 1002:

“Bond Year” means the annual period (or such shorter period from the date of issuance of the Series 2024B Subordinate Bonds) provided for the computation of the Rebate Amount for the Series 2024B Subordinate Bonds under Section 148(f) of the Code. The last day of a Bond Year shall be the close of business on the day preceding the anniversary of the issuance of the Series 2024B Subordinate Bonds unless the Authority selects another date on which to end a Bond Year in the manner permitted by the Code, and notifies the Trustee in writing of such selection.

“Computation Date” means:

(i) (a) the last day of each fifth Bond Year while the Series 2024B Subordinate Bonds are outstanding, and (b) the date on which the last Series 2024B Subordinate Bonds are retired, or

(ii) such other date or dates elected by the Authority as may be permitted under the Code for computation of the Rebate Amount.

“Rebate Amount” means, as of any Computation Date, the amount then payable (or payable within 60 days of such date) to the United States pursuant to Section 148(f) of the Code and the applicable Treasury Regulations (final or temporary) thereunder.

(ii) Promptly after each Computation Date, the Authority, or an independent public accounting firm or Bond Counsel engaged by or on behalf of the Authority, shall calculate the Rebate Amount, if any, as of that Computation Date.

(iii) Within 60 days after each Computation Date, and at any other time directed by the Authorized Representative of the Authority, the Authority shall pay to the United States in accordance with Section 148(f), from any lawfully available funds, an amount equal to 90% (or such greater percentage not in excess of 100% as the Authorized Representative of the Authority may determine to pay) of the Rebate Amount determined from the Delivery Date to the end of such fifth Bond Year (but less any portion of the Rebate Amount previously paid to the United States pursuant to this Section). Within 60 days after the payment in full of all outstanding Series 2024B Subordinate Bonds, the Authorized Representative of the Authority, on behalf of the Authority shall pay to the United States in accordance with Section 148(f), from any lawfully available funds, an amount equal to 100% of the Rebate Amount determined from the Delivery Date to the date of such payment in full of all outstanding Series 2024B Subordinate Bonds (but less any portion of the Rebate Amount previously paid to the United States pursuant to this Section 1002(iii)).

(iv) The Authority shall keep or provide for the keeping of records of the computations made pursuant to this Section 1002, payments made pursuant to this Section and all original source documents pertaining to the investment of gross proceeds and the expenditure of gross proceeds for at least six years after the maturity or retirement of the Series 2024B Subordinate Bonds.

(v) The Authority, in connection with investments of the proceeds of the Series 2024B Subordinate Bonds in nonpurpose investments, will not pay or agree to pay to a party other than the United States any portion of the Rebate Amount with respect to the Series 2024B Subordinate Bonds through a transaction or series of transactions that reduce the aggregate amount earned on all nonpurpose investments in which gross proceeds of the Series 2024B Subordinate Bonds are invested or that result in a smaller profit or a larger loss than would have resulted in an arm's length transaction in which yield on the Series 2024B Subordinate Bonds was not relevant to the Authority or the other party.

(vi) If the Authority and the Trustee receive a written opinion of Bond Counsel that such action would not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2024B Subordinate Bonds, the Authorized Representative of the Authority may, without the consent of or notice to any bondholders, adopt supplements to this Thirty-Second Supplemental Indenture to the extent necessary or desirable to modify, supplement or replace this Section 1002 consistent with the other covenants of the Authority in this Thirty-Second Supplemental Indenture.

(vii) If at any time the Authority receives a written opinion of Bond Counsel that failure to comply with this Section 1002 or any part of this Section 1002 would not adversely affect the exclusion of interest on the Series 2024B Subordinate Bonds from gross income for federal income tax purposes, the Authority may discontinue compliance with this Section 1002 or part of this Section 1002 to the extent set forth in that opinion.

ARTICLE XI

MISCELLANEOUS

Section 1011. Limitation of Rights.

With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Thirty-Fourth Supplemental Indenture or the Series 2024B Subordinate Bonds is intended or shall be construed to give to any person other than the parties hereto, the Series 2024B Subordinate Bondholders any legal or equitable right, remedy or claim under or in respect to this Thirty-Fourth Supplemental Indenture or any covenants, conditions and agreements herein contained since this Thirty-Fourth Supplemental Indenture and all of the covenants, conditions and agreements hereof are intended to be and are for the sole and exclusive benefit of the parties hereto, the Series 2024B Subordinate Bondholders as herein provided.

Section 1012. Severability.

If any provision of this Thirty-Fourth Supplemental Indenture shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof, and this Thirty-Fourth Supplemental Indenture shall be construed and enforced as if such illegal provision had not been contained herein.

Section 1013. Successors and Assigns.

This Thirty-Fourth Supplemental Indenture shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 1014. Limitations on Liability.

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 of Directors of the Authority or officer, employee or agent of the Authority in his or her individual capacity, and neither the members of the Board of Directors of the Authority nor any officer of the Authority executing the Series 2024B Subordinate Bonds shall be liable personally on the Series 2024B Subordinate Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No member of the Board of Directors of the Authority or officer, employee, agent or advisor of the Authority shall incur any personal liability with respect to any other action taken by him or her pursuant to this Thirty-Fourth Supplemental Indenture or the Indenture or any other document authorized by the Indenture, provided such member, officer, employee, agent or advisor acts in good faith.

Section 1015. Applicable Law.

This Thirty-Fourth Supplemental Indenture shall be governed by the applicable laws of the District of Columbia.

Section 1016. Notice of Change.

The Trustee shall give notice to the Rating Agency, at the address or addresses set forth in Article I hereof, of any of the following events:

- (i) a change in the Trustee;
- (ii) a change in the Remarketing Agent;
- (iii) a change in the Tender Agent;
- (iv) the expiration, cancellation, renewal or substitution of the term of the Credit Facility;
- (v) the delivery of an Substitute Credit Facility;
- (vi) an amendment or supplement to the Indenture, a Remarketing Agreement, a Reimbursement Agreement, or the Credit Facility at least fifteen (15) days in advance of the execution thereof;

(vii) any declaration of acceleration of the Series 2024B Subordinate Bonds pursuant to Section 901;

(viii) payment or provision therefor of all the Bonds;

(ix) any conversion of the Interest Period applicable to the Series 2024B Subordinate Bonds; and

(x) any other event notice of which a Rating Agency may reasonably request.

The Trustee shall have no liability to the Rating Agency or any liability or obligation to any other Person if it shall fail to give such notice.

Section 1017. Counterparts.

This Thirty-Fourth Supplemental Indenture may be executed in several counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

[Balance of page intentionally left blank]

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Thirty-Fourth Supplemental Indenture to be executed in their respective corporate names as of the date first above written.

**DISTRICT OF COLUMBIA WATER
AND SEWER AUTHORITY**

By _____
Mathew T. Brown
Chief Financial Officer and Executive Vice
President, Finance Procurement and Compliance

**COMPUTERSHARE TRUST COMPANY, N.A.,
AS TRUSTEE**

By _____
Its _____

EXHIBIT A

[FORM OF BONDS]

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Authority or its agent for registration of transfer, exchange, or payment, and any certificate is registered in the name of Cede & Co., or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

REGISTERED **AMOUNT**
BR-__ **\$ _____**

UNITED STATES OF AMERICA

DISTRICT OF COLUMBIA

WATER AND SEWER AUTHORITY

**PUBLIC UTILITY SUBORDINATE LIEN MULTIMODAL REVENUE REFUNDING
 BOND,
 SERIES 2024B**

INTEREST RATE Variable	MATURITY DATE [October 1, 20__]	DATED DATE July [__], 2024	CUSIP
----------------------------------	---	--------------------------------------	--------------

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The District of Columbia Water and Sewer Authority (the “Authority”), for value received, hereby promises to pay upon surrender hereof at the principal corporate trust office of Wells Fargo Bank, N.A., as trustee, or its successor in trust (the “Trustee”), under the Indenture, as hereinafter defined, solely from the sources and as hereinafter provided, to the registered owner hereof, or registered assigns or legal representative, the principal sum stated above on the maturity date stated above, subject to prior redemption as hereinafter provided, and to pay, solely from such sources, interest hereon. Interest is payable by check or draft mailed to the registered owner hereof at its address as it appears on the business day preceding each interest payment date on registration books kept by the Trustee; provided, however, that if the Series 2024B Subordinate Bonds, as hereinafter defined, are registered in the name of a securities depository or its nominee as registered owner or at the option of a registered owner of at least \$1,000,000 of Series 2024B Subordinate Bonds, payment will be made by wire transfer pursuant to the most

recent wire instructions received by the Trustee from such registered owner. Principal, premium, if any, and interest are payable in lawful money of the United States of America. Capitalized terms which are not defined herein shall have the meanings set forth in the Indenture.

Notwithstanding any other provision hereof, this Series 2024B Subordinate Bond is subject to book-entry form maintained by The Depository Trust Company (“DTC”), and the payment of principal, premium, if any, and interest, the providing of notices and other matters shall be made as described in the Authority’s Blanket Letter of Representations to DTC.

This Series 2024B Subordinate Bond is one of an issue of \$[101,000,000] Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds, Series 2024B (the “Series 2024B Subordinate Bonds”). The Series 2024B Subordinate Bonds are issued under a Master Indenture of Trust, dated as of April 1, 1998, between the Authority and the Trustee (f.k.a. Norwest Bank, N.A.) (the “Master Indenture”), as amended and supplemented by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, the Twelfth Supplemental Indenture, the Thirteenth Supplemental Indenture, the Fourteenth Supplemental Indenture, the Fifteenth Supplemental Indenture, the Sixteenth Supplemental Indenture, the Seventeenth Supplemental Indenture, the Eighteenth Supplemental Indenture, the Nineteenth Supplemental Indenture, the Twentieth Supplemental Indenture, the Twenty-First Supplemental Indenture, the Twenty-Second Supplemental Indenture, the Twenty-Third Supplemental Indenture, the Twenty-Fourth Supplemental Indenture, the Twenty-Fifth Supplemental Indenture, the Twenty-Sixth Supplemental Indenture, the Twenty-Seventh Supplemental Indenture, the Twenty-Eighth Supplemental Indenture, the Twenty-Ninth Supplemental Indenture, the Thirtieth Supplemental Indenture, Thirty-Second Supplemental Indenture and Thirty-Third Supplemental Indenture all as defined in the Thirty-Fourth Supplemental Indenture (the “Indenture”). The Series 2024B Subordinate Bonds are secured under the Indenture as Subordinate Debt by a pledge of Net Revenues subordinate to the pledge that secures Senior Debt and on a parity with the pledge that secures other Subordinate Debt. Reference is hereby made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Authority and the Trustee, the rights of the holders of the Series 2024B Subordinate Bonds and the terms upon which the Series 2024B Subordinate Bonds are issued and secured. Any capitalized term used, but not otherwise defined, herein shall have the meaning provided in the Indenture.

The Series 2024B Subordinate Bonds and the premium, if any, and the interest thereon are limited obligations of the Authority payable from Net Revenues of the System, subject to the prior payment therefrom of the principal of and interest due and payable on all Senior Debt heretofore and hereafter issued or incurred by the Authority, and from certain other funds and accounts pledged thereto by, and on the terms set forth in, the Indenture. The Series 2024B Subordinate Bonds shall be without recourse to the District of Columbia (the “District”). The Series 2024B Subordinate Bonds shall not be general obligations of the District, shall not be a pledge of or involve the faith and credit or the taxing power of the District, shall not constitute a debt of the District, and shall not constitute lending of the public credit for private undertakings.

The Series 2024B Subordinate Bonds may bear interest at a Daily Rate, Weekly Rate, Short-Term Rate, Long-Term Rate, SIFMA Index Rate, or a Fixed Interest Rate, each determined as provided in the Indenture, provided that in no event will the interest rate on any Series 2024B Subordinate Bonds exceed the Maximum Rate. The Series 2024B Subordinate Bonds shall bear interest from and including their date or from and including the most recent Interest Payment Date to which interest has been paid or duly provided for. All Series 2024B Subordinate Bonds shall bear interest initially at the Daily Rate determined in accordance with the Indenture unless and until the Interest Rate Period for the Series 2024B Subordinate Bonds is converted from the Daily Interest Period to a different Interest Period pursuant to the Indenture. Interest on the Series 2024B Subordinate Bonds shall be payable in arrears on each Interest Payment Date. The amount of interest payable with respect to any Series 2024B Subordinate Bond on any Interest Payment Date shall be computed (1) during a Daily Interest Period, a Weekly Interest Period, a Short-Term Interest Period, or an Index Rate Period, on the basis of a 365- or 366-day year for the number of days actually elapsed, and (2) during a Fixed Rate Period and a Long-Term Rate Period, on the basis of a 360-day year of twelve 30-day months.

The Series 2024B Subordinate Bonds are subject to redemption and payment prior to maturity, in whole or in part, at the option of the Authority, upon written direction from the Authorized Official to the Trustee, as follows:

(i) Daily Rate Bonds and Weekly Rate Bonds are subject to optional redemption on any date at the redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

(ii) Short-Term Rate Bonds are subject to optional redemption on any Interest Payment Date at the redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

(iii) Long-Term Rate Bonds are subject to optional redemption on the day after the end of each Long-Term Interest Period at a redemption price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date.

(iv) Index Rate Bonds are subject to optional redemption, in whole or in part, at a redemption price equal to the principal amount of the Index Rate Bonds to be redeemed plus interest accrued to, but not including, the redemption date on any date or dates specified in the applicable Notice of Conversion as an optional redemption date.

(v) Fixed Rate Bonds are subject to optional redemption at any time on and after the no-call period shown below, at the respective redemption prices set out below, plus accrued interest thereon to the redemption date (unless an alternate optional redemption schedule is determined pursuant to this subparagraph (v)):

Period to Final Maturity	No Call Period	Redemption Price
Greater than or equal to 11 Years	8 years	100%
Greater than or equal to 8 years and less than 11 years	6 years	100%
Greater than or equal to 4 years and less than 8 years	3 years	100%
Less than 4 years	No optional redemption	N/A

Notwithstanding the foregoing, if before the first day of a Fixed Rate Period an alternate optional redemption schedule is delivered by the Authority to the Trustee setting forth redemption dates and redemption prices during that Fixed Rate Period together with a certificate of the Remarketing Agent certifying that the redemption terms set forth therein are advantageous for the Remarketing Agent to remarket those Bonds for that period and a Favorable Opinion of Bond Counsel, then the Series 2024B Subordinate Bonds shall be subject to redemption during that period in accordance with that optional redemption schedule rather than the schedule set forth above, provided that ten (10) years shall be the longest period that any Series 2024B Subordinate Bonds shall not be subject to optional redemption.

If a Credit Facility in the form of a direct pay bank letter of credit is in effect for the Series 2024B Subordinate Bonds, the Trustee shall call the Series 2024B Subordinate Bonds for optional redemption only if the Trustee, prior to the mailing of the notice of redemption as provided in Section 502 of the Sixteenth Supplement, is entitled to draw on that Credit Facility in an aggregate amount sufficient to pay the redemption price of the Series 2024B Subordinate Bonds called for redemption, plus accrued and unpaid interest.

The Series 2024B Subordinate Bonds shall be subject to mandatory tender for purchase by the Tender Agent at the Purchase Price, as follows:

(i) Short-Term and Long-Term Rate Bonds. Each Short-Term Rate Bond shall be subject to mandatory tender for purchase by the Tender Agent on the first day following the last day of each Short-Term Interest Period applicable to such Short-Term Rate Bond, and each Long-Term Rate Bond shall be subject to mandatory tender for purchase on the first day following the last day of each Long-Term Interest Period.

(ii) Conversion of Modes. The Series 2024B Subordinate Bonds shall be subject to mandatory tender for purchase by the Tender Agent on each Conversion Date for such subseries.

(iii) Expiration of a Credit Facility, Voluntary Termination of a Credit Facility or Replacement of a Credit Facility With a Substitute Credit Facility. Series 2024B Subordinate Bonds requiring the maintenance of a Credit Facility are subject to mandatory tender for purchase by the Tender Agent (1) on a Business Day selected by

the Trustee which shall be at least five days prior to the Expiration Date of the Credit Facility; (2) on a Business Day selected by the Trustee which shall be at least five days prior to the Voluntary Termination Date of the Credit Facility; and (3) on each Substitution Date, which shall be at least five days prior to the Expiration Date of the Credit Facility being replaced. Payment of the Purchase Price shall be made from proceeds of remarketing or a draw of moneys upon the Credit Facility that is expiring or being replaced.

(iv) Notice by the Credit Facility Provider. While a Credit Facility is in effect, the Series 2024B Subordinate Bonds are subject to mandatory tender for purchase by the Tender Agent (a) on a Business Day selected by the Trustee that is not more than one Business Day after the Trustee’s receipt of notification from that Credit Facility Provider of that Credit Facility Provider’s decision to exercise its right of mandatory tender as a result of the occurrence of certain events of default or termination under the Reimbursement Agreement, and (b) on the date designated by the Trustee following receipt by the Trustee of notice from the Credit Facility Provider that the Credit Facility Provider is not reinstating the Credit Facility following a draw, which date shall be a Business Day and shall be not more than one Business Day after the Trustee receives notice of non-reinstatement from the Credit Facility Provider.

(v) Index Rate Bonds Purchase Dates. Series 2024B Subordinate Bonds that are converted to Index Rate Bonds (regardless of whether they are then currently Index Rate Bonds) for any Index Rate Period shall be subject to mandatory tender (A) on the Index Rate Bonds Purchase Date specified in the applicable Notice of Conversion, which shall also specify if such Series 2024B Subordinate Bonds shall be Hard Tender Index Rate Bonds or Soft Tender Index Rate Bonds, and (B) at the option of the Authority on any Business Day on or after a date specified in the applicable Notice of Conversion.

The Term Series 2024B Subordinate Bonds are required to be redeemed prior to maturity on October 1 in years and amounts upon payment of 100% of the principal amount thereof plus interest accrued to the redemption date, as follows:

<u>Year</u>	<u>October 1 Redemption Amount</u>
-------------	--

* stated maturity

If fewer than all of the Series 2024B Subordinate Bonds are called for redemption, the Series 2024B Subordinate Bonds to be redeemed shall be selected by DTC or any successor securities depository pursuant to its rules and procedures or, if the book-entry system is discontinued, shall be selected by the Trustee in its discretion. In either case, (i) the portion of any of the Series 2024B Subordinate Bonds to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and (ii) in selecting Series 2024B Subordinate Bonds for redemption each Series 2024B Subordinate Bond shall be considered as representing that number of Series 2024B Subordinate Bonds which is obtained by dividing the principal amount of such Series 2024B Subordinate Bond by \$5,000. If the Series 2024B Subordinate Bonds convert to a different Interest Period, the principal amounts stated in (i) and (ii) above may change pursuant to the Indenture.

If any of the Series 2024B Subordinate Bonds or portions thereof are called for redemption, the Trustee shall send notice of the call for redemption, identifying the Series 2024B Subordinate Bonds or portions thereof to be redeemed, not fewer than 30 nor more than 60 days prior to the redemption date, by facsimile, registered or certified mail or overnight express delivery, to the registered owner of each the Series 2024B Subordinate Bond. Provided funds for their redemption are on deposit at the place of payment on the redemption date, all Series 2024B Subordinate Bonds or portions thereof so called for redemption shall cease to bear interest on such date, shall no longer be secured by the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture. If a portion of the Series 2024B Subordinate Bonds shall be called for redemption, a new Series 2024B Subordinate Bond in principal amount equal to the unredeemed portion hereof will be issued to DTC or its nominee upon the surrender hereof, or if the book-entry system is discontinued, to the registered owners of the Series 2024B Subordinate Bonds.

The registered owner of this Series 2024B Subordinate Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein or to take any action with respect to any Event of Default or Series 2024B Subordinate Bond Event of Default under the Indenture or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture. Specifically, and without limiting the generality of the foregoing, the Series 2024B Subordinate Bonds, as Subordinate Debt, may not be accelerated if any Senior Debt is outstanding. Modifications or alterations of the Indenture, or of any supplement thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

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 of Directors of the Authority or officer, employee or agent of the Authority in his or her individual capacity, and neither the members of the Board of Directors of the Authority nor any officer of the Authority executing the Series 2024B Subordinate Bonds shall be liable personally on the Series 2024B Subordinate Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No member of the Board of Directors of the Authority 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 Series 2024B Subordinate Bond, the Sixteenth Supplemental Indenture or the Indenture or any other document authorized by the Indenture, provided such member, officer, employee, agent or advisor acts in good faith.

The Series 2024B Subordinate Bonds are issuable as registered bonds in the denomination of \$5,000 and integral multiples thereof. If the Series 2024B Subordinate Bonds convert to a different Interest Period, the minimum denomination requirements may change pursuant to the Indenture. Upon surrender for transfer or exchange of this Series 2024B Subordinate Bond at the principal corporate trust office of the Trustee, together with an assignment duly executed by the registered owner or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Trustee, the Authority shall execute, and the Trustee shall authenticate and deliver in exchange, a new Series 2024B Subordinate Bond or Series 2024B Subordinate Bonds in the manner and subject to the limitations and conditions provided in the Indenture, having an equal aggregate principal amount, in authorized denominations, of the same series, form and maturity, bearing interest at the same rate and registered in the name or names as requested by the then registered owner hereof or its duly authorized attorney or legal representative. Any such exchange shall be at the expense of the Authority, except that the Trustee may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Trustee shall treat the registered owner as the person exclusively entitled to payment of principal, premium, if any, and interest and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person shown as owner on the fifteenth day of the month preceding each interest payment date.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this Series 2024B Subordinate Bond have happened, exist and have been performed.

This Series 2024B Subordinate Bond shall not become obligatory for any purpose or be entitled to any security or benefit under the Indenture or be valid until the Trustee shall have executed the Certificate of Authentication appearing hereon and inserted the date of authentication hereon.

IN WITNESS WHEREOF, the DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY has caused this Series 2024B Subordinate Bond to be executed by the manual or facsimile signature of the Chair of the Board of Directors of the Authority, its seal to be affixed hereto or a facsimile to be printed hereon and attested by the manual or facsimile signature of the Secretary to the Authority's Board of Directors, and this Series 2024B Subordinate Bond to be dated July [], 2024.

ATTEST:

Secretary to the Authority

Chair

[Seal]

CERTIFICATE OF AUTHENTICATION

Date Authenticated: _____

This Series 2024B Subordinate Bond is one of the Series 2024B Subordinate Bonds described in the within mentioned Indenture.

Computershare Trust Company, N.A.,
Trustee

By: _____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto _____

_____ (please print or typewrite name and address, including zip code, of Transferee)

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF TRANSFEREE

: :
: :
: :

the within Series 2024B Subordinate Bond and all rights thereunder, hereby irrevocably constituting _____ and _____ appointing _____

_____, Attorney, to transfer said Series 2024B Subordinate Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by an Eligible Guarantor Institution such as a Commercial Institution such as a Commercial Bank, Trust Company, Securities Broker/Dealer, Credit Union, or Savings Association who is a member of a medallion program approved by The Securities Transfer Association, Inc.

NOTICE: The signature above must correspond with the name of the registered owner as it appears on the front of this Series 2024B Subordinate Bond in every particular, without alteration or enlargement or any change whatsoever.

EXHIBIT B

REFUNDED BONDS

A portion of the proceeds of the Series 2024B Bonds will be used to redeem on [_____, 2024] the following maturities and principal amounts of the Refunded Bonds at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date.

Series	Maturity Date (October 1)	Par Amount	CUSIP
Series 2019C	2054	\$ 99,505,000	254845RN2

M&A draft dated 5/14/24

BOND PURCHASE AGREEMENT

§ _____
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024A

July , 2024

District of Columbia Water and Sewer Authority
1385 Canal Street S.E.
Washington, DC 20003

Ladies and Gentlemen:

Morgan Stanley & Co. LLC, as representative of the underwriters (the “Representative”) on behalf of itself and on behalf of _____ (collectively, the “Underwriters”), offer to enter into this bond purchase agreement (this “Agreement”) with the District of Columbia Water and Sewer Authority (the “Authority”). The offer made hereby is subject to acceptance thereof by execution of this Agreement and its delivery to the Representative, on behalf of the Underwriters, at or prior to 5:00 p.m., New York, New York Time, on the date hereof, or on such other date or such other time as may be agreed upon by the Underwriters. Upon such acceptance, this Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Authority and the Underwriters. If this offer is not so accepted, it is subject to withdrawal by the Representative on behalf of the Underwriters upon written notice delivered to the Authority at any time prior to acceptance. Terms used but not defined herein are defined in the Indenture identified below.

1. **Background.** The Authority has invited the holders of certain of its [(i) Public Utility Subordinate Lien Revenue Refunding Bonds, Series ____, and Public Utility Senior Lien Revenue Refunding Bonds, Series ____, (the “Target Bonds”) to tender such bonds for purchase, as more fully described in the Invitation to Tender Bonds, dated _____, 2024 (the “Invitation”).

All of the Series 2024A Bonds being offered, whether for the tender under the Invitation or for sale under this Agreement are described in the Official Statement. Morgan Stanley & Co. LLC (the “Dealer Manager”) is serving as dealer manager for the tender under the Invitation pursuant to a Dealer Manager Agreement with the Authority, dated _____, 2024 (the “Dealer Manager Agreement”), and will be paid compensation under such agreement separate and apart from any compensation received hereunder. As the Official Statement describes all Series 2024A Bonds,, for the convenience of the parties, the Authority acknowledges that all representations and warranties made hereunder to the Underwriters and all certificates and opinions delivered hereunder for the benefit of the Underwriters are also made for the benefit of, or will be delivered, to the Dealer Manager. As it relates to the tendered Bonds, the Dealer Manager Agreement is made solely for the benefit of the Dealer Manager and the Authority and any partner, director, officer, agent, employee, controlling person or affiliate, and their respective

successors, assigns, and legal representatives; and no other person, including any other underwriters, shall acquire or have any right or obligation under or by virtue of the Dealer Manager Agreement.

2. **Purchase and Sale of Bonds.** On the terms and conditions and on the basis of the representations, warranties, covenants and agreements set forth herein, the Representative, on behalf of the Underwriters, hereby agrees to purchase from the Authority for offering to the public, and the Authority hereby agrees to sell and deliver to the Underwriters for such purpose, all (but not less than all) of its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024A, in the original principal amount of \$_____ (the “Series 2024A Bonds” or the “Bonds”). The proceeds of the Series 2024A Bonds will be used to (i) purchase the tendered Bonds as described in the Invitation, (ii) refund [all or certain of] the Authority’s Public Utility Subordinate Lien Revenue Refunding Bonds Series 2014C (the “Series 2014C Bonds”) and (iii)[refund certain of its Public Utility Subordinate Lien Revenue Bonds Build America Bonds pay the costs and expenses of issuing and delivering the Series 2024A Bonds. The purchase price of the Bonds will be \$_____ (the par amount of the Series 2024A Bonds less the Underwriters’ discount of \$_____ plus original issue premium of \$_____). The Bonds will mature on the dates and in the amounts and will bear interest and will be subject to redemption prior to maturity as set forth on Exhibit A hereto.

3. **Bond Authorization.** The Bonds shall be issued under and pursuant to provisions of the laws of the United States of America and the District of Columbia (the “District”), including particularly, an act of the Council of the District entitled the “Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996,” as amended, codified at District of Columbia Official Code Ann. Sections 34-2201.01 *et seq.*, and the acts amendatory thereof and supplemental thereto (the “Act”), and an act of the United States Congress entitled the “District of Columbia Water and Sewer Authority Act of 1996” (Public Law 104-184), as amended (the “Federal Act”), and all proceedings necessary to authorize and provide for the issuance of the Bonds, including Resolution No. 24__ adopted by the Board of Directors of the Authority, on June , 2024 (the “Resolution”). The Series 2024A Bonds and are issued under the Master Indenture of Trust, dated as of April 1, 1998 (the “Master Indenture”), between the Authority and Computershare Trust Company, N.A., as trustee (the “Trustee”), as amended and supplemented, including by the Thirty-Third Supplemental Indenture of Trust, dated as of the Closing Date (as defined below) (the “Thirty-Third Supplemental Indenture” and together with the Master Indenture as previously amended and supplemented, the “Indenture”) between the Authority and the Trustee, substantially in the forms previously delivered to us.

4. **Closing.** At 11:00 a.m. Eastern Standard Time on _____, 2024, or at such other time and date as may be mutually agreed upon by the Authority and the Underwriters (the “Closing Date”), the Authority will, subject to the terms and conditions hereof, deliver the Bonds to the Underwriters in definitive form, duly executed and authenticated, together with the other documents hereinafter required, and, subject to the terms and conditions hereof, the Underwriters will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof in federal funds to the order of the Authority (the “Closing”). Delivery of the Bonds will be made through the facilities of The Depository Trust Company, New York, New York. The

Closing will occur at the offices of Squire Patton Boggs (US) LLP, Washington, D.C., or such other place as may be mutually agreed on by the Authority and the Underwriters.

5. **Public Offering of the Bonds.** It is a condition of the Authority's obligation to sell and deliver the Bonds to the Underwriters, and of the obligation of the Underwriters to purchase and accept delivery of the Bonds, that the entire principal amount of the Bonds is sold and delivered by the Authority and accepted and paid for by the Underwriters at the Closing. The Underwriters intend to make an initial public offering of all of the Bonds at prices not in excess of the initial public offering prices set forth on the cover page of the Official Statement. The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the initial public offering prices.

6. **Preliminary and Final Official Statement.** The Authority ratifies and consents to the legally permissible use by the Underwriters, prior to the date hereof, of the Preliminary Official Statement, dated _____, 2024, relating to the Bonds (the "Preliminary Official Statement") in connection with the public offering of the Bonds and the Authority represents that such Preliminary Official Statement is deemed final as of its date and as of the date hereof under Rule 15c2-12 ("Rule 15c2-12") promulgated by the U.S. Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended (the "1934 Exchange Act"), except for Permitted Omissions (as defined in Rule 15c2-12). The form of the final Official Statement of the Authority relating to the Bonds, dated _____, 2024, including the cover page and Appendices thereto, and any revisions, amendments or supplements thereto (the "Official Statement") as have been approved by the Authority, Co-Bond Counsel, and the Representative. The Authority authorizes, approves, ratifies and confirms the distribution of the Preliminary Official Statement and the Official Statement in paper and electronic format by the Underwriters in connection with the public offering and sale of the Bonds.

The Authority agrees to provide to the Underwriters, at such addresses as the Underwriters specify, as many copies of the Official Statement as the Underwriters reasonably request as necessary to comply with Rule G-32 and all other applicable rules of the Municipal Securities Rulemaking Board (the "MSRB"). The Authority agrees to deliver the Official Statement within seven business days after the date hereof and not later than one business day before the Closing Date and in sufficient time to accompany any confirmation that requests payment from any customer and to permit the Underwriters to comply with the requirements of Rule 15c2-12 (defined below). The Preliminary Official Statement and the Official Statement may be revised, amended, changed or supplemented by the Authority after the execution of this Agreement only with the permission of the Underwriters.

If, during the period from the date hereof to and including the date which is 25 days after the "end of the underwriting period" (as hereinafter defined), there shall exist any event, including, but not limited to, any material adverse change in the financial condition, results of operation or condition, financial or otherwise, of the Authority, and of which the Authority has knowledge, which, in the opinion of the Underwriters and counsel to the Underwriters or in the opinion of the Authority, requires a supplement or amendment to the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, when it is delivered to a potential investor, the Authority will supplement

or amend or cause to be supplemented or amended the Official Statement in a form and in a manner approved by the Underwriters and the Authority and will furnish to the Underwriters such supplement or amendment in sufficient quantity to permit the Underwriters to comply with the requirements of Rule 15c2-12 (“Rule 15c2-12”) promulgated by the Securities and Exchange Commission (the “SEC”) under the 1934 Exchange Act.

For the purpose of the preceding paragraph, the Authority may assume that the “end of the underwriting period” (in accordance with and as defined in Rule 15c2-12) means the Closing Date unless the Representative advises the Authority in writing on the Closing Date that there remains an unsold balance of the Bonds, in which case the “end of the underwriting period” means the date as of which the Representative notifies the Authority that the Underwriters, directly or as a syndicate, no longer retain an unsold balance of the Bonds for sale to the public. The deemed end of the underwriting period, in order to allow the Underwriters to comply with Rule 15c2-12, shall be extended for additional periods of 30 days each upon receipt of written notification from the Underwriters that any Bonds remain unsold however, in no event shall the “end of the underwriting period” extend beyond the date sixty (60) days from the Closing Date. The Representative agrees to provide to the Authority written notification that none of the Bonds remain unsold which will be deemed the end of the underwriting period.

The Representative hereby agrees to deliver a copy of the printed paper form of the Official Statement to the MSRB in an electronic format prescribed by the MSRB for its Electronic Municipal Market Access (“EMMA”) website at www.emma.msrb.org within one (1) business day of receipt of the executed final Official Statement by the Underwriters.

7. **Representations, Warranties and Covenants of the Authority.** The Authority hereby represents, warrants, covenants and agrees as follows:

a. The Authority is, and at the Closing Date will be, a duly organized and validly existing corporate body and independent authority of the District established under the laws of the United States and the District, including the Act and the Federal Act, with the full legal right, power and authority to (i) adopt the Resolution, (ii) execute, deliver and perform its obligations under this Agreement, the Indenture, the Certificate of Award of the Authority establishing the purchase price, maturities, interest rates, redemption provisions and other terms of the Bonds, dated the date hereof (the “Certificate of Award”), and the Continuing Disclosure Agreement of the Authority dated as of the Closing Date (the “Continuing Disclosure Agreement,” and together with this Agreement and the Indenture, the “Bond Documents”); (iii) perform its obligations under the Water Sales Agreement, dated as of July 31, 1997, between the Authority and the United States of America, acting through the Secretary of the Army (the “Water Sales Agreement”) and the Blue Plains Intermunicipal Agreement of 2012 between the District, Fairfax County, Virginia, Montgomery County, Maryland, Prince George’s County, Maryland and the Washington Suburban Sanitary Commission (the “IMA,” and together with the Water Sales Agreement, the “System Agreements”), (iv) sell, issue and deliver the Bonds to the Underwriters as provided herein, and (v) carry out and consummate the transactions contemplated by the Resolution, the Bond Documents, the Preliminary Official Statement, the Official Statement and the System Agreements; and the Authority has complied, and at the Closing Date will be in compliance, in all material respects, with the Act and the Federal Act and with the obligations on its part in connection with the issuance of the Bonds contained in the

Bonds, the Resolution, the Indenture, the Preliminary Official Statement, the Official Statement and this Agreement.

b. The Authority (i) has duly and validly adopted the Resolution, (ii) has authorized the execution and delivery of the Bond Documents, (iii) is authorized to execute, issue, sell and deliver the Bonds in book-entry form, (iv) is authorized to appoint, and has appointed, Computershare Trust Company, N.A., as Trustee (the “Trustee”), (v) is authorized to apply and will apply the proceeds of the Bonds as provided in and subject to all of the terms and provisions of the Resolution, including the payment or reimbursement of the Authority expenses incurred in connection with the negotiation, marketing, issuance and delivery of the Bonds to the extent required by Section 16, (vi) has taken or will take on or before the Closing Date, all action necessary or appropriate for (a) execution, issuance, sale and delivery of the Bonds, other than the Series 2024A Bonds, in book-entry form to the Underwriters, (b) approval, execution and delivery of and the performance by the Authority of its obligations contained in the Bonds and the Bond Documents, (c) the approval, distribution and use of the Preliminary Official Statement and the approval, execution, distribution and use of the Official Statement for use by the Underwriters in connection with the public offering of the Bonds and (d) the consummation by it of all other transactions described in the Official Statement, the Bond Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Authority in order to carry out, give effect to, and consummate the transactions described herein and in the Official Statement.

c. The adoption of the Resolution, the execution and delivery of the Bond Documents, the execution, issuance, sale and delivery of the Bonds in book-entry form and the performance by the Authority of its obligations hereunder and thereunder, and the performance by the Authority of its obligations under the System Agreements (collectively, the “Authority Undertakings”) are within the corporate powers of the Authority and are not in conflict with and will not constitute a breach, default or result in a violation of (i) the Act, (ii) any federal constitutional or federal or District statutory provision, including the Federal Act, (iii) any agreement or other instrument to which the Authority is a party, or (iv) any order, rule, regulation, decree or ordinance of any court of competent jurisdiction, government or governmental authority having jurisdiction over the Authority or its property.

d. The District has authorized the Authority to use all of the property and assets of the water distribution and wastewater collection, treatment and disposal systems of the Authority (the “System”), uninterrupted by the District, for as long as any revenue bonds of the Authority, including the Bonds, remain outstanding. The Authority has the full legal right, power and authority to operate the System and to collect and pledge the Revenues therefrom in accordance with the Indenture.

e. The Resolution or other appropriate actions adopted or taken by the Authority establishing the rates and charges for services of the System described in the Preliminary Official Statement and the Official Statement have been duly adopted or taken and are in full force and effect.

f. The System Agreements and all other agreements, permits, licenses, consents, approvals, actions, consent decrees and settlement orders material to the operation and

management of the System, including the collection of the Revenues therefrom as described in the Preliminary Official Statement and the Official Statement, are in full force and effect as of the date hereof and will be on the Closing Date, and the Authority is not and will not be in default thereunder or in breach thereof. The System Agreements have been duly authorized, executed and delivered by the Authority and constitute valid and binding obligations of the Authority enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity.

g. The Bonds, when issued, delivered to the Underwriters and paid for, in accordance with the Act, the Resolution, the Indenture and this Agreement, will have been duly authorized, executed, issued and delivered by the Authority and will constitute valid and binding obligations of the Authority, enforceable against the Authority in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity. The Bonds are not a pledge of and do not involve the faith and credit or the taxing power of the District and the District shall not be liable thereon. The Bonds, the Indenture and the Resolution conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement and the proceeds of the sale of the Bonds will be applied as described in the Preliminary Official Statement and the Official Statement.

h. The Authority is not currently failing to comply and except as disclosed in the Preliminary Official Statement and the Official Statement, has not failed to comply during the past five years with any continuing disclosure obligation pursuant to Rule 15c2-12. The Authority has agreed to deliver to the Underwriters a Continuing Disclosure Agreement with respect to the Bonds that complies with the requirements of Rule 15c2-12.

i. This Agreement constitutes, and, upon execution and delivery by the Authority and the other parties thereto, each of the other Bond Documents will constitute, the valid, binding and enforceable obligation of the Authority in accordance with their respective terms, subject to applicable bankruptcy, insolvency, and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity.

j. The Authority is not in material breach of or material default under any applicable constitutional provision or law of the United States, the District or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which it is a party or to which it or any of its property or assets is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; and the execution and delivery of the Bonds, this Agreement and the other Bond Documents and the adoption of the Resolution, and compliance with the provisions contained therein and herein, and in the System Agreements, do not conflict with or constitute a breach of or default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement, or other instrument to which it is a party or any of its property or assets are otherwise subject, nor will any such execution, delivery, adoption, or compliance result in the creation or imposition of any lien, charge, or other security

interest or encumbrance of any nature whatsoever upon any of its property or assets or under the terms of any such law, regulation or instrument, except as provided by the Bonds.

k. All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter have been duly obtained or, with respect to the issuance of the Bonds, will be obtained prior to the issuance of the Bonds, which are required for the due authorization by or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Authority of its obligations in connection with the issuance of the Bonds and under this Agreement, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds.

l. Except as otherwise described in the Preliminary Official Statement and the Official Statement, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the Authority, threatened against the Authority (i) affecting or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds, the use of the Preliminary Official Statement or the Official Statement or the collection of the Revenues pledged to the payment of the principal of and interest on the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity, enforceability, due authorization, execution or delivery of the Bonds, including this Agreement or the other Bond Documents, or the validity or enforceability of the System Agreements, nor, to the best knowledge of the Authority, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Bond Documents, (iii) questioning the tax-exempt status of the Series 2024A Bonds under the laws of the United States or the tax-exempt status of the Bonds under the laws of the District, (iv) affecting or in any way contesting the corporate existence or powers of the Authority or the titles of the officers of the Authority to their respective offices, (v) which may result in any material adverse change in the business or the financial condition or the financial prospects of the Authority or (vi) asserting that the Preliminary Official Statement or the Official Statement or any supplement thereto contains any untrue statement of a material fact or omits any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

m. The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request in order to (i) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate, (ii) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and (iii) continue such qualifications in effect so long as required for the distribution of the Bonds and will advise the Representative promptly of receipt by the Authority of any written notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose; provided, however, that the Authority will not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

n. The audited balance sheets of the Authority for the years ended September 30, 2023 and September 30, 2022, and the related statements of revenues, expenditures and changes in net assets and cash flows for the fiscal year ended on such date, as set forth in the Preliminary Official Statement and the Official Statement, are true, complete and correct and fairly present the financial condition of the Authority as of such date and the results of its operations for such fiscal year. There has been no material adverse change in the financial condition of the Authority since September 30, 2023, except as described in the Preliminary Official Statement and the Official Statement. The financial statements of, and other financial information of the Authority in the Preliminary Official Statement and in the Official Statement fairly present the financial position and results of the Authority as of the dates and for the periods therein set forth, and except as noted in the Preliminary Official Statement and in the Official Statement, the other historical financial information set forth in the Preliminary Official Statement and in the Official Statement has been presented on a basis consistent with that of the Authority's audited financial statements included or incorporated by reference in the Preliminary Official Statement and in the Official Statement.

o. The Authority has duly authorized, approved and delivered the Preliminary Official Statement and the Official Statement to the Underwriters.

p. The Preliminary Official Statement, as of its date and as of the date of this Agreement, did not and does not, and the Official Statement, is, as of its date and (unless the Official Statement is amended or supplemented pursuant to this Agreement) at all times subsequent thereto during the period up to and including the Closing Date, did not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If between the date of the Official Statement and the Closing Date any event shall occur or any pre-existing fact or condition shall become known to the Authority that might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Authority shall promptly notify the Underwriters thereof, and if in the reasonable opinion of the Representative, such event, fact or condition requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will at its expense supplement or amend the Official Statement in a form and in a manner approved by the Underwriters, which approval shall not be unreasonably withheld. If the Official Statement is supplemented or amended as aforesaid, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the underwriting period, as defined in Section 6, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which made, not misleading.

q. The obligation of the Authority to know or provide information within the knowledge of the Authority is limited to providing information that is in the actual knowledge of, or reasonably should have been in the actual knowledge of, the key staff members of the Authority listed in the Official Statement under the caption "Senior Management" or their respective successors.

r. The Authority undertakes that, for a period beginning with the day on which the Bonds are delivered to the Underwriters and ending on the 25th day following the end of the underwriting period, as defined in Section 6, it will apprise the Underwriters of all material developments, if any, occurring with respect to the Authority, and if requested by the Underwriters, at the Authority's expense, prepare a supplement to the Official Statement in respect of any such material event.

s. The Authority has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Authority is a bond issuer whose arbitrage certificates may not be relied upon.

t. Any certificate signed by an authorized delegate of the Authority in connection with the transactions described in this Agreement will be deemed a representation, warranty, covenant and agreement by the Authority to the Underwriters as to the statements made therein.

u. Prior to the Closing, the Authority will not take any action within or under its control that will cause any adverse change of a material nature in the Authority's financial position, or its results of operations or condition, financial or otherwise.

v. The Authority will not, prior to the Closing, offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, except in the ordinary course of business, without the prior approval of the Representative, other than its Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds, Series 2024B dated the date of Closing.

w. The Bonds, the Thirty-Third Supplemental Indenture conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement under the caption "THE SERIES 2024A BONDS" and in Appendix C "GLOSSARY AND SUMMARY OF THE INDENTURE."

8. **Representations of Underwriters.** The Underwriters represent and warrant that they will offer the Bonds, subject to this Agreement, only pursuant to the Official Statement and the Underwriters agree to make a public offering of the Bonds at the initial offering prices or yields set forth in the Official Statement as the Underwriters may deem necessary or desirable in connection with the offering and sale of the Bonds and to sell the Bonds to dealers (including dealer banks and dealers depositing Bonds into investment trusts) and others at prices lower than the public offering prices. At the Closing, the Representative, on behalf of the Underwriters, shall deliver to the Authority a certificate, acceptable to Co-Bond Counsel, substantially in the form of Exhibit D hereto. The Underwriters agree to deliver a final Official Statement to all purchasers of the Bonds in accordance with all applicable legal requirements.

9. **Rights to Cancellation by Underwriters.** The Underwriters will have the right to cancel their obligation to purchase, accept delivery of and to pay for the Bonds if between the date hereof and the Closing Date, the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds shall be materially adversely affected in the reasonable judgment of the Representative, on behalf of the Underwriters, by the

occurrence of any of the following: (a) legislation has been enacted by or introduced in Congress or a decision by a federal court of the United States or the United States Tax Court has been rendered, or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency has been made or proposed to be made with respect to federal taxation on revenues or other income to be derived from the operation of the Authority, or other actions or events have occurred which have the purpose or effect, directly or indirectly, of materially adversely affecting the federal income tax consequences of any of the transactions contemplated in connection herewith, including the tax-exempt status of bonds issued by the Authority under the Internal Revenue Code of 1986, as amended, or (b) legislation has been enacted, or actively considered for enactment with an effective date being prior to the date of the issuance of the Bonds, or a decision by a court of the United States has been rendered, or a ruling or regulation by the SEC or another governmental agency having jurisdiction of the subject matter has been made, the effect of which is that the Bonds are not exempt from the registration or other requirements of the Securities Act of 1933, as amended and as then in effect (the "1933 Securities Act"), or that the Indenture is not exempt from the qualification or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect (the "Trust Indenture Act"), or (c) a stop order, ruling or regulation by the SEC has been issued or made, the effect of which is that the issuance, offering or sale of the Bonds as contemplated hereby or by the Official Statement is or would be in violation of any provision of the 1933 Securities Act, or of the 1934 Exchange Act, or of the Trust Indenture Act, or (d) there exists any event which in the reasonable judgment of the Underwriters either (i) makes untrue or incorrect any statement or information of a material fact contained in the Official Statement or (ii) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein, in light of the circumstances under which they were made, not misleading, and, in either such event the Authority refuses to permit the Official Statement to be supplemented to correct or supply such statement or information, or the statement or information as supplemented is such as in the reasonable judgment of the Underwriters would materially adversely affect the market for the Bonds or the sale, at the contemplated offering price, by the Underwriters of the Bonds, or (e) there has occurred any new outbreak of hostilities (including, without limitation, an act of terrorism) or escalation of hostilities existing prior to the date hereof or any other extraordinary event, material national or international calamity or crisis, including a financial crisis, not existing on the date hereof, or (f) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates or the establishment of minimum or maximum prices) or any material increase of restrictions now in force (including the extension of credit by, or a charge to the net capital requirements of, Underwriters) shall have been established by the New York Stock Exchange, the SEC, any other federal agency, the Congress of the United States, or by Executive Order, or (g) there is in force a general suspension of trading in securities on the New York Stock Exchange or any other national securities exchange or (h) a general banking moratorium has been declared by Federal, District or New York authorities, or (i) there has occurred since the date hereof any material adverse change in the affairs of the Authority from that reflected in the financial information and data of the Authority included in or as an appendix to the Official Statement, other than as previously disclosed to the Underwriters, or (j) a material disruption in securities settlement, payment or clearance services shall have occurred, or (k) there shall have occurred any downgrading or published negative credit watch or similar published information from a rating agency that on the date hereof has

published a rating (or has been asked to furnish a rating on the Bonds) on any of the Authority's debt obligations, which action reflects a change or possible change in the ratings accorded any such obligations of the Authority (including any rating to be accorded to the Bonds) or (l) there shall have occurred any downgrading or published negative credit watch or similar published information from a rating agency that at the date of this Agreement has published a rating (or has been asked to furnish a rating on the Bonds) on any of the Authority's debt obligations, which action reflects a change or possible change, in the ratings accorded any such obligations of the Authority (including any rating to be accorded the Bonds).

10. Rights to Cancellation by the Authority. The Authority will have the right to cancel its obligation to issue, sell and deliver the Bonds if between the date hereof and the Closing Date, the market price or marketability of the Bonds shall be materially adversely affected, in the reasonable judgment of the Authority, by the occurrence of any of the following: (a) legislation has been enacted by or introduced in Congress or a decision by a federal court of the United States or the United States Tax Court has been rendered, or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency has been made or proposed to be made with respect to federal taxation on revenues or other income to be derived from the operation of the Authority, or other actions or events have occurred which have the purpose or effect, directly or indirectly, of materially adversely affecting the federal income tax consequences of any of the transactions contemplated in connection herewith, or (b) legislation has been enacted, or actively considered for enactment with an effective date being prior to the date of the issuance of the Bonds, or a decision by a court of the United States has been rendered, or a ruling or regulation by the SEC or another governmental agency having jurisdiction of the subject matter has been made, the effect of which is that the Bonds are not exempt from the registration or other requirements of the 1933 Securities Act, or that the Indenture is not exempt from the qualification or other requirements of the Trust Indenture Act, or (c) a stop order, ruling or regulation by the SEC has been issued or made, the effect of which is that the issuance, offering or sale of the Bonds as contemplated hereby or by the Official Statement is or would be in violation of any provision of the 1933 Securities Act, or of the 1934 Exchange Act, or of the Trust Indenture Act, or (d) there has occurred any new outbreak of hostilities (including, without limitation, an act of terrorism) or escalation of hostilities existing prior to the date hereof or any other extraordinary event, material national or international calamity or crisis, including a financial crisis, not existing on the date hereof, or (e) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates or the establishment of minimum or maximum prices) or any material increase of restrictions now in force (including the extension of credit by, or a charge to the net capital requirements of, Underwriters) shall have been established by the New York Stock Exchange, the SEC, any other federal agency, the Congress of the United States, or by Executive Order, or (f) there is in force a general suspension of trading in securities on the New York Stock Exchange or any other national securities exchange or (g) a general banking moratorium has been declared by Federal, District or New York authorities, or (h) a material disruption in securities settlement, payment or clearance services shall have occurred.

11. Conditions to Obligations of Underwriters at Closing. The Underwriters have entered into this Agreement in reliance on the representations, warranties, covenants and

agreements of the Authority contained herein, and in reliance on the representations, warranties, covenants and agreements to be contained in the documents and instruments to be delivered at the Closing and on the performance by the Authority of its obligations hereunder, as of the Closing Date. Accordingly, the Underwriters' obligations under this Agreement to purchase, to accept delivery of and to pay for the Bonds, are conditioned on the performance by the Authority of its obligations to be performed hereunder and the delivery of such documents and instruments enumerated herein in form and substance reasonably satisfactory to the Underwriters and Orrick, Herrington & Sutcliffe LLP, and McKenzie & Associates, co-counsel to the Underwriters, at or before the Closing, and are also subject to the following additional conditions:

a. The representations, warranties, covenants and agreements of the Authority contained herein are true, complete and correct on the date hereof and on and as of the Closing Date, as if made on the Closing Date;

b. The provisions of the Act and the Federal Act, as in effect on the date of this Agreement, shall be in full force and effect and shall not have been amended, except as to amendments which, in the reasonable opinion of the Underwriters, are not adverse to the interest of the Underwriters or the Bondholders;

c. At the time of the Closing, the Resolution is in full force and effect in accordance with its terms and has not been amended, modified or supplemented, and the Official Statement has not been supplemented or amended, except in any such case as may have been agreed to by the Underwriters;

d. At the time of the Closing, all official action of the Authority relating to the Bonds, the Bond Documents and the System Documents are in full force and effect in accordance with their respective terms and have not been amended, modified or supplemented, except in each case as may have been agreed to by the Underwriters;

e. At the time of the Closing the Authority will perform or will have performed all of its obligations required under or specified in this Agreement, the Resolution and the Indenture, or contemplated by the Resolution, the Indenture or the Official Statement, to be performed prior to the Closing; and

f. At or before the Closing, the Underwriters will have received true and correct copies of each of the following documents:

i. A certified copy of the Resolution;

ii. The Official Statement and each supplement or amendment, if any, thereto, executed by the Authority;

iii. Counterparts of each of the fully executed Bond Documents and the System Agreements;

iv. The approving opinion of Co-Bond Counsel in substantially the form attached to Preliminary Official Statement and the Official Statement as Appendix F and a supplemental opinion, dated the Closing Date, in form and substance satisfactory to

the Underwriters, and reliance letters with respect to such opinions addressed to Computershare Trust Company, N.A., as Trustee;

v. An opinion, dated the Closing Date, of the Chief Legal Officer and Executive Vice President Government & Legal Affairs, of the Authority, substantially in the form of Exhibit B hereto;

vi. An opinion, dated the Closing Date, of Orrick, Herrington & Sutcliffe LLP and McKenzie & Associates, co-counsel to the Underwriters, substantially in the form of Exhibit C hereto;

vii. An opinion, dated the Closing Date, of Squire Patton Boggs (US) LLP and Bellamy Penn LLC, in their capacity as co-disclosure counsel to the Authority, in form and substance satisfactory to the Underwriters and their co-counsel;

viii. An opinion, dated the Closing Date, of counsel to the Trustee, in a form approved by the Underwriters and their co-counsel;

ix. A signed Financial Feasibility Opinion Letter dated _____, 2024, of Amawalk Consulting Group LLC (the "Financial Feasibility Consultant"), regarding the financial feasibility of the issuance of the Bonds in substantially the form attached to the Preliminary Official Statement and the final Official Statement as Appendix A and a certificate of the Financial Feasibility Consultant with respect to the issuance and sale of the Bonds, permitting the use of such letter and references to said firm in the Preliminary Official Statement and the Official Statement in form and substance satisfactory to the Underwriters;

x. One or more certificates of the Authority, dated the Closing Date, (A) to the effect that the representations, warranties, covenants and agreements of the Authority herein are true and correct on and as of the Closing Date as if made on the Closing Date, and that the Authority has performed all obligations to be performed hereunder as of the Closing Date; (B) to the effect that the Bond Documents, the Bonds and the System Agreements have not been modified, amended or repealed after the date hereof without the written consent of the Underwriters; (C) to the effect that no material change has occurred with respect to the System from the period from the date of this Agreement through the Closing Date;

xi. Evidence of the completion of Internal Revenue Service Form 8038-G with respect to the issuance of the Series 2024A Bonds;

xii. Evidence that Moody's Investors Service, Inc. ("Moody's"), S&P Global Ratings Services ("S&P") and Fitch Ratings ("Fitch") have issued ratings on the Bonds of "___", "___" and "___" respectively;

xiii. Such additional legal opinions, certificates, instruments and other documents as the Underwriters may reasonably request to evidence the truth and accuracy, as of the Closing Date, of the Authority's representations, warranties, covenants and agreements contained herein and of the statements and information

contained in the Official Statement and the due performance or satisfaction by the Authority on or prior to the Closing Date of all the agreements then to be performed and conditions then to be satisfied by it.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Agreement will be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriters.

12. Obligations Upon Cancellation. If the Authority is unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept the delivery of and to pay for the Bonds contained in this Agreement, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds is terminated for any reason permitted by this Agreement, this Agreement will terminate and neither the Underwriters nor the Authority will be under any further obligation hereunder, except that the Authority and the Underwriters shall pay their respective expenses as set forth in Section 15.

13. Certain Information Provided by Underwriters. The Underwriters confirm and the Authority acknowledges that the statements with respect to the public offering of the Bonds by the Underwriters set forth on the cover page of the Official Statement, the legend concerning over-allotments in the Official Statement and the text under the caption “UNDERWRITING” in the Official Statement constitute the only information concerning the Underwriters furnished in writing to the Authority by or on behalf of the Underwriters for inclusion in the Official Statement.

Section 14. Establishment of Issue Price

(a) The Representative, on behalf of the Underwriters, agrees to assist the Authority in establishing the issue price of the Series 2024A Bonds and shall execute and deliver to the Authority at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit D, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2024A Bonds. All actions to be taken by the Authority under this section to establish the issue price of the Series 2024A Bonds may be taken on behalf of the Authority by the PFM Financial Advisors LLC and Sustainable Capital Advisors (collectively, the “Municipal Advisor”) and any notice or report to be provided to the Authority may be provided to the Authority’s Municipal Advisor.

(b) Except as otherwise set forth in Schedule A to Exhibit D attached hereto, the Authority will treat the first price at which 10% of each maturity of the Series 2024A Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Bond Purchase Agreement, the Representative shall report to the Authority the price or prices at which the Underwriters have sold to the public each maturity of Series 2024A Bonds. For purposes of this section, if Series 2024A Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Series 2024A Bonds.

(c) If Exhibit D attached hereto includes Schedule A, the Representative confirms that the Underwriters have offered the Series 2024A Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in such Schedule A, except as otherwise set forth therein. Such Schedule A, should it exist, also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Series 2024A Bonds for which the 10% test has not been satisfied and for which the Authority and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2024A Bonds, the Underwriters will neither offer nor sell unsold Series 2024A Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Series 2024A Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative will advise the Authority promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Series 2024A Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Series 2024A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Series 2024A Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2024A Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% test has been satisfied as to the Series 2024A Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires,

(B) to promptly notify the Representative of any sales of Series 2024A Bonds that, to its knowledge, are made to a purchaser who is a related party to an

underwriter participating in the initial sale of the Series 2024A Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Series 2024A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2024A Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2024A Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2024A Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter or dealer that the 10% test has been satisfied as to the Series 2024A Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such Underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Authority acknowledges that, in making the representations set forth in this section, the Representative will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the Series 2024A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2024A Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2024A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2024A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2024A Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Series 2024A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Series 2024A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2024A Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Series 2024A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2024A Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Series 2024A Bonds, including, but not

limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2024A Bonds.

(f) The Underwriters acknowledge that sales of any Series 2024A Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2024A Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2024A Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2024A Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2024A Bonds to the public),
- (iii) a purchaser of any of the Series 2024A Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

15. **No Advisory or Fiduciary Role.** The Authority acknowledges and agrees that: (i) the transactions contemplated by this Agreement are arm’s-length, commercial transactions between the Authority and the Underwriters in which the Underwriters are acting solely as principals, and are not acting as an agent, a municipal advisor, financial advisor or fiduciary to the Authority; (ii) the Underwriters have not assumed any advisory or fiduciary responsibility to the Authority with respect to the transactions contemplated hereby and the discussions, conferences, negotiations, undertakings and procedures leading thereto (irrespective of whether the Underwriters or their affiliates have provided other services or are currently providing other services to the Authority on other matters); (iii) the only obligations the Underwriters have to the Authority with respect to the transaction contemplated hereby expressly are set forth in this Agreement; (iv) the Authority has consulted its own financial and/or

municipal, legal, accounting, tax, and other advisors, as applicable, to the extent it has deemed appropriate; and (v) this Agreement expresses the entire relationship between the parties hereto.

16. **Expenses.** The Authority will pay all costs of issuance of the Bonds including, but not limited to (a) the cost of preparation and posting of the Preliminary Official Statement and the cost of preparation, posting, printing and delivery of the Official Statement, including the number of copies the Underwriters and the Authority deem reasonable; (b) any cost of preparation of the Bonds; (c) the fees and disbursements of Co-Bond Counsel; (d) the fees and disbursements of any accountants, consultants, financial advisors or additional legal counsel retained in connection with the issuance of the Bonds, including the Independent Engineer and the Financial Feasibility Consultant; (e) fees for Bond ratings and CUSIP numbers; (f) the expenses of travel, lodging and meals for Authority representatives in connection with the negotiation, marketing, issuance and delivery of the Bonds; (g) all advertising expenses in connection with the public offering of the Bonds, including investor meetings; (h) the costs of filing fees required by any of the Blue Sky laws; and (i) all reasonable and necessary out-of-pocket associated with the issuance of the Bonds. The Authority shall reimburse the Underwriters for the fees and expenses of Underwriters' counsel, any expense advanced or incurred by the Underwriters for which the Authority is responsible hereunder including (f) above and other reasonable expenses incurred in connection with the performance of Underwriters' obligations hereunder (reimbursement may be included in the expense component of the Underwriters' discount, which the Underwriters acknowledge includes their expenses as set forth in Section 1).

17. **Notices.** Any notice or other communication to be given to the Authority under this Agreement may be given by delivering the same in writing to the address shown on the first page of this Agreement to the attention of the Chief Financial Officer and Executive Vice President, Finance and Procurement, and any notice or other communication to be given to the Representative under this Agreement may be given by delivering the same in writing to Morgan Stanley & Co. LLC, 1585 Broadway, 16th floor., New York, NY 10036, Attention: Cabray Haines, Executive Director.

18. **Parties in Interest; Survival of Representations and Warranties.** This Agreement, when accepted in accordance with the provisions hereof, shall constitute the entire agreement between the Authority and the Underwriters and is made solely for the benefit of the Authority and the Underwriters (including the successors or assigns of the Authority or the Underwriters) and no other person will acquire or have any right hereunder or by virtue hereof. All of the Authority's and Underwriters' representations, warranties, covenants and agreements contained in this Agreement will remain operative and full force and effect regardless of (a) any investigations made by or on behalf of the Underwriters; or (b) delivery of and payment for the Bonds pursuant to this Agreement.

19. **Effective Date.** This Agreement will become effective upon its acceptance by the Authority, as evidenced by the execution hereof by the appropriate official of the Authority and will be valid and enforceable at the time of such acceptance.

20. Execution in Counterparts. This Agreement may be executed in counterparts each of which shall be regarded as an original and all of which shall constitute one and the same document.

21. Finder. The Authority represents and warrants that no finder or other agent of a finder has been employed or consulted by it in connection with this transaction.

21. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the District of Columbia.

MORGAN STANLEY & CO. LLC

By: MORGAN STANLEY & CO. LLC,
as Representative of the Underwriters

By: _____
Authorized Representative

[SIGNATURE PAGE TO SERIES 2024A BOND PURCHASE AGREEMENT]

Accepted: July , 2024

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

By _____

Name: Matthew T. Brown

Title: Chief Financial Officer and Executive Vice
President, Finance Procurement and Compliance

[SIGNATURE PAGE TO SERIES 2024A BOND PURCHASE AGREEMENT]

EXHIBIT A

\$_____,000

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
Public Utility Subordinate Lien Revenue Refunding Bonds,
Series 2024A

Serial Bonds

Maturity (Oct. 1)	Principal Amount	Interest Rate	Yield
203_			
203_			
203_			
203_			
20_			
20_			
20_			
20_			
20_			

2024A Term Bonds

\$_____,000 % Term Bonds, due _____, Yield _____%*

*Priced to the par call date of ____.

TERMS OF REDEMPTION

Optional Redemption

The Series 2024A Bonds are subject to optional redemption prior to maturity on or after April 1, 20__ from any source, in whole or in part on any date, in such order of maturities as shall be determined by the Authority (and by lot within a maturity), at a redemption price of 100% of the principal amount thereof, together with accrued interest, if any, to the redemption date.

MANDATORY SINKING FUND REDEMPTION

The Series 2024A Term Bonds maturing on October 1, 20__ shall be subject to mandatory sinking fund redemption, on October 1 of that respective year, as follows:

<u>Year</u>	<u>Principal Amount</u>
20__	\$
20__	

*Final maturity.

The Series 2024A Term Bonds maturing on October 1, 20__ shall be subject to mandatory sinking fund redemption, on October 1 of that respective year, as follows:

<u>Year</u>	<u>Principal Amount</u>
20__	\$
20__	
20__	
20__	
20__*	

*Final maturity.

EXHIBIT B

FORM OF AUTHORITY'S CHIEF LEGAL OFFICER AND EXECUTIVE VICE
PRESIDENT, GOVERNMENT & LEGAL AFFAIRS OPINION

_____, 2024

District of Columbia Water and Sewer Authority
1385 Canal Street S.E.
Washington, DC 20003

\$_____,000
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024A

Ladies and Gentlemen:

I am the Chief Legal Officer and Executive Vice President, Government & Legal Affairs to the District of Columbia Water and Sewer Authority (the "Authority") and in connection with the issuance by the Authority of its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024A (the "Bonds"). I have reviewed an executed copy of the Bond Purchase Agreement, dated ____, 2024, between the Authority and Morgan Stanley & Co. LLC, as Representative on behalf of the Underwriters, with respect to the Bonds, (the "Bond Purchase Agreement") and the Preliminary Official Statement, dated _____, 2024 (the "Preliminary Official Statement") and the Official Statement, dated _____, 2024, being distributed in connection with the issuance of the Bonds (collectively, the "Official Statement"). Capitalized terms used and not defined herein shall have the respective meanings given to such terms in the Bond Purchase Agreement.

I have also examined an act of the Council of the District of Columbia entitled the "Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996," codified, as amended, at District of Columbia Official Code Ann. Sections 34-2201.01 *et seq.*, and the acts amendatory thereof and supplemental thereto (the "Act"), and an act of the United States Congress entitled the "District of Columbia Water and Sewer Authority Act of 1996" (Public Law 104-184), as amended (the "Federal Act"), certified copies of proceedings of the Authority authorizing the issuance of the Bonds, including the Resolution and such other proceedings as I have considered necessary or advisable to render the following opinions.

In rendering the following opinions, I have relied on representations of the Authority as to matters of fact without independent investigation or verification and, as to matters of law, the representations of Co-Bond Counsel without independent research or verification and have assumed the genuineness of all signatures, the authenticity of all documents tendered to me as

originals and the conformity to original documents of all documents submitted to me as certified or photostatic copies.

Based upon review of the materials described above and subject to the recitals and qualifications herein contained, to the best of my knowledge, information and belief, it is my opinion that:

1. The Authority is a body corporate duly created, organized and validly existing as an independent authority of the District under the Act and under the Federal Act (the Act and the Federal Act being sometimes hereinafter referred to as, the "Acts"). The Authority has the full legal right, power and authority to (i) adopt the Resolution, (ii) issue the Bonds, (iii) execute, deliver and perform its obligations under the Bond Documents, and (iv) perform its obligations under the System Agreements.

2. The Federal Act was duly enacted by Congress and the Act was duly enacted by the Council of the District of Columbia. The Acts remain in full force and effect. The Act transferred all assets and liabilities of the Water and Sewer Utility Administration ("WASUA") as indicated on the balance sheet prepared by WASUA, effective April 17, 1996, on an interim basis for the exclusive use and possession of the Authority for so long as any revenue bonds of the Authority, including the Bonds, remain outstanding.

3. The Resolution was adopted by the Authority and has not been amended since the date of the adoption thereof and remains in full force and effect as of the date hereof.

4. (i) The adoption of the Resolution, the issuance of the Bonds, the execution and delivery of the Bond Documents and the performance of the Authority's obligations thereunder, and (ii) the performance of the Authority's obligations under the System Agreements, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Authority, a breach of or default under any agreement or other instrument to which the Authority is a party, or any existing law, administrative regulation, court order, settlement order or consent decree to which the Authority is subject.

5. Except as otherwise described in the Preliminary Official Statement and the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best of my knowledge, threatened against the Authority (i) seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds, the use of the Official Statement or the collection of the revenues pledged to the payment of the principal of and interest on the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity, enforceability, due authorization, execution or delivery of the Bonds, including the Bond Purchase Agreement or the other Bond Documents, or the validity or enforceability of the System Agreements, (iii) questioning the tax-exempt status of the Bonds under the laws of the United States or the tax-exempt status of the Bonds under the laws of the District, (iv) in any way contesting the corporate existence or powers of the Authority or the titles of the officers of the Authority to their respective offices, (v) which may result in any material adverse change in the business or the financial condition or the financial prospects of the Authority or (vi) asserting that the

Preliminary Official Statement or the Official Statement contains any untrue statement of a material fact or omits any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

6. The statements and information contained in the Preliminary Official Statement and the Official Statement under the caption entitled "LITIGATION," are true, correct and complete in all material respects, and the information under such caption does not contain any untrue statement of a material fact and does not omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect.

7. Pursuant to the Acts, the Authority has the full legal right, power and authority to operate the System and to collect and pledge the Revenues therefrom in accordance with the Indenture.

8. The Authority has approved the form of the Preliminary Official Statement and the Official Statement, the execution of the Official Statement and the delivery of the Official Statement to the purchasers of the Bonds.

9. The Authority has obtained the consents, approvals, authorizations or other orders required for the consummation of the transactions contemplated by the Bond Purchase Agreement, including the issuance of the Bonds.

This opinion and all documents which relate to this opinion are to be construed in accordance with the laws of the District and the United States of America. This opinion is rendered solely for the use of the Authority and may not be relied on by any other person.

Very truly yours,

Chief Legal Officer and Executive Vice President, Government & Legal Affairs

EXHIBIT C

FORM OF OPINION OF UNDERWRITERS' COUNSEL

_____, 2024

\$_____,000

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024A

Morgan Stanley & Co. LLC, as Representative
1585 Broadway, 16th Floor
New York, NY 10036

Ladies and Gentlemen:

We have acted as counsel for you as the representative (the "Representative") acting on behalf of yourself and other underwriters (the "Underwriters") in connection with your purchase from the District of Columbia Water and Sewer Authority (the "Authority") of its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024A (the "Bonds"), pursuant to the Bond Purchase Agreement, dated _____, 2022 (the "Purchase Agreement"), between you and the Authority. The Bonds are to be issued pursuant to the Master Indenture of Trust, dated as of April 1, 1998 (the "Master Indenture"), as amended and supplemented to the date of delivery of the Bonds (the "Indenture"), including by the Thirty-Third Supplemental Indenture of Trust dated the date of issuance and delivery of the Bonds, by and between the Authority and Computershare Trust Company, N.A., as trustee (the "Trustee"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Purchase Agreement.

In that connection, we have reviewed the Indenture, the Preliminary Official Statement of the Authority dated _____, 2024 (the "Preliminary Official Statement") and the Official Statement of the Authority, dated _____, 2024, with respect to the Bonds (the "Official Statement"), the Continuing Disclosure Agreement, dated _____, 2024 (the "Continuing Disclosure Agreement"), the Purchase Agreement, certificates of the Authority, the Trustee and others, the opinions referred to in paragraph 11(f)(vi) of the Purchase Agreement, and such records and documents, and we have made such investigations of law, as we have deemed appropriate as a basis for the opinions and conclusions hereinafter expressed. We do not assume any responsibility for any electronic version of the Official Statement and assume that any such version is identical in all material respects to the printed version.

In arriving at the opinions and conclusions hereinafter expressed, we are not expressing any opinion or view on, and with your permission are assuming and relying on, the validity, accuracy and sufficiency of the records, documents, certificates and opinions referred to above, including the accuracy of all factual matters represented and legal conclusions contained therein, including (without limitation) any representations and legal conclusions regarding the due authorization, issuance, delivery, validity and enforceability of the Bonds, and any laws, documents and instruments that may be related to the issuance, payment or security of the

Bonds. We have assumed that all records, documents, certificates and opinions that we have reviewed, and the signatures thereto, are genuine.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions or conclusions:

1. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

2. We are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement and the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. In our capacity as your counsel, to assist you with your responsibility with respect to the Preliminary Official Statement and the Official Statement, we participated in conferences with your representatives and representatives of the Authority, Squire Patton Boggs (US) LLP and Bellamy Penn LLP, as co-bond counsel and as co-disclosure counsel, financial advisors, feasibility consultants and others, during which the contents of the Official Statement and related matters were discussed. Based on our participation in the above-mentioned conferences (which did not extend beyond the date of the Official Statement), and in reliance thereon, on oral and written statements and representations of the Authority and others and on the records, documents, certificates, opinions and matters herein mentioned (as set forth above), we advise you as a matter of fact and not opinion that, during the course of our representation of you on this matter, no facts came to the attention of the attorneys in our firm rendering legal services to you in connection with the Preliminary Official Statement and the Official Statement which caused us to believe that the Preliminary Official Statement and the Official Statement as of their dates and as of the date hereof (except for any CUSIP numbers, financial, accounting, statistical or economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about litigation to which the Authority is a party, any management discussion and analysis, Appendices to the Preliminary Official Statement and the Official Statement, or any information about book-entry, DTC, ratings, rating agencies, and tax exemption of the Bonds, which we expressly exclude from the scope of this paragraph and as to which we express no opinion or view) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. No responsibility is undertaken or view expressed with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by or incorporated by reference in the Preliminary Official Statement and the Official Statement.

3. In our opinion, the Continuing Disclosure Agreement with respect to the Bonds for the benefit of the holders thereof, satisfies in all material respects the requirements for such an agreement in paragraph (b) (5) of the Rule 15c2-12; provided that, for purposes of this opinion, we are not expressing any view regarding the content of the Official Statement that is not expressly stated in numbered paragraph 2 of this letter.

We are furnishing this letter to you pursuant to paragraph 11(f)(vi) of the Purchase Agreement solely for your benefit as the Representative. We disclaim any obligation to update this letter. This letter is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of Bonds or by any other party to whom it is not specifically addressed.

Very truly yours,

EXHIBIT D

FORM OF UNDERWRITERS' CERTIFICATE

(1) Morgan Stanley & Co. LLC ("Morgan Stanley"), for itself and as representative of the other underwriters for the bonds identified above (the "Issue"), issued by the District of Columbia Water and Sewer Authority (the "Issuer"), based on its knowledge regarding the sale of the Issue, certifies as of this date as follows:

1. **Issue Price.**

[If the issue price is determined using only the general rule (actual sales of at least 10%) in Regulations § 1.148-1(f)(2)(i):

(A) As of the date of this Certificate, for each Maturity of the Issue, the first price at which at least 10% of such Maturity of the Issue was sold to the Public is the respective price listed in the final Official Statement, dated [____], for the Issue (the "Sale Price" as applicable to respective Maturities). The aggregate of the Sale Prices of each Maturity is \$[_____] (the "Issue Price").]

[If the issue price is determined using a combination of actual sales (Regulations § 1.148-1(f)(2)(i)) and hold-the-offering-price (Regulations § 1.148-1(f)(2)(ii)):

(A) As of the date of this Certificate, for each Maturity listed on Schedule A as the "General Rule Maturities," the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A (the "Sale Price" as applicable to each Maturity of the General Rule Maturities).

(B) On or before the Sale Date, the Underwriting Group offered the Maturities listed on Schedule A as the "Hold-the-Offering-Price Maturities" to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices" as applicable to each Maturity of the Hold-the-Offering-Price Maturities). A copy of the pricing wire or equivalent communication for the Issue is attached to this Certificate as Schedule B.

(C) As set forth in the Bond Purchase Agreement, the members of the Underwriting Group have agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any portion of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Issue during the Holding Period.

(D) The aggregate of the Sale Prices of the General Rule Maturities and the Initial Offering Prices of the Hold-the-Offering-Price Maturities is \$[_____] (the “Issue Price”).]

[If the issue price is determined using only the hold-the-offering-price rule in Regulations § 1.148-1(f)(2)(ii):

(A) The Underwriting Group offered, on or before the Sale Date, each Maturity of the Issue to the Public for purchase at the respective initial offering prices listed on Schedule A (the “Initial Offering Prices”). A copy of the pricing wire or equivalent communication for the Issue is attached to this Certificate as Schedule B. The aggregate of the Initial Offering Prices of each Maturity is \$[_____] (the “Issue Price”).

(B) As set forth in the Bond Purchase Agreement, the members of the Underwriting Group have agreed in writing that, (i) for each Maturity of the Issue, they would neither offer nor sell any portion of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter has offered or sold any Maturity of the Issue at a price that is higher than the respective Initial Offering Price for that Maturity of the Issue during the Holding Period.]

[(B),(E), or (C)] Definitions. **[NOTE:** If issue price is determined using only the general rule (actual sales of 10%), delete the definitions of “Holding Period” and “Sale Date.”]

[“Holding Period” means, for each Hold-the-Offering-Price Maturity of the Issue, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which [Name of underwriter][the Underwriting Group] has sold at least 10% of such Maturity of the Issue to the Public at a price that is no higher than the Initial Offering Price for such Maturity.]

“Maturity” means bonds of the Issue with the same credit and payment terms. Bonds of the Issue with different maturity dates, or bonds of the Issue with the same maturity date but different stated interest rates, are treated as separate Maturities.

“Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

[“Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Issue. The Sale Date of the Issue is [DATE].]

“Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Issue to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Issue to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Issue to the Public).

All other capitalized terms not defined in this Certificate have the meaning set forth in the Issuer’s Tax Compliance Certificate or in Attachment A to it.

(2) **Yield.** The Yield on the Issue is _____%, being the discount rate that, when used in computing the present worth of all payments of principal and interest to be paid on the Issue, computed on the basis of a 360-day year and semi-annual compounding, produces an amount equal to the Issue Price of the Issue as stated in paragraph (1) and computed with the adjustments stated in paragraphs (7) and (8).

(3) **Weighted Average Maturity.** The weighted average maturity (defined below) of the Issue is _____ years and the remaining weighted average maturity of the Current Refunded Bonds is ____ years. The weighted average maturity of an issue is equal to the sum of the products of the issue price of each maturity of the issue and the number of years to the maturity date of the respective maturity (taking into account mandatory but not optional redemptions), divided by the issue price of the entire issue.

(4) **Underwriter’s Discount.** The Underwriter’s discount is \$_____, being the amount by which the aggregate Issue Price (as set forth in paragraph (1)) exceeds the price paid by [name of underwriter] to the Issuer for the Issue.

[For fixed rate bonds only: (7) Discount Maturities Subject to Mandatory Early Redemption. No Maturity that is subject to mandatory early redemption has a stated redemption price that exceeds the Sale Price or Initial Offering Price, as applicable, of such Maturity by more than one-fourth of 1% multiplied by the product of its stated redemption price at maturity and the number of years to its weighted average maturity date.]

[Or]

[For fixed rate bonds only: (7) Discount Maturities Subject to Mandatory Early Redemption. The stated redemption price at maturity of the Maturities that mature in the year[s] 20__, which Maturities are the only Maturities of the Issue that are subject to mandatory early redemption, exceeds the Sale Price or Initial Offering Price, as applicable, of such Maturities by more than one-fourth of 1% multiplied by the product of the stated redemption price at maturity and the number of years to the weighted average maturity date of such Maturities. Accordingly, in computing the Yield on the Issue stated in paragraph (2), those Maturities were treated as redeemed on each mandatory early redemption date at their present value rather than at their stated principal amount.]

[For fixed rate bonds only: (8) Premium Maturities Subject to Optional Redemption. No Maturity:

Is subject to optional redemption within five years of the Issuance Date of the Issue. That is subject to optional redemption has an Initial Offering Price or Sale Price, as applicable, that exceeds its stated redemption price at maturity by more than one-fourth of 1% multiplied by the product of its stated redemption price at maturity and the number of complete years to its first optional redemption date.]

[Or]

[For fixed rate bonds only: (8) Premium Maturities Subject to Optional Redemption. The Maturities that mature in the year[s] 20__ are the only Maturities that are subject to optional redemption before maturity and have an Initial Offering Price or Sale Price, as applicable, that exceeds their stated redemption price at maturity by more than one fourth of 1% multiplied by the product of their stated redemption price at maturity and the number of complete years to their first optional redemption date. Accordingly, in computing the Yield on the Issue stated in paragraph (2), each such Maturity was treated as retired on its optional redemption date or at maturity to result in the lowest yield on that Maturity. No Maturity is subject to optional redemption within five years of the Issuance Date of the Issue.]

[Or]

[(7) No Discount or Premium Maturities. No Maturity was sold at an original issue discount or premium.]

[For fixed rate bonds only:] (8 or 9) No Stepped Coupon Maturities. No Maturity bears interest at an increasing interest rate.

The signer is an officer of Morgan Stanley and duly authorized to execute and deliver this Certificate for itself and as representative of the Underwriting Group. The representations set forth in this Certificate are limited to factual matters only. Nothing in this Certificate represents Morgan Stanley's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Compliance Certificate and with respect to compliance with the federal income tax rules affecting the Issue, and by Squire Patton Boggs (US) LLP, as bond counsel, in connection with rendering its opinion that the interest on the Issue is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Issue.

Dated: _____, 20__

MORGAN STANLEY & CO. LLC for itself and as
representative of the Underwriters

By: _____

Title: _____

[NOTE: If the general rule is used for each Maturity (i.e., actual sales of at least 10% of each Maturity), there is no schedule to attach if the initial offering prices set forth in the Official Statement for the Issue are the first prices at which at least 10% of each Maturity is sold. Otherwise, attach a schedule that shows the first price at which at least 10% of each Maturity was sold.]

[EITHER]

[If the issue price is determined using a combination of the general rule (actual sales) and hold-the-offering-price rule:

SCHEDULE A
SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES
(Attached)

[NOTE: With respect to each General Rule Maturity of the Issue whose Sale Price is not the Initial Offering Price, Schedule A should include each such Maturity’s (i) maturity date, (ii) principal amount, (iii) coupon, and (iv) sale price (either as a stated amount, a percentage of a par, or as based on the yield of the Maturity). With respect to each Hold-the-Offering-Price Maturity of the Issue, each such Maturity should be referred to in Schedule A with reference to the final official statement for the Issue. For example, “The Hold-the-Offering Price Maturities are those Maturities of the Issue set forth on the [inside] cover of the final Official Statement, dated [____], for the Issue that mature in the year[s] [____, _____, and _____].”]

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)

[OR]

[If the issue price is determined using only the hold-the-offering-price rule in Regulations § 1.148-1(f)(2)(ii):

SCHEDULE A
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES
(Attached)

[NOTE: With respect to each Hold-the-Offering Price Maturity of the Issue, Schedule A should include each such Maturity’s (i) maturity date, (ii) principal amount, (iii) coupon, and (iv) initial offering price (either as a stated amount, a percentage of a par, or as based on the yield of the Maturity).]

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)

M&A draft 5/15/2024

BOND PURCHASE AGREEMENT

[\$50,000,000]

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds, Series 2024B-1

_____, 2024

District of Columbia Water and Sewer Authority
1385 Canal Street S.E.
Washington, DC 20003

Ladies and Gentlemen:

BofA Securities Inc., as the underwriter (the “Underwriter”), offers to enter into this bond purchase agreement (this “Agreement”) with the District of Columbia Water and Sewer Authority (the “Authority”). The offer made hereby is subject to acceptance thereof by execution of this Agreement and its delivery to the Underwriter, at or prior to 5:00 p.m., New York, New York Time, on the date hereof, or at such other time or on other date as may be agreed upon by the Underwriter. Upon such acceptance, this Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Authority and the Underwriter. If this offer is not so accepted, it is subject to withdrawal by the Underwriter upon written notice delivered to the Authority at any time prior to acceptance. Terms used but not defined herein are defined in the Indenture identified below.

1. **Purchase and Sale of Bonds.** On the terms and conditions and on the basis of the representations, warranties, covenants and agreements set forth herein, the Underwriter, hereby agrees to purchase from the Authority for offering to the public, and the Authority hereby agrees to sell and deliver to the Underwriter for such purpose, all (but not less than all) of its Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds, Series 2024B-1, in the original principal amount of [\$50,000,000] (the “Bonds”). The proceeds of the Bonds will be used to (i) currently refund the Refunded Bonds, as defined in the Indenture (defined below), and [(ii) pay the costs of issuing the Bonds]. The purchase price of the Bonds will be \$ _____ (the par amount of the Bonds less the Underwriter’s discount of \$ _____ plus original issue premium of \$ _____). The Bonds will mature on the dates and in the amounts and will bear interest and will be subject to redemption prior to maturity as set forth in Exhibit A hereto.

2. **Bond Authorization.** The Bonds shall be issued under and pursuant to provisions of the laws of the United States of America and the District of Columbia (the “District”), including particularly, an act of the Council of the District entitled the “Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996,” as amended, codified at District of Columbia Official Code Ann. Sections 34-2201.01 *et seq.*, and the acts amendatory thereof and supplemental thereto (the “Act”), and an act of the United States Congress entitled the “District of Columbia Water and Sewer Authority Act of 1996”

(Public Law 104-184), as amended (the “Federal Act”), and all proceedings necessary to authorize and provide for the issuance of the Bonds, including Resolution No.24-__ adopted by the Board of Directors of the Authority, on June , 2024 (the “Resolution”), and the Master Indenture of Trust, dated as of April 1, 1998 (the “Master Indenture”), between the Authority and Computershare Trust Company, N.A., as trustee (the “Trustee”), as amended and supplemented, including by the Thirty-Fourth Supplemental Indenture of Trust, dated as of the Closing Date (as defined below) (the “Thirty-Fourth Supplemental Indenture,” and together with the Master Indenture as previously amended and supplemented, the “Indenture”), between the Authority and the Trustee, substantially in the forms previously delivered to us.

3. **Closing.** At 11:00 a.m. Eastern Standard Time on _____, 2024, or at such other time and date as may be mutually agreed upon by the Authority and the Underwriter (the “Closing Date”), the Authority will, subject to the terms and conditions hereof, deliver the Bonds to the Underwriter in definitive form, duly executed and authenticated, together with the other documents hereinafter required, and, subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof in federal funds to the order of the Authority (the “Closing”). Delivery of the Bonds will be made through the facilities of The Depository Trust Company, New York, New York. The Closing will occur at the offices of Squire Patton Boggs (US) LLP, Washington, D.C., or such other place as may be mutually agreed on by the Authority and the Underwriter.

4. **Public Offering of the Bonds.** It is a condition of the Authority’s obligation to sell and deliver the Bonds to the Underwriter, and of the obligation of the Underwriter to purchase and accept delivery of the Bonds, that the entire principal amount of the Bonds is sold and delivered by the Authority and accepted and paid for by the Underwriter at the Closing. The Underwriter intends to make an initial public offering of all of the Bonds at prices not in excess of the initial public offering prices set forth on the cover page of the Official Statement. [The issuance of the Bonds is dependent upon the simultaneous issuance of the Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds, Series 2024B-2, in the original principal amount of [\$50,000,000]. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the initial public offering prices.

5. **[Preliminary and] Final Official Statement.** The Authority ratifies and consents to the legally permissible use by the Underwriter, prior to the date hereof, [of the Preliminary Official Statement, dated _____, 2024 relating to the Bonds (the “Preliminary Official Statement”) in connection with the public offering of the Bonds and the Authority represents that such Preliminary Official Statement is deemed final as of its date and as of the date hereof under Rule 15c2-12 (“Rule 15c2-12”) promulgated by the U.S. Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934, as amended (the “1934 Exchange Act”), except for Permitted Omissions (as defined in Rule 15c2-12).] The form of the final Official Statement of the Authority relating to the Bonds, dated _____, 2024, including the cover page and Appendices thereto, and any revisions, amendments or supplements thereto (the “Official Statement”) as have been approved by the Authority, Co-Bond Counsel, and the Underwriter. The Authority authorizes, approves, ratifies and confirms the distribution of [the Preliminary Official Statement and] the Official Statement in paper and electronic format by the Underwriter in connection with the public offering and sale of the Bonds.

The Authority agrees to provide to the Underwriter, at such addresses as the Underwriter specifies, as many copies of the Official Statement as the Underwriter reasonably request as necessary to comply with Rule G-32 and all other applicable rules of the Municipal Securities Rulemaking Board (the “MSRB”). The Authority agrees to deliver the Official Statement within seven business days after the date hereof and not later than one business day before the Closing Date and in sufficient time to accompany any confirmation that requests payment from any customer and to permit the Underwriter to comply with the requirements of Rule 15c2-12 (defined below). The [Preliminary Official Statement and the] Official Statement may be revised, amended, changed or supplemented by the Authority after the execution of this Agreement only with the permission of the Underwriter.

If, during the period from the date hereof to and including the date which is 25 days after the “end of the underwriting period” (as hereinafter defined), there shall exist any event, including, but not limited to, any material adverse change in the financial condition, results of operation or condition, financial or otherwise, of the Authority, and of which the Authority has knowledge, which, in the opinion of the Underwriter and counsel to the Underwriter or in the opinion of the Authority, requires a supplement or amendment to the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, when it is delivered to a potential investor, the Authority will supplement or amend or cause to be supplemented or amended the Official Statement in a form and in a manner approved by the Underwriter and the Authority and will furnish to the Underwriter such supplement or amendment in sufficient quantity to permit the Underwriter to comply with the requirements of Rule 15c2-12 (“Rule 15c2-12”) promulgated by the Securities and Exchange Commission (the “SEC”) under the 1934 Exchange Act.

For the purpose of the preceding paragraph, the Authority may assume that the “end of the underwriting period” (in accordance with and as defined in Rule 15c2-12) means the Closing Date unless the Underwriter advises the Authority in writing on the Closing Date that there remains an unsold balance of the Bonds, in which case the “end of the underwriting period” means the date as of which the Underwriter notify the Authority that the Underwriter, directly or as a syndicate, no longer retain an unsold balance of the Bonds for sale to the public. The deemed end of the underwriting period, in order to allow the Underwriter to comply with Rule 15c2-12, shall be extended for additional periods of 30 days each upon receipt of written notification from the Underwriter that any Bonds remain unsold however, in no event shall the “end of the underwriting period” extend beyond the date sixty (60) days from the Closing Date. The Underwriter agrees to provide to the Authority written notification that none of the Bonds remain unsold which will be deemed the end of the underwriting period.

The Underwriter hereby agree to deliver a copy of the printed paper form of the Official Statement to the MSRB in an electronic format prescribed by the MSRB for its Electronic Municipal Market Access (“EMMA”) website at www.emma.msrb.org within one (1) business day of receipt of the executed final Official Statement by the Underwriter.

6. **Representations, Warranties and Covenants of the Authority.** The Authority hereby represents, warrants, covenants and agrees as follows:

a. The Authority is, and at the Closing Date will be, a duly organized and validly existing corporate body and independent authority of the District established under the laws of the United States and the District, including the Act and the Federal Act, with the full legal right, power and authority to (i) adopt the Resolution, (ii) execute, deliver and perform its obligations under this Agreement, the Indenture, the Certificate of Award of the Authority establishing the purchase price, maturities, interest rates, redemption provisions and other terms of the Bonds, dated the date hereof (the "Certificate of Award"), and the Continuing Disclosure Agreement of the Authority dated as of the Closing Date (the "Continuing Disclosure Agreement," and together with this Agreement and the Indenture, the "Bond Documents"); (iii) perform its obligations under the Water Sales Agreement, dated as of July 31, 1997, between the Authority and the United States of America, acting through the Secretary of the Army (the "Water Sales Agreement") and the Blue Plains Intermunicipal Agreement of 2012 between the District, Fairfax County, Virginia, Montgomery County, Maryland, Prince George's County, Maryland and the Washington Suburban Sanitary Commission (the "IMA," and together with the Water Sales Agreement, the "System Agreements"), (iv) sell, issue and deliver the Bonds to the Underwriter as provided herein, and (v) carry out and consummate the transactions contemplated by the Resolution, the Bond Documents, [the Preliminary Official Statement,] the Official Statement and the System Agreements; and the Authority has complied, and at the Closing Date will be in compliance, in all material respects, with the Act and the Federal Act and with the obligations on its part in connection with the issuance of the Bonds contained in the Bonds, the Resolution, the Indenture, [the Preliminary Official Statement,] the Official Statement and this Agreement.

b. The Authority (i) has duly and validly adopted the Resolution, (ii) has authorized the execution and delivery of the Bond Documents, (iii) is authorized to execute, issue, sell and deliver the Bonds in book-entry form, (iv) is authorized to appoint, and has appointed, Computershare Trust Company, N.A., as Trustee (the "Trustee"), (v) is authorized to apply and will apply the proceeds of the Bonds as provided in and subject to all of the terms and provisions of the Resolution, including the payment or reimbursement of the Authority expenses incurred in connection with the negotiation, marketing, issuance and delivery of the Bonds to the extent required by Section 14, (vi) has taken or will take on or before the Closing Date, all action necessary or appropriate for (a) execution, issuance, sale and delivery of the Bonds in book-entry form to the Underwriter, (b) approval, execution and delivery of and the performance by the Authority of its obligations contained in the Bonds and the Bond Documents, (c) [the approval, distribution and use of the Preliminary Official Statement and] the approval, execution, distribution and use of the Official Statement for use by the Underwriter in connection with the public offering of the Bonds and (d) the consummation by it of all other transactions described in the Official Statement, the Bond Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Authority in order to carry out, give effect to, and consummate the transactions described herein and in the Official Statement.

c. The adoption of the Resolution, the execution and delivery of the Bond Documents, the execution, issuance, sale and delivery of the Bonds in book-entry form and the performance by the Authority of its obligations hereunder and thereunder, and the performance by the Authority of its obligations under the System Agreements (collectively, the "Authority Undertakings") are within the corporate powers of the Authority and are not in conflict with and

will not constitute a breach, default or result in a violation of (i) the Act, (ii) any federal constitutional or federal or District statutory provision, including the Federal Act, (iii) any agreement or other instrument to which the Authority is a party, or (iv) any order, rule, regulation, decree or ordinance of any court of competent jurisdiction, government or governmental authority having jurisdiction over the Authority or its property.

d. The District has authorized the Authority to use all of the property and assets of the water distribution and wastewater collection, treatment and disposal systems of the Authority (the "System"), uninterrupted by the District, for as long as any revenue bonds of the Authority, including the Bonds, remain outstanding. The Authority has the full legal right, power and authority to operate the System and to collect and pledge the Revenues therefrom in accordance with the Indenture.

e. The Resolution or other appropriate actions adopted or taken by the Authority establishing the rates and charges for services of the System described in [the Preliminary Official Statement and] the Official Statement have been duly adopted or taken and are in full force and effect.

f. The System Agreements and all other agreements, permits, licenses, consents, approvals, actions, consent decrees and settlement orders material to the operation and management of the System, including the collection of the Revenues therefrom as described in [the Preliminary Official Statement and] the Official Statement, are in full force and effect as of the date hereof and will be on the Closing Date, and the Authority is not and will not be in default thereunder or in breach thereof. The System Agreements have been duly authorized, executed and delivered by the Authority and constitute valid and binding obligations of the Authority enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity.

g. The Bonds, when issued, delivered to the Underwriter and paid for, in accordance with the Act, the Resolution, the Indenture and this Agreement, will have been duly authorized, executed, issued and delivered by the Authority and will constitute valid and binding obligations of the Authority, enforceable against the Authority in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity. The Bonds are not a pledge of and do not involve the faith and credit or the taxing power of the District and the District shall not be liable thereon. The Bonds, the Indenture and the Resolution conform to the descriptions thereof contained in [the Preliminary Official Statement and] the Official Statement and the proceeds of the sale of the Bonds will be applied as described in [the Preliminary Official Statement and] the Official Statement.

h. The Authority is not currently failing to comply and except as disclosed in [the Preliminary Official Statement and] the Official Statement, has not failed to comply during the past five years with any continuing disclosure obligation pursuant to Rule 15c2-12. The Authority has agreed to deliver to the Underwriter a Continuing Disclosure Agreement with respect to the Bonds that complies with the requirements of Rule 15c2-12.

i. This Agreement constitutes, and, upon execution and delivery by the Authority and the other parties thereto, each of the other Bond Documents will constitute, the valid, binding and enforceable obligation of the Authority in accordance with their respective terms, subject to applicable bankruptcy, insolvency, and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity.

j. The Authority is not in material breach of or material default under any applicable constitutional provision or law of the United States, the District or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which it is a party or to which it or any of its property or assets is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; and the execution and delivery of the Bonds, this Agreement and the other Bond Documents and the adoption of the Resolution, and compliance with the provisions contained therein and herein, and in the System Agreements, do not conflict with or constitute a breach of or default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement, or other instrument to which it is a party or any of its property or assets are otherwise subject, nor will any such execution, delivery, adoption, or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of its property or assets or under the terms of any such law, regulation or instrument, except as provided by the Bonds.

k. All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter have been duly obtained or, with respect to the issuance of the Bonds, will be obtained prior to the issuance of the Bonds, which are required for the due authorization by or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Authority of its obligations in connection with the issuance of the Bonds and under this Agreement, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds.

l. Except as otherwise described in [the Preliminary Official Statement and] the Official Statement, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the Authority, threatened against the Authority (i) affecting or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds, the use of [the Preliminary Official Statement or] the Official Statement or the collection of the Revenues pledged to the payment of the principal of and interest on the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity, enforceability, due authorization, execution or delivery of the Bonds, including this Agreement or the other Bond Documents, or the validity or enforceability of the System Agreements, nor, to the best knowledge of the Authority, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Bond Documents, (iii) questioning the tax-exempt status of the Bonds under the laws of the District or the United States, (iv) affecting or in any way contesting the corporate existence or powers of the Authority or the titles of the officers of the Authority to their respective offices, (v) which may result in any

material adverse change in the business or the financial condition or the financial prospects of the Authority or (vi) asserting that [the Preliminary Official Statement or] the Official Statement or any supplement thereto contains any untrue statement of a material fact or omits any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

m. The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order to (i) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate, (ii) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and (iii) continue such qualifications in effect so long as required for the distribution of the Bonds and will advise the Underwriter promptly of receipt by the Authority of any written notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose; provided, however, that the Authority will not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

n. The audited balance sheets of the Authority for the years ended September 30, 2023 and September 30, 2022 and the related statements of revenues, expenditures and changes in net assets and cash flows for the fiscal year ended on such date, as set forth in [the Preliminary Official Statement and] the Official Statement, are true, complete and correct and fairly present the financial condition of the Authority as of such date and the results of its operations for such fiscal year. There has been no material adverse change in the financial condition of the Authority since September 30, 2023, except as described in [the Preliminary Official Statement and] the Official Statement. The financial statements of, and other financial information of the Authority in [the Preliminary Official Statement and in] the Official Statement fairly present the financial position and results of the Authority as of the dates and for the periods therein set forth, and except as noted in [the Preliminary Official Statement and in] the Official Statement, the other historical financial information set forth in [the Preliminary Official Statement and] in the Official Statement has been presented on a basis consistent with that of the Authority's audited financial statements included or incorporated by reference in [the Preliminary Official Statement and in] the Official Statement.

o. The Authority has duly authorized, approved and delivered [the Preliminary Official Statement and] the Official Statement to the Underwriter.

p. The [Preliminary Official Statement, as of its date and as of the date of this Agreement, did not and does not, and the] Official Statement, is, as of its date and (unless the Official Statement is amended or supplemented pursuant to this Agreement) at all times subsequent thereto during the period up to and including the Closing Date, did not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If between the date of the Official Statement and the Closing Date any event shall occur or any pre-existing fact or condition shall become known to the Authority that might or would cause the Official Statement, as then supplemented or amended, to contain any untrue

statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Authority shall promptly notify the Underwriter thereof, and if in the reasonable opinion of the Underwriter, such event, fact or condition requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will at its expense supplement or amend the Official Statement in a form and in a manner approved by the Underwriter, which approval shall not be unreasonably withheld. If the Official Statement is supplemented or amended as aforesaid, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the underwriting period, as defined in Section 5, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which made, not misleading.

q. The obligation of the Authority to know or provide information within the knowledge of the Authority is limited to providing information that is in the actual knowledge of, or reasonably should have been in the actual knowledge of, the key staff members of the Authority listed in the Official Statement under the caption "Senior Management" or their respective successors.

r. The Authority undertakes that, for a period beginning with the day on which the Bonds are delivered to the Underwriter and ending on the 25th day following the end of the underwriting period, as defined in Section 5, it will apprise the Underwriter of all material developments, if any, occurring with respect to the Authority, and if requested by the Underwriter, at the Authority's expense, prepare a supplement to the Official Statement in respect of any such material event.

s. The Authority has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Authority is a bond issuer whose arbitrage certificates may not be relied upon.

t. Any certificate signed by an authorized delegate of the Authority in connection with the transactions described in this Agreement will be deemed a representation, warranty, covenant and agreement by the Authority to the Underwriter as to the statements made therein.

u. Prior to the Closing, the Authority will not take any action within or under its control that will cause any adverse change of a material nature in the Authority's financial position, or its results of operations or condition, financial or otherwise.

v. The Authority will not, prior to the Closing, offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, except in the ordinary course of business, without the prior approval of the Underwriter, other than its Public Utility Subordinate Lien Revenue Refunding Bonds Series 2024B-1, its Public Utility Subordinate Lien Revenue and Revenue Refunding Bonds Series 2024A, each dated the date of Closing. [The Authority has authorized but not issued commercial paper notes.]

w. The Bonds and the Thirty-Fourth Supplemental Indenture conform to the descriptions thereof contained in [the Preliminary Official Statement and] the Official Statement under the caption “THE SERIES 2024B BONDS” and in Appendix C “GLOSSARY AND SUMMARY OF THE INDENTURE.”

7. **Representations of Underwriter.** The Underwriter represents and warrants that it will offer the Bonds only pursuant to the Official Statement and the Underwriter agrees to make a public offering of the Bonds at the initial offering prices or yields set forth in the Official Statement as the Underwriter may deem necessary or desirable in connection with the offering and sale of the Bonds and to sell the Bonds to dealers (including dealer banks and dealers depositing Bonds into investment trusts) and others at prices lower than the public offering prices. At the Closing, the Underwriter shall deliver to the Authority a certificate, acceptable to Co-Bond Counsel, substantially in the form of Exhibit D hereto. The Underwriter agrees to deliver a final Official Statement to all purchasers of the Bonds in accordance with all applicable legal requirements.

8. **Rights to Cancellation by Underwriter.** The Underwriter will have the right to cancel its obligation to purchase, accept delivery of and to pay for the Bonds if between the date hereof and the Closing Date, the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds shall be materially adversely affected in the reasonable judgment of the Underwriter, by the occurrence of any of the following: (a) legislation has been enacted by or introduced in Congress or a decision by a federal court of the United States or the United States Tax Court has been rendered, or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency has been made or proposed to be made with respect to federal taxation on revenues or other income to be derived from the operation of the Authority, or other actions or events have occurred which have the purpose or effect, directly or indirectly, of materially adversely affecting the federal income tax consequences of any of the transactions contemplated in connection herewith, including the tax-exempt status of bonds issued by the Authority under the Internal Revenue Code of 1986, as amended, or (b) legislation has been enacted, or actively considered for enactment with an effective date being prior to the date of the issuance of the Bonds, or a decision by a court of the United States has been rendered, or a ruling or regulation by the SEC or another governmental agency having jurisdiction of the subject matter has been made, the effect of which is that the Bonds are not exempt from the registration or other requirements of the Securities Act of 1933, as amended and as then in effect (the “1933 Securities Act”), or that the Indenture is not exempt from the qualification or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect (the “Trust Indenture Act”), or (c) a stop order, ruling or regulation by the SEC has been issued or made, the effect of which is that the issuance, offering or sale of the Bonds as contemplated hereby or by the Official Statement is or would be in violation of any provision of the 1933 Securities Act, or of the 1934 Exchange Act, or of the Trust Indenture Act, or (d) there exists any event which in the reasonable judgment of the Underwriter either (i) makes untrue or incorrect any statement or information of a material fact contained in the Official Statement or (ii) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein, in light of the circumstances under which they were made, not misleading, and, in either such event the Authority refuses to permit the Official Statement to be

supplemented to correct or supply such statement or information, or the statement or information as supplemented is such as in the reasonable judgment of the Underwriter would materially adversely affect the market for the Bonds or the sale, at the contemplated offering price, by the Underwriter of the Bonds, or (e) there has occurred any new outbreak of hostilities (including, without limitation, an act of terrorism) or escalation of hostilities existing prior to the date hereof or any other extraordinary event, material national or international calamity or crisis, or escalation thereof, including a financial crisis, or (f) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates or the establishment of minimum or maximum prices) or any material increase of restrictions now in force (including the extension of credit by, or a charge to the net capital requirements of, Underwriter) shall have been established by the New York Stock Exchange, the SEC, any other federal agency, the Congress of the United States, or by Executive Order, or (g) there is in force a general suspension of trading in securities on the New York Stock Exchange or any other national securities exchange or (h) a general banking moratorium has been declared by Federal, District or New York authorities, or (i) there has occurred since the date hereof any material adverse change in the affairs of the Authority from that reflected in the financial information and data of the Authority included in or as an appendix to the Official Statement, other than as previously disclosed to the Underwriter, or (j) a material disruption in securities settlement, payment or clearance services shall have occurred, or (k) there shall have occurred any downgrading or published negative credit watch or similar published information from a rating agency that on the date hereof has published a rating (or has been asked to furnish a rating on the Bonds) on any of the Authority's debt obligations, which action reflects a change or possible change in the ratings accorded any such obligations of the Authority (including any rating to be accorded to the Bonds) or (l) there shall have occurred any downgrading or published negative credit watch or similar published information from a rating agency that at the date of this Agreement has published a rating (or has been asked to furnish a rating on the Bonds) on any of the Authority's debt obligations, which action reflects a change or possible change, in the ratings accorded any such obligations of the Authority (including any rating to be accorded the Bonds).

9. **Rights to Cancellation by the Authority.** The Authority will have the right to cancel its obligation to issue, sell and deliver the Bonds if between the date hereof and the Closing Date, the market price or marketability of the Bonds shall be materially adversely affected, in the reasonable judgment of the Authority, by the occurrence of any of the following: (a) legislation has been enacted by or introduced in Congress or a decision by a federal court of the United States or the United States Tax Court has been rendered, or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency has been made or proposed to be made with respect to federal taxation on revenues or other income to be derived from the operation of the Authority, or other actions or events have occurred which have the purpose or effect, directly or indirectly, of materially adversely affecting the federal income tax consequences of any of the transactions contemplated in connection herewith, or (b) legislation has been enacted, or actively considered for enactment with an effective date being prior to the date of the issuance of the Bonds, or a decision by a court of the United States has been rendered, or a ruling or regulation by the SEC or another governmental agency having jurisdiction of the subject matter has been made, the effect of which is that the Bonds are not exempt from the registration or other requirements of the 1933 Securities Act, or that the Indenture is not exempt from the

qualification or other requirements of the Trust Indenture Act, or (c) a stop order, ruling or regulation by the SEC has been issued or made, the effect of which is that the issuance, offering or sale of the Bonds as contemplated hereby or by the Official Statement is or would be in violation of any provision of the 1933 Securities Act, or of the 1934 Exchange Act, or of the Trust Indenture Act, or (d) there has occurred any new outbreak of hostilities (including, without limitation, an act of terrorism) or escalation of hostilities existing prior to the date hereof or any other extraordinary event, material national or international calamity or crisis or escalation thereof, including a financial crisis, or (e) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates or the establishment of minimum or maximum prices) or any material increase of restrictions now in force (including the extension of credit by, or a charge to the net capital requirements of, Underwriter) shall have been established by the New York Stock Exchange, the SEC, any other federal agency, the Congress of the United States, or by Executive Order, or (f) there is in force a general suspension of trading in securities on the New York Stock Exchange or any other national securities exchange or (g) a general banking moratorium has been declared by Federal, District or New York authorities, or (h) a material disruption in securities settlement, payment or clearance services shall have occurred.

10. **Conditions to Obligations of Underwriter at Closing.** The Underwriter has entered into this Agreement in reliance on the representations, warranties, covenants and agreements of the Authority contained herein, and in reliance on the representations, warranties, covenants and agreements to be contained in the documents and instruments to be delivered at the Closing and on the performance by the Authority of its obligations hereunder, as of the Closing Date. Accordingly, the Underwriter's obligations under this Agreement to purchase, to accept delivery of and to pay for the Bonds, are conditioned on the performance by the Authority of its obligations to be performed hereunder and the delivery of such documents and instruments enumerated herein in form and substance reasonably satisfactory to the Underwriter and Orrick, Herrington & Sutcliffe LLP, and McKenzie & Associates, co-counsel to the Underwriter, at or before the Closing, and are also subject to the following additional conditions:

a. The representations, warranties, covenants and agreements of the Authority contained herein are true, complete and correct on the date hereof and on and as of the Closing Date, as if made on the Closing Date;

b. The provisions of the Act and the Federal Act, as in effect on the date of this Agreement, shall be in full force and effect and shall not have been amended, except as to amendments which, in the reasonable opinion of the Underwriter, are not adverse to the interest of the Underwriter or the Bondholders;

c. At the time of the Closing, the Resolution is in full force and effect in accordance with its terms and has not been amended, modified or supplemented, and the Official Statement has not been supplemented or amended, except in any such case as may have been agreed to by the Underwriter;

d. At the time of the Closing, all official action of the Authority relating to the Bonds, the Bond Documents and the System Documents are in full force and effect in

accordance with their respective terms and have not been amended, modified or supplemented, except in each case as may have been agreed to by the Underwriter;

e. At the time of the Closing the Authority will perform or will have performed all of its obligations required under or specified in this Agreement, the Resolution and the Indenture, or contemplated by the Resolution, the Indenture or the Official Statement, to be performed prior to the Closing; and

f. At or before the Closing, the Underwriter will have received true and correct copies of each of the following documents:

- i. A certified copy of the Resolution;
- ii. The Official Statement and each supplement or amendment, if any, thereto, executed by the Authority;
- iii. Counterparts of each of the fully executed Bond Documents and the System Agreements;
- iv. The approving opinion of Co-Bond Counsel in substantially the form attached to [Preliminary Official Statement and] the Official Statement as Appendix F and a supplemental opinion, dated the Closing Date, in form and substance satisfactory to the Underwriter, and reliance letters with respect to such opinions addressed to Computershare Trust Company, N.A., as Trustee;
- v. An opinion, dated the Closing Date, of the Chief Legal Officer and Executive Vice President Government & Legal Affairs of the Authority, substantially in the form of Exhibit B hereto;
- vi. An opinion, dated the Closing Date, of Orrick, Herrington & Sutcliffe LLP and McKenzie & Associates, co-counsel to the Underwriter, substantially in the form of Exhibit C hereto;
- vii. An opinion, dated the Closing Date, of Squire Patton Boggs (US) LLP and Bellamy Penn LLC, in their capacity as co-disclosure counsel to the Authority, in form and substance satisfactory to the Underwriter and its co-counsel;
- viii. An opinion, dated the Closing Date, of counsel to the Trustee, in a form approved by the Underwriter and its co-counsel;
- ix. A manually signed Financial Feasibility Opinion Letter dated _____, 2024, of Amawalk Consulting Group LLC (the “Financial Feasibility Consultant”), regarding the financial feasibility of the issuance of the Bonds in substantially the form attached to [the Preliminary Official Statement and] the final Official Statement as Appendix A and a certificate of the Financial Feasibility Consultant with respect to the issuance and sale of the Bonds, permitting the use of such letter and references to said firm in [the Preliminary Official Statement and] the Official Statement in form and substance satisfactory to the Underwriter;

x. One or more certificates of the Authority, dated the Closing Date, (A) to the effect that the representations, warranties, covenants and agreements of the Authority herein are true and correct on and as of the Closing Date as if made on the Closing Date, and that the Authority has performed all obligations to be performed hereunder as of the Closing Date; (B) to the effect that the Bond Documents, the Bonds and the System Agreements have not been modified, amended or repealed after the date hereof without the written consent of the Underwriter; (C) to the effect that no material change has occurred with respect to the System from the period from the date of this Agreement through the Closing Date;

xi. Evidence of the completion of Internal Revenue Service Form 8038-G with respect to the issuance of the Bonds;

xii. Evidence that Moody's Investors Service, Inc. ("Moody's"), S&P Global Ratings Services ("S&P") and Fitch Ratings have issued long-term ratings on the Bonds of "Aa2", "AA+" and "AA" and short-term ratings of "VMIG-1", "A-1+" and "F-1+" respectively;

xiii. A true and correct copy of the Standby Bond Purchase Agreement dated the Closing Date;

xiv. Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the Closing Date, of the Authority's representations, warranties, covenants and agreements contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Authority on or prior to the Closing Date of all the agreements then to be performed and conditions then to be satisfied by it.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Agreement will be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter.

11. **Obligations Upon Cancellation.** If the Authority is unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept the delivery of and to pay for the Bonds contained in this Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds is terminated for any reason permitted by this Agreement, this Agreement will terminate and neither the Underwriter nor the Authority will be under any further obligation hereunder, except that the Authority and the Underwriter shall pay their respective expenses as set forth in Section 15.

12. **Certain Information Provided by Underwriter.** The Underwriter confirms and the Authority acknowledges that the statements with respect to the public offering of the Bonds by the Underwriter set forth on the cover page of the Official Statement, the legend concerning over-allotments in the Official Statement and the text under the caption "UNDERWRITING" in the Official Statement constitute the only information concerning the Underwriter furnished in

writing to the Authority by or on behalf of the Underwriter for inclusion in the Official Statement.

Establishment of Issue Price

(a) The Representative, on behalf of the Underwriters, agrees to assist the Authority in establishing the issue price of the Series 2024B Bonds and shall execute and deliver to the Authority at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit D, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2024B Bonds. All actions to be taken by the Authority under this section to establish the issue price of the Series 2024B Bonds may be taken on behalf of the Authority by the PFM Financial Advisors LLC and Sustainable Capital Advisors (collectively, the “Municipal Advisor”) and any notice or report to be provided to the Authority may be provided to the Authority’s Municipal Advisor.

(b) Except as otherwise set forth in Schedule A to Exhibit D attached hereto, the Authority will treat the first price at which 10% of each maturity of the Series 2024B Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Bond Purchase Agreement, the Representative shall report to the Authority the price or prices at which the Underwriters have sold to the public each maturity of Series 2024B Bonds. For purposes of this section, if Series 2024B Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Series 2024B Bonds.

(c) If Exhibit D attached hereto includes Schedule A, the Representative confirms that the Underwriters have offered the Series 2024B Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in such Schedule A, except as otherwise set forth therein. Such Schedule A, should it exist, also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Series 2024B Bonds for which the 10% test has not been satisfied and for which the Authority and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2024B Bonds, the Underwriters will neither offer nor sell unsold Series 2024B Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or

- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Series 2024B Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative will advise the Authority promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Series 2024B Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Representative confirms that:

- (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Series 2024B Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Series 2024B Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2024B Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% test has been satisfied as to the Series 2024B Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires,

(B) to promptly notify the Representative of any sales of Series 2024B Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2024B Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

- (ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Series 2024B Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2024B Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2024B Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2024B Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter or dealer that the 10% test has been satisfied as to the Series 2024B Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable

periodic intervals or otherwise upon request of the Representative or such Underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Authority acknowledges that, in making the representations set forth in this section, the Representative will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the Series 2024B Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2024B Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2024B Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2024B Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2024B Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Series 2024B Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Series 2024B Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2024B Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Series 2024B Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2024B Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Series 2024B Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2024B Bonds.

(f) The Underwriters acknowledge that sales of any Series 2024B Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2024B Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2024B Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2024B Bonds to the public (including a member of a selling group or a party to a third-party

distribution agreement participating in the initial sale of the Series 2024B Bonds to the public),

- (iii) a purchaser of any of the Series 2024B Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

- (iv) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

13. **No Advisory or Fiduciary Role.** The Authority acknowledges and agrees that: (i) the transactions contemplated by this Agreement are arm’s-length, commercial transactions between the Authority and the Underwriter in which the each Underwriter is acting solely as a principal, and are not acting as an agent, a municipal advisor, financial advisor or fiduciary to the Authority; (ii) the Underwriter have not assumed any advisory or fiduciary responsibility to the Authority with respect to the transactions contemplated hereby and the discussions, conferences, negotiations, undertakings and procedures leading thereto (irrespective of whether the Underwriter or their affiliates have provided other services or are currently providing other services to the Authority on other matters); (iii) the only obligations the Underwriter have to the Authority with respect to the transaction contemplated hereby expressly are set forth in this Agreement; (iv) the Authority has consulted its own financial and/or municipal, legal, accounting, tax, and other advisors, as applicable, to the extent it has deemed appropriate; and (v) this Agreement expresses the entire relationship between the parties hereto.

14. **Expenses.** The Authority acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds. The Authority will pay all costs of issuance of the Bonds including, but not limited to (a) [the cost of preparation and posting of the Preliminary Official Statement and] the cost of preparation, posting, printing and delivery of the Official Statement, including the number of copies the Underwriter and the Authority deem reasonable; (b) any cost of preparation of the Bonds; (c) the fees and disbursements of Co-Bond Counsel; (d) the fees and disbursements of any accountants, consultants, financial advisors or additional legal counsel retained in connection with the issuance of the Bonds, including the Independent Engineer and the Financial Feasibility Consultant; (e) fees for Bond ratings and CUSIP numbers; (f) the expenses of travel, lodging and meals for Authority representatives in connection with the negotiation, marketing, issuance and delivery of the Bonds; (g) all advertising expenses in connection with the public offering of the Bonds, including investor meetings; (h) the costs of filing fees required by any of the Blue Sky

laws; and (i) all reasonable and necessary out-of-pocket associated with the issuance of the Bonds. The Authority shall reimburse the Underwriter for the fees and expenses of Underwriter's counsel, any expense advanced or incurred by the Underwriter for which the Authority is responsible hereunder including (f) above and other reasonable expenses incurred in connection with the performance of the Underwriter's obligations hereunder (reimbursement may be included in the expense component of the Underwriter's discount, which the Underwriter acknowledges includes their expenses as set forth in Section 1).

15. **Notices.** Any notice or other communication to be given to the Authority under this Agreement may be given by delivering the same in writing to the address shown on the first page of this Agreement to the attention of the Chief Financial Officer and Executive Vice President Finance and Procurement, and any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same in writing to _____.

16. **Parties in Interest; Survival of Representations and Warranties.** This Agreement, when accepted in accordance with the provisions hereof, shall constitute the entire agreement between the Authority and the Underwriter and is made solely for the benefit of the Authority and the Underwriter (including the successors or assigns of the Authority or the Underwriter) and no other person will acquire or have any right hereunder or by virtue hereof. All of the Authority's and Underwriter's representations, warranties, covenants and agreements contained in this Agreement will remain operative and full force and effect regardless of (a) any investigations made by or on behalf of the Underwriter or (b) delivery of and payment for the Bonds pursuant to this Agreement.

17. **Effective Date.** This Agreement will become effective upon its acceptance by the Authority, as evidenced by the execution hereof by the appropriate official of the Authority, and will be valid and enforceable at the time of such acceptance.

18. **Execution in Counterparts.** This Agreement may be executed in counterparts each of which shall be regarded as an original and all of which shall constitute one and the same document.

19. **Finder.** The Authority represents and warrants that no finder or other agent of a finder has been employed or consulted by it in connection with this transaction.

20. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the District of Columbia.

By: BOFA SECURITIES INC.
as the Underwriter

By: _____
Authorized Representative

[SIGNATURE PAGE TO SERIES 2024B-1 BOND PURCHASE AGREEMENT]

Accepted: __, 2024

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

By _____

Name: Matthew T. Brown

Title: Chief Financial Officer and Executive Vice
President, Finance Procurement and Compliance

[SIGNATURE PAGE TO SERIES 2024B-1 BOND PURCHASE AGREEMENT]

EXHIBIT A

[\\$50,000,000]
 DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
 Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds
 Series 2024B-1

Initial Interest Period Commencement	Initial Interest Period Expiration	Mandatory Tender Date	Initial Interest Rate (%)	Initial Yield (%)	Penalty Rate (%)
____, 2024	_____, 202_	___ 1, 202_	__000%	____%	____%

*Priced to the _____ call date.

TERMS OF REDEMPTION

OPTIONAL REDEMPTION

The Series 2024B-1 Bonds are subject to optional redemption, at the price of par, plus accrued but unpaid interest on or after July 1, 20_. In addition, the Series 2024B-1 Bonds are subject to optional redemption, at the price of par, plus accrued but unpaid interest, on any date on which the Series 2024B-1 Bonds bear interest at the Penalty Rate.

MANDATORY SINKING FUND REDEMPTION

The \$_____ Series 2024B-1 Bonds maturing on October 1, 20_ shall be subject to mandatory sinking fund redemption, on October 1 of that respective year, as follows:

<u>Year</u>	<u>Principal Amount</u>
205_	\$
205_	\$
205_	\$
205_	\$
205_	\$
205_*	\$

*Final maturity.

EXHIBIT B

FORM OF AUTHORITY'S CHIEF LEGAL OFFICER AND EXECUTIVE VICE
PRESIDENT, GOVERNMENT & LEGAL AFFAIRS OPINION

, 2024

District of Columbia Water and Sewer Authority
1385 Canal Street S.E.
Washington, DC 20003

[\$50,000,000]

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds, Series 2024B-1

Ladies and Gentlemen:

I am the Chief Legal Officer and Executive Vice President, Government & Legal Affairs to the District of Columbia Water and Sewer Authority (the "Authority") and in connection with the issuance by the Authority of its Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds, Series 2024B-1, in the original principal amount of \$ _____ (the "Bonds"), I have reviewed an executed copy of the Bond Purchase Agreement, dated _____, 2024, between the Authority and _____, as the Underwriter, with respect to the Bonds (the "Bond Purchase Agreement") [and the Preliminary Official Statement, dated _____, 2024 (the "Preliminary Official Statement")] and] the Official Statement, dated _____, 2024, being distributed in connection with the issuance of the Bonds (collectively, the "Official Statement"). Capitalized terms used and not defined herein shall have the respective meanings given to such terms in the Bond Purchase Agreement.

I have also examined an act of the Council of the District of Columbia entitled the "Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996," codified, as amended, at District of Columbia Official Code Ann. Sections 34-2201.01 *et seq.*, and the acts amendatory thereof and supplemental thereto (the "Act"), and an act of the United States Congress entitled the "District of Columbia Water and Sewer Authority Act of 1996" (Public Law 104-184), as amended (the "Federal Act"), certified copies of proceedings of the Authority authorizing the issuance of the Bonds, including the Resolution and such other proceedings as I have considered necessary or advisable to render the following opinions.

In rendering the following opinions, I have relied on representations of the Authority as to matters of fact without independent investigation or verification and, as to matters of law, the representations of Co-Bond Counsel without independent research or verification and have assumed the genuineness of all signatures, the authenticity of all documents tendered to me as originals and the conformity to original documents of all documents submitted to me as certified or photostatic copies.

Based upon review of the materials described above and subject to the recitals and qualifications herein contained, to the best of my knowledge, information and belief, it is my opinion that:

1. The Authority is a body corporate duly created, organized and validly existing as an independent authority of the District under the Act and under the Federal Act (the Act and the Federal Act being sometimes hereinafter referred to as, the "Acts"). The Authority has the full legal right, power and authority to (i) adopt the Resolution, (ii) issue the Bonds, (iii) execute, deliver and perform its obligations under the Bond Documents, and (iv) perform its obligations under the System Agreements.

2. The Federal Act was duly enacted by Congress and the Act was duly enacted by the Council of the District of Columbia. The Acts remain in full force and effect. The Act transferred all assets and liabilities of the Water and Sewer Utility Administration ("WASUA") as indicated on the balance sheet prepared by WASUA, effective April 17, 1996, on an interim basis for the exclusive use and possession of the Authority for so long as any revenue bonds of the Authority, including the Bonds, remain outstanding.

3. The Resolution was adopted by the Authority and has not been amended since the date of the adoption thereof and remains in full force and effect as of the date hereof.

4. (i) The adoption of the Resolution, the issuance of the Bonds, the execution and delivery of the Bond Documents and the performance of the Authority's obligations thereunder, and (ii) the performance of the Authority's obligations under the System Agreements, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Authority, a breach of or default under any agreement or other instrument to which the Authority is a party, or any existing law, administrative regulation, court order, settlement order or consent decree to which the Authority is subject.

5. Except as otherwise described in [the Preliminary Official Statement and] the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best of my knowledge, threatened against the Authority (i) seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds, the use of the Official Statement or the collection of the revenues pledged to the payment of the principal of and interest on the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity, enforceability, due authorization, execution or delivery of the Bonds, including the Bond Purchase Agreement or the other Bond Documents, or the validity or enforceability of the System Agreements, (iii) questioning the tax-exempt status of the Bonds under the laws of the District or the United States, (iv) in any way contesting the corporate existence or powers of the Authority or the titles of the officers of the Authority to their respective offices, (v) which may result in any material adverse change in the business or the financial condition or the financial prospects of the Authority or (vi) asserting that [the Preliminary Official Statement or] the Official Statement contains any untrue statement of a material fact or omits any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

6. The statements and information contained in [the Preliminary Official Statement and] the Official Statement under the caption entitled "LITIGATION," are true, correct and complete in all material respects, and the information under such caption does not contain any untrue statement of a material fact and does not omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect.

7. Pursuant to the Acts, the Authority has the full legal right, power and authority to operate the System and to collect and pledge the Revenues therefrom in accordance with the Indenture.

8. The Authority has approved the form of [the Preliminary Official Statement and] the Official Statement, the execution of the Official Statement and the delivery of the Official Statement to the purchasers of the Bonds.

9. The Authority has obtained the consents, approvals, authorizations or other orders required for the consummation of the transactions contemplated by the Bond Purchase Agreement, including the issuance of the Bonds.

This opinion and all documents which relate to this opinion are to be construed in accordance with the laws of the District and the United States of America. This opinion is rendered solely for the use of the Authority and may not be relied on by any other person.

Very truly yours,

Chief Legal Officer and Executive Vice President Government & Legal Affairs

EXHIBIT C

FORM OF OPINION OF UNDERWRITERS' COUNSEL

___, 2024

[\$50,000,000]

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds, Series 2024B-1

BofA Securities Inc.
New York, NY

Ladies and Gentlemen:

We have acted as counsel for you as the underwriter (the "Underwriter") in connection with your purchase from the District of Columbia Water and Sewer Authority (the "Authority") of its Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds, Series 2024B-1, in the original principal amount of \$_____ (the "Bonds"), pursuant to the Bond Purchase Agreement, dated ____, 2024 (the "Purchase Agreement"), between you and the Authority. The Bonds are to be issued pursuant to the Master Indenture of Trust, dated as of April 1, 1998 (the "Master Indenture"), as amended and supplemented to the date of delivery of the Bonds (the "Indenture"), including by the Thirty-Fourth Supplemental Indenture of Trust, to be dated the date of issuance and delivery of the Bonds (the "Thirty-Fourth Supplemental Indenture"), each by and between the Authority and Computershare Trust Company, N.A., as trustee (the "Trustee"). The proceeds of the Bonds will be used to (i) currently refund the Refunded Bonds, as defined in the Indenture (defined below), and [(ii) pay the costs of issuing the Bonds]. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Purchase Agreement.

In that connection, we have reviewed the Indenture, [the Preliminary Official Statement of the Authority dated ____, 2024 (the "Preliminary Official Statement") and] the Official Statement of the Authority, dated _____, 2024, with respect to the Bonds (the "Official Statement"), the Continuing Disclosure Agreement, dated _____, 2024 (the "Continuing Disclosure Agreement"), the Purchase Agreement, certificates of the Authority, the Trustee and others, the opinions referred to in paragraph 10(f)(vi) of the Purchase Agreement, and such records and documents, and we have made such investigations of law, as we have deemed appropriate as a basis for the opinions and conclusions hereinafter expressed. We do not assume any responsibility for any electronic version of the Official Statement and assume that any such version is identical in all material respects to the printed version.

In arriving at the opinions and conclusions hereinafter expressed, we are not expressing any opinion or view on, and with your permission are assuming and relying on, the validity, accuracy and sufficiency of the records, documents, certificates and opinions referred to above, including the accuracy of all factual matters represented and legal conclusions contained therein, including (without limitation) any representations and legal conclusions regarding the due

authorization, issuance, delivery, validity and enforceability of the Bonds, and any laws, documents and instruments that may be related to the issuance, payment or security of the Bonds. We have assumed that all records, documents, certificates and opinions that we have reviewed, and the signatures thereto, are genuine.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions or conclusions:

1. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

2. We are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in [the Preliminary Official Statement and] the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. In our capacity as your counsel, to assist you with your responsibility with respect to [the Preliminary Official Statement and] the Official Statement, we participated in conferences with your representatives and representatives of the Authority, Squire Patton Boggs (US) LLP and Bellamy Penn LLC, as co-bond counsel and as co-disclosure counsel, financial advisors, feasibility consultants and others, during which the contents of the Official Statement and related matters were discussed. Based on our participation in the above-mentioned conferences (which did not extend beyond the date of the Official Statement), and in reliance thereon, on oral and written statements and representations of the Authority and others and on the records, documents, certificates, opinions and matters herein mentioned (as set forth above), we advise you as a matter of fact and not opinion that, during the course of our representation of you on this matter, no facts came to the attention of the attorneys in our firm rendering legal services to you in connection with [the Preliminary Official Statement and] the Official Statement which caused us to believe that [the Preliminary Official Statement and] the Official Statement as of their dates and as of the date hereof (except for any CUSIP numbers, financial, accounting, statistical or economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about litigation to which the Authority is a party, any management discussion and analysis, Appendices to [the Preliminary Official Statement and] the Official Statement, or any information about book-entry, DTC, ratings, rating agencies, and tax exemption of the Bonds, which we expressly exclude from the scope of this paragraph and as to which we express no opinion or view) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. No responsibility is undertaken or view expressed with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by or incorporated by reference in [the Preliminary Official Statement and] the Official Statement.

3. In our opinion, the Continuing Disclosure Agreement with respect to the Bonds for the benefit of the holders thereof, satisfies in all material respects the requirements for such an agreement in paragraph (b) (5) of the Rule 15c2-12; provided that, for purposes of this opinion,

we are not expressing any view regarding the content of the Official Statement that is not expressly stated in numbered paragraph 2 of this letter.

We are furnishing this letter to you pursuant to paragraph 10(f)(vi) of the Purchase Agreement solely for your benefit as the Underwriter. We disclaim any obligation to update this letter. This letter is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of Bonds or by any other party to whom it is not specifically addressed.

Very truly yours,

EXHIBIT D

FORM OF UNDERWRITERS' CERTIFICATE

(1) BofA Securities Inc. ("BofA"), for itself and as representative of the other underwriters for the bonds identified above (the "Issue"), issued by the District of Columbia Water and Sewer Authority (the "Issuer"), based on its knowledge regarding the sale of the Issue, certifies as of this date as follows:

1. **Issue Price.**

[If the issue price is determined using only the general rule (actual sales of at least 10%) in Regulations § 1.148-1(f)(2)(i):

(A) As of the date of this Certificate, for each Maturity of the Issue, the first price at which at least 10% of such Maturity of the Issue was sold to the Public is the respective price listed in the final Official Statement, dated [____], for the Issue (the "Sale Price" as applicable to respective Maturities). The aggregate of the Sale Prices of each Maturity is \$[_____] (the "Issue Price").]

[If the issue price is determined using a combination of actual sales (Regulations § 1.148-1(f)(2)(i)) and hold-the-offering-price (Regulations § 1.148-1(f)(2)(ii)):

(A) As of the date of this Certificate, for each Maturity listed on Schedule A as the "General Rule Maturities," the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A (the "Sale Price" as applicable to each Maturity of the General Rule Maturities).

(B) On or before the Sale Date, the Underwriting Group offered the Maturities listed on Schedule A as the "Hold-the-Offering-Price Maturities" to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices" as applicable to each Maturity of the Hold-the-Offering-Price Maturities). A copy of the pricing wire or equivalent communication for the Issue is attached to this Certificate as Schedule B.

(C) As set forth in the Bond Purchase Agreement, the members of the Underwriting Group have agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any portion of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Issue during the Holding Period.

(D) The aggregate of the Sale Prices of the General Rule Maturities and the Initial Offering Prices of the Hold-the-Offering-Price Maturities is \$[_____] (the “Issue Price”).]

[If the issue price is determined using only the hold-the-offering-price rule in Regulations § 1.148-1(f)(2)(ii):

(A) The Underwriting Group offered, on or before the Sale Date, each Maturity of the Issue to the Public for purchase at the respective initial offering prices listed on Schedule A (the “Initial Offering Prices”). A copy of the pricing wire or equivalent communication for the Issue is attached to this Certificate as Schedule B. The aggregate of the Initial Offering Prices of each Maturity is \$[_____] (the “Issue Price”).

(B) As set forth in the Bond Purchase Agreement, the members of the Underwriting Group have agreed in writing that, (i) for each Maturity of the Issue, they would neither offer nor sell any portion of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter has offered or sold any Maturity of the Issue at a price that is higher than the respective Initial Offering Price for that Maturity of the Issue during the Holding Period.]

[(B),(E), or (C)] Definitions. [NOTE: If issue price is determined using only the general rule (actual sales of 10%), delete the definitions of “Holding Period” and “Sale Date.”]

[“Holding Period” means, for each Hold-the-Offering-Price Maturity of the Issue, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which [Name of underwriter][the Underwriting Group] has sold at least 10% of such Maturity of the Issue to the Public at a price that is no higher than the Initial Offering Price for such Maturity.]

“Maturity” means bonds of the Issue with the same credit and payment terms. Bonds of the Issue with different maturity dates, or bonds of the Issue with the same maturity date but different stated interest rates, are treated as separate Maturities.

“Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

[“Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Issue. The Sale Date of the Issue is [DATE].]

“Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Issue to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Issue to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Issue to the Public).

All other capitalized terms not defined in this Certificate have the meaning set forth in the Issuer’s Tax Compliance Certificate or in Attachment A to it.

(2) **Yield.** The Yield on the Issue is _____%, being the discount rate that, when used in computing the present worth of all payments of principal and interest to be paid on the Issue, computed on the basis of a 360-day year and semi-annual compounding, produces an amount equal to the Issue Price of the Issue as stated in paragraph (1) and computed with the adjustments stated in paragraphs (7) and (8).

(3) **Weighted Average Maturity.** The weighted average maturity (defined below) of the Issue is _____ years and the remaining weighted average maturity of the Current Refunded Bonds is ____ years. The weighted average maturity of an issue is equal to the sum of the products of the issue price of each maturity of the issue and the number of years to the maturity date of the respective maturity (taking into account mandatory but not optional redemptions), divided by the issue price of the entire issue.

(4) **Underwriter’s Discount.** The Underwriter’s discount is \$_____, being the amount by which the aggregate Issue Price (as set forth in paragraph (1)) exceeds the price paid by [name of underwriter] to the Issuer for the Issue.

[For fixed rate bonds only: (7) Discount Maturities Subject to Mandatory Early Redemption. No Maturity that is subject to mandatory early redemption has a stated redemption price that exceeds the Sale Price or Initial Offering Price, as applicable, of such Maturity by more than one-fourth of 1% multiplied by the product of its stated redemption price at maturity and the number of years to its weighted average maturity date.]

[Or]

[For fixed rate bonds only: (7) Discount Maturities Subject to Mandatory Early Redemption. The stated redemption price at maturity of the Maturities that mature in the year[s] 20__, which Maturities are the only Maturities of the Issue that are subject to mandatory early redemption, exceeds the Sale Price or Initial Offering Price, as applicable, of such Maturities by more than one-fourth of 1% multiplied by the product of the stated redemption price at maturity and the number of years to the weighted average maturity date of such Maturities. Accordingly, in computing the Yield on the Issue stated in paragraph (2), those Maturities were treated as redeemed on each mandatory early redemption date at their present value rather than at their stated principal amount.]

[For fixed rate bonds only: (8) Premium Maturities Subject to Optional Redemption. No Maturity:

Is subject to optional redemption within five years of the Issuance Date of the Issue.

That is subject to optional redemption has an Initial Offering Price or Sale Price, as applicable, that exceeds its stated redemption price at maturity by more than one-fourth of 1% multiplied by the product of its stated redemption price at maturity and the number of complete years to its first optional redemption date.]

[Or]

[For fixed rate bonds only: (8) Premium Maturities Subject to Optional Redemption. The Maturities that mature in the year[s] 20__ are the only Maturities that are subject to optional redemption before maturity and have an Initial Offering Price or Sale Price, as applicable, that exceeds their stated redemption price at maturity by more than one fourth of 1% multiplied by the product of their stated redemption price at maturity and the number of complete years to their first optional redemption date. Accordingly, in computing the Yield on the Issue stated in paragraph (2), each such Maturity was treated as retired on its optional redemption date or at maturity to result in the lowest yield on that Maturity. No Maturity is subject to optional redemption within five years of the Issuance Date of the Issue.]

[Or]

[(7) No Discount or Premium Maturities. No Maturity was sold at an original issue discount or premium.]

[For fixed rate bonds only:] (8 or 9) No Stepped Coupon Maturities.
No Maturity bears interest at an increasing interest rate.

The signer is an officer of BofA and duly authorized to execute and deliver this Certificate for itself and as representative of the Underwriting Group. The representations set forth in this Certificate are limited to factual matters only. Nothing in this Certificate represents BofA's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Compliance Certificate and with respect to compliance with the federal income tax rules affecting the Issue, and by Squire Patton Boggs (US) LLP, as bond counsel, in connection with rendering its opinion that the interest on the Issue is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Issue.

Dated: _____, 20__

BOFA SECURITIES INC. for itself and as
representative of the Underwriters

By: _____

Title: _____

[NOTE: If the general rule is used for each Maturity (i.e., actual sales of at least 10% of each Maturity), there is no schedule to attach if the initial offering prices set forth in the Official Statement for the Issue are the first prices at which at least 10% of each Maturity is sold. Otherwise, attach a schedule that shows the first price at which at least 10% of each Maturity was sold.]

[EITHER]

[If the issue price is determined using a combination of the general rule (actual sales) and hold-the-offering-price rule:

SCHEDULE A
SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES
(Attached)

[NOTE: With respect to each General Rule Maturity of the Issue whose Sale Price is not the Initial Offering Price, Schedule A should include each such Maturity’s (i) maturity date, (ii) principal amount, (iii) coupon, and (iv) sale price (either as a stated amount, a percentage of a par, or as based on the yield of the Maturity). With respect to each Hold-the-Offering-Price Maturity of the Issue, each such Maturity should be referred to in Schedule A with reference to the final official statement for the Issue. For example, “The Hold-the-Offering Price Maturities are those Maturities of the Issue set forth on the [inside] cover of the final Official Statement, dated [____], for the Issue that mature in the year[s] [____, _____, and _____].”]

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)

[OR]

[If the issue price is determined using only the hold-the-offering-price rule in Regulations § 1.148-1(f)(2)(ii):

SCHEDULE A
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES
(Attached)

[NOTE: With respect to each Hold-the-Offering Price Maturity of the Issue, Schedule A should include each such Maturity’s (i) maturity date, (ii) principal amount, (iii) coupon, and (iv) initial offering price (either as a stated amount, a percentage of a par, or as based on the yield of the Maturity).]

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2024

NEW ISSUE – BOOK-ENTRY ONLY

RATINGS: Standard & Poor's: __

Moody's: __

Fitch: __

See "RATINGS" herei

In the opinion of Squire Patton Boggs (US) LLP and Bellamy Penn LLC, Co-Bond Counsel, under existing law, (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2024A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and (ii) the Series 2024A Bonds and the interest thereon are exempt from District taxation, except estate, inheritance and gift taxes. Interest on the Series 2024A Bonds may be subject to certain federal taxes imposed only on certain corporations. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.

[DC Water Logo]

**[\$2024A par amount]*
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
Public Utility Subordinate Lien Revenue Refunding Bonds,
Series 2024A**

Dated: Date of Delivery

Due: As shown on inside cover

Authority for Issuance. The Public Utility Subordinate Lien Revenue and Revenue Refunding Bonds, Series 2024A Bonds (the "Series 2024A Bonds") are being issued by the District of Columbia Water and Sewer Authority (the "Authority," also commonly referred to as "DC Water") pursuant to a Master Indenture of Trust, dated as of April 1, 1998 (the "Master Indenture"), by and between the Authority and Computershare Trust Company, N.A., as trustee (the "Trustee"), as amended and supplemented from time to time, including as amended and supplemented by the Thirty-Third Supplemental Indenture of Trust, by and between the Authority and the Trustee, dated the date of issuance and delivery of the Series 2024A Bonds (the "Thirty-Third Supplemental Indenture" and, together with the Master Indenture, as previously amended and supplemented, the "Indenture").

Use of Proceeds. [subject to change][The proceeds of the Series 2024A Bonds will be used to (i) purchase the Tender Offer Bonds as described in the Invitation (both as defined herein) (ii) refund [all or certain of] the Authority's Series 2014C Bonds (as defined herein) and (iii) pay the costs of issuing the Series 2024A Bonds.

Denominations and Interest. The Series 2024A will be issued initially in denominations of \$5,000 or any integral multiple thereof. The Series 2024A Bonds will mature in the years and amounts and accrue interest from their date of delivery at the rates set forth on the inside cover page of this Official Statement. Interest on the Series 2024A Bonds will be calculated on the basis of a 360-day year of twelve 30-day months, payable semi-annually on each April 1 and October 1, commencing April 1, 2025.*

Book-Entry Only. The Series 2024A Bonds will be issued in fully registered form in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC") under the book-entry only system maintained by DTC or its nominee. So long as Cede & Co. is the registered owner of the Series 2024A Bonds, the principal of and premium, if any, and interest on the Series 2024A Bonds will be payable by the Trustee to DTC, which will in turn remit such payments to its participants for subsequent disbursement to beneficial owners of the Series 2024A Bonds, as more fully described herein. See APPENDIX E – "DTC Book-Entry System and Global Clearance Procedures."

Redemption. The Series 2024A Bonds are subject to redemption prior to maturity, as more fully described herein. See "THE SERIES 2024A BONDS – Redemption Provisions."

Security. The Series 2024A Bonds will be secured by a pledge of Net Revenues that will be subordinate to the pledge of Net Revenues that secures the Outstanding Senior Debt and any other Senior Debt the Authority may issue from time to time in the future, and on a parity with the pledge of Net Revenues that secures the Outstanding Subordinate Debt and any other Subordinate Debt the Authority may issue from time to time in the future, without preference, priority or distinction of any Subordinate Debt over any other Subordinate Debt, all as further described and defined herein. The Series 2024A Bonds will not be secured by a Debt Service Reserve Fund. See "SECURITY FOR THE SERIES 2024A BONDS."

Limited Obligation. The Series 2024A Bonds shall be special, limited obligations of the Authority payable solely from the Net Revenues of the Authority. The Series 2024A Bonds shall be without recourse to the District of Columbia (the "District"). The Series 2024A Bonds shall not be general obligations of the District or of the Authority. The Series 2024A Bonds shall not be a pledge of or involve the faith and credit or the taxing power of the District, shall not constitute a debt of the District, the United States of America or any User Jurisdiction (as defined herein) or any agency or instrumentality of any User Jurisdiction, and neither the District, the United States, any User Jurisdiction nor any agency or instrumentality of any User Jurisdiction shall be liable thereon. The Series 2024A Bonds also shall not constitute the leading of the public credit for private undertakings as prohibited by the Home Rule Act (as defined herein). The Authority has no taxing power.

The Series 2024A Bonds are offered when, as and if issued by the Authority and received by the Underwriters (as defined herein). Certain legal matters with respect to the issuance of the Series 2024A Bonds are subject to the approval of Squire Patton Boggs (US) LLP and Bellamy Penn LLC, Co-Bond Counsel to the Authority. Squire Patton Boggs (US) LLP and Bellamy Penn LLC also serve as Co-Disclosure Counsel to the Authority in connection with the preparation of this Official Statement. Certain legal matters will be passed upon for the Authority by its General Counsel and for the Underwriters by Orrick, Herrington & Sutcliffe LLP and McKenzie & Associates PC, Co-Underwriters' Counsel. It is expected that the Series 2024A Bonds will be available for delivery through the facilities of DTC in New York, New York on or about July __, 2024.

Morgan Stanley

Academy Securities

Blaylock Van, LLC

Stern Brothers & Co.

Stifel

TD Securities

This cover page, including the inside cover page, contains certain information for quick reference only. It is not a summary of this Official Statement. Prospective purchasers must read the entire Official Statement to obtain the information essential to the making of an informed investment decision.

Dated: [_____], 2024

THIS PRELIMINARY OFFICIAL STATEMENT AND THE INFORMATION CONTAINED IN IT ARE SUBJECT TO COMPLETION AND AMENDMENT IN A FINAL OFFICIAL STATEMENT. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Bonds offered hereby, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of that jurisdiction.

MATURITY SCHEDULE*

\$ _____
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
Public Utility Subordinate Lien Revenue Refunding Bonds
Series 2024A

<u>Serial Bonds*</u>				
<u>Maturity</u> <u>(Oct. 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP No.†</u>
		%	%**	254845 __

Term Bonds*
 \$ _____ % Term Bonds, due October 1, 20 __, Yield %** CUSIP 254845 __ †

** Yield calculated to first optional redemption date of _____ 1, 20 __.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright(c) 2024 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. Neither the Authority nor the Underwriters or their agents or counsel are responsible for the accuracy of such numbers. No representation is made as to their correctness on the Series 2024A Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2024A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2024A Bonds.

* Preliminary; subject to change.

District of Columbia Water and Sewer Authority
1385 Canal Street, S.E.
Washington, D.C. 20003
(202) 787-2714

www.dewater.com

Principal Board Members Jurisdiction

Keith Anderson, Chair	<i>District of Columbia</i>
Rachna Butani Bhatt	<i>District of Columbia</i>
Anthony Giancola	<i>District of Columbia</i>
Howard Gibbs	<i>District of Columbia</i>
Christopher Herrington	<i>Fairfax County</i>
Floyd Holt	<i>Prince George's County</i>
Richard Jackson	<i>District of Columbia</i>
Fariba Kassiri	<i>Montgomery County</i>
Jon Monger	<i>Montgomery County</i>
Vacant	<i>Prince George's County</i>
Vacant	<i>District of Columbia</i>

Alternate Board Members Jurisdiction

Andrea Crooms	<i>Prince George's County</i>
Jared McCarthy	<i>Prince George's County</i>
Sarah Motsch	<i>Fairfax County</i>
Jed Ross	<i>District of Columbia</i>
Steven Shofar	<i>Montgomery County</i>
Vacant	<i>District of Columbia</i>
Vacant	<i>District of Columbia</i>
Vacant	<i>District of Columbia</i>
Vacant	<i>District of Columbia</i>
Vacant	<i>Montgomery County</i>

Authority Management

David Gadis	<i>Chief Executive Officer and General Manager</i>
Matthew T. Brown	<i>Chief Financial Officer and Executive Vice President, Finance Procurement and Compliance</i>
Jeffrey F. Thompson	<i>Chief Operating Officer and Executive Vice President, Operations and Engineering</i>
Keith J. Lindsey	<i>Chief of Staff</i>
Marc Battle, Esq.	<i>Chief Legal Officer and Executive Vice President, Government & Legal Affairs</i>
Wayne Griffith	<i>Chief Administration Officer and Executive Vice President</i>
Kirsten Williams	<i>Chief Communications and Stakeholders Engagement Officer and Executive Vice President</i>
Joy J. Dorsey	<i>Chief People Officer and Executive Vice President, People and Talent</i>

Authority Consultants and Counsel

<i>Co-Bond Counsel</i>	Squire Patton Boggs (US) LLP and Bellamy Penn LLC
<i>Co-Disclosure Counsel</i>	Squire Patton Boggs (US) LLP and Bellamy Penn LLC
<i>Financial Feasibility Consultant</i>	Amawalk Consulting Group LLC
<i>Engineering Feasibility Consultant</i>	PEER Consultants, P.C.
<i>Co-Financial Advisors</i>	PFM Financial Advisors LLC and Sustainable Capital Advisors

IMPORTANT NOTICES

No Offering May be Made Except by this Official Statement. No dealer, broker, salesperson or other person has been authorized by the Authority or the Underwriters to give any information or to make any representations with respect to this offering, other than as contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Authority or the Underwriters.

No Unlawful Offer, Solicitation or Sale. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2024A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Use of this Official Statement. This Official Statement is provided in connection with the sale of the Series 2024A Bonds referred to herein and may not be reproduced or be used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract or agreement among the Authority, the Underwriters and the purchasers or owners of any offered Series 2024A Bonds. This Official Statement is being provided to prospective purchasers either in bound printed form (“original bound format”) or in electronic format on the following website: www.munios.com. This Official Statement may be relied upon only if it is in its original bound format or if it is printed in its entirety directly from such website.

Preparation of this Official Statement. The information contained in this Official Statement has been derived from information provided by the Authority and other sources which are believed to be reliable. Additional information, including financial information, concerning the Authority is available from the Authority’s website. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the date hereof. Such information and expressions of opinion are made for the purpose of providing information to prospective investors and are not to be used for any other purpose or relied on by any other party. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

No Registration or Approval. The Series 2024A Bonds have not been registered with the U.S. Securities and Exchange Commission (the “SEC”) under the Securities Act of 1933, as amended, in reliance upon exceptions contained in the Act. Neither the SEC nor any other federal or state securities commission or regulatory authority has approved or disapproved of the Series 2024A Bonds or passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

Public Offering Prices. In connection with this offering, the Underwriters may over allot or effect transactions which stabilize or maintain the market price of the Series 2024A Bonds at a level above that which might otherwise prevail in the open market; such stabilizing, if commenced, may be discontinued at any time.

Forecasts and Forward-Looking Statements. Statements contained in this Official Statement that do not reflect historical facts are forward-looking statements. Forward-looking statements can be identified by words such as “estimate,” “project,” “anticipate,” “expect,” “intend,” “believe,” “plan,” “budget,” “predict,” “may,” “should,” and similar expressions. Projections, forecasts, assumptions, expressions of opinions, estimates and other forward-looking statements are not to be construed as representations of fact and are qualified in their entirety by the cautionary statements set forth in this Official Statement. The forward-looking statements are based on various assumptions and estimates and are inherently subject to risks and uncertainties, including, but not limited to, risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in various important factors. Accordingly, actual results may vary from the projections, forecasts and estimates contained in this Official Statement and such variations may be material, which could affect the ability to fulfill some or all of the obligations under the Series 2024A Bonds. All forward-looking statements included in this Official Statement are based on information available on the date of this Official Statement, and the Authority assumes no obligation to update any such forward-looking statements.

TABLE OF CONTENTS

IMPORTANT NOTICES.....	iv	The Water System.....	35
INTRODUCTION.....	1	The Washington Aqueduct.....	35
General.....	1	Water Sales Agreement.....	36
Authorization.....	1	Water Supply.....	36
District of Columbia Water and Sewer		Raw Water Supply Agreements.....	36
Authority.....	1	Water Treatment and Storage.....	36
Recent Developments [to be updated].....	1	Sold vs. Pumped Ratio.....	37
Use of the Series 2024A Bond Proceeds.....	2	Water System Regulation and Permits.....	37
Security and Source of Payment.....	2	Drinking Water Quality.....	37
Concurrent Issuance of Bonds by the Authority.....	3	NPDES Permit and Water Treatment System	
Rate Covenant and Financial Forecast.....	3	Sediments.....	37
Capital Improvement Program.....	3	Aqueduct Discharge.....	37
Miscellaneous.....	4	Lead Levels.....	38
THE SERIES 2024A BONDS.....	4	Protection of the Water System and Wastewater	
General.....	4	System.....	40
Book-Entry Only System.....	4	CAPITAL IMPROVEMENT PROGRAM.....	41
Redemption Provisions.....	4	General.....	41
Series 2024A Bonds.....	4	Categories of CIP Projects.....	43
Notice of Redemption.....	6	CIP Financing Sources.....	44
PLAN OF FINANCE.....	6	Cost Estimates.....	46
TENDER OFFER OF CERTAIN BONDS.....	7	CUSTOMER BASE, RATES AND CHARGES.....	46
SOURCES AND USES OF FUNDS.....	8	Customer Categories and Accounts.....	46
SECURITY FOR THE SERIES 2024A BONDS.....	9	Customer Base.....	46
Lien and Pledge of the Master Indenture.....	9	Customer Demand.....	49
Direct Payments.....	9	Rate-Setting Authority.....	50
Limited Remedies of Holders of Subordinate		Retail Rates, Fees and Charges.....	50
Debt.....	10	Federal Government Charges.....	50
Flow of Funds.....	11	Wholesale Customer Charges.....	51
Certain Reserve Funds.....	13	Components of Retail Rates and Charges.....	51
Rate Covenant.....	14	Water and Wastewater Charges.....	51
Additional Senior Debt.....	14	PILOT/Right of Way Occupancy Fee.....	52
Additional Subordinate Debt.....	15	Stormwater Fee.....	53
DEBT SERVICE REQUIREMENTS.....	16	Historical and Projected Retail Rates.....	53
Outstanding Senior and Subordinate Debt.....	16	Retail Rate Comparison.....	55
List of Outstanding Indebtedness.....	18	Collections.....	57
Outstanding Senior Debt.....	20	Special Accounts.....	58
Outstanding Subordinate Debt.....	20	Customer Assistance Programs.....	58
Interest Rate Exchange Agreements and		Customer Service Operations.....	61
Guaranteed Investment Contracts.....	21	FINANCIAL OPERATIONS.....	61
THE AUTHORITY.....	21	COVID-19: Impact and Recovery.....	61
General.....	21	TO BE UPDATED:	61
Purposes and Powers.....	21	Historical Financial Operations [to be updated].....	61
Board of Directors.....	22	Historical Debt Service Coverage.....	63
Organizational Structure.....	24	Annual Budget.....	63
Senior Executive Team.....	24	Annual Budget Process.....	63
Authority's Relationship to the District.....	26	The Approved Fiscal Year 2023 and Fiscal	
Employees and Labor Relations.....	27	Year 2024 Budgets.....	63
Retirement/Pension Plan.....	28	Projected Financial Operations.....	64
Risk Management and Insurance.....	28	System Revenues.....	67
Risks from Unexpected Events.....	29	Retail Water and Wastewater Revenues.....	68
THE SYSTEM.....	30	Clean Rivers Impervious Area Charge	
The Wastewater System.....	31	Revenues.....	68
Blue Plains Advanced Wastewater Treatment		Water System Replacement Fee.....	68
Plant.....	31	Stormwater Revenues.....	68
Service Area.....	31	Wholesale Revenues.....	68
Wholesale Customer Agreements.....	32	Loan Repayment from Arlington County and	
Wastewater Collection.....	32	Falls Church.....	69
Sanitary Sewer System.....	32	Interest Income on Reserve Funds.....	69
Combined Sewer Overflow Wastewater		Miscellaneous Revenue.....	69
System.....	32	PILOT/ROW Fee.....	69
Biosolids Disposal.....	33	System Expenditures.....	69
Wastewater Regulation and Permits.....	33	Operating Expenses.....	69

[Labor-Related Expenses 71](#)
[Non-Labor Operating Expenses..... 71](#)
[Reserve Funds 72](#)
[Financial Policies 72](#)
[Financial Policies, Debt Policy and
Guidelines..... 72](#)
[Rate-Setting Policies..... 73](#)
[Cash Management and Investment Policies..... 73](#)
[Extendable Municipal Commercial Paper
Policy..... 73](#)
[Green Bond Framework..... 73](#)
[ENGINEERING FEASIBILITY REPORT..... 73](#)
[FINANCIAL FEASIBILITY OPINION LETTER... 73](#)
[TAX MATTERS..... 74](#)
[Series 2024A Bonds..... 74](#)
[Risk of Future Legislative Changes and/or
Court Decisions 75](#)
[Original Issue Discount and Original Issue
Premium..... 75](#)
[COVENANT BY THE DISTRICT OF
COLUMBIA..... 76](#)
[LITIGATION..... 76](#)
[LEGAL MATTERS..... 76](#)
[INDEPENDENT AUDITORS..... 76](#)
[VERIFICATION OF MATHEMATICAL
COMPUTATIONS..... 76](#)
[THE TRUSTEE..... 77](#)
[RATINGS..... 77](#)
[CONTINUING DISCLOSURE..... 77](#)
[FINANCIAL ADVISORS..... 77](#)
[UNDERWRITING..... 77](#)
[LEGALITY FOR INVESTMENT 78](#)
[RELATIONSHIP OF PARTIES 78](#)
[MISCELLANEOUS.....S-1](#)

APPENDICES

- APPENDIX A – Financial Feasibility Opinion Letter of Amawalk Consulting Group LLC dated [REDACTED], 2024]
- APPENDIX B – Audited Financial Statements of the Authority for the Years Ended September 30, 2022 and 2023
- APPENDIX C – Glossary and Summary of the Indenture
- APPENDIX D – Form of Continuing Disclosure Agreement
- APPENDIX E – DTC Book-Entry System and Global Clearance Procedures
- APPENDIX F – Proposed Form of Opinion of Co-Bond Counsel
- APPENDIX G – Summary of Bonds to be Refinanced

OFFICIAL STATEMENT

[\$2024A par amount]*
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
Public Utility Subordinate Lien Revenue Refunding Bonds,
Series 2024A

INTRODUCTION

General

This Official Statement, including the cover page and the appendices hereto (the “Official Statement”), is provided in connection with the (a) issuance by the District of Columbia Water and Sewer Authority (the “Authority,” also commonly referred to as “DC Water”) of its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024A, in the original principal amount of [\$2024A par amount]; and (b) Invitation to Tender Bonds (the “Invitation”), of the Authority, inviting holders of certain bonds of the Authority which are described under the caption “PLAN OF FINANCE” to tender such bonds for purchase by the Authority.

Capitalized terms used in this Official Statement and not otherwise defined herein shall have the meanings ascribed thereto in APPENDIX C – “Glossary and Summary of the Indenture.”

Authorization

The Series 2024A Bonds are being issued pursuant to the Master Indenture of Trust, dated as of April 1, 1998 (the “Master Indenture”), as amended and supplemented to the date of delivery of the Series 2024A Bonds (the “Indenture”), including by the Thirty-Third Supplemental Indenture of Trust, to be dated the date of issuance and delivery of the Series 2024A Bonds (the “Thirty-Third Supplemental Indenture”) by and between the Authority and Computershare Trust Company, N.A., as trustee (the “Trustee”). The Series 2024A Bonds are also being issued pursuant to a resolution of the Authority’s Board of Directors passed at its _____, 2024 meeting.

District of Columbia Water and Sewer Authority

The Authority is an independent authority of the District of Columbia (the “District”), which was created in April 1996 and began operating on October 1, 1996, under and pursuant to an act of the Council of the District (the “Council”), which is entitled the “Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996” (D.C. Law 11-111) (D.C. Code §§ 34-2201.01 *et seq.*), as amended and supplemented (the “Act”), and an act of the U.S. Congress entitled the “District of Columbia Water and Sewer Authority Act of 1996” (Public Law 104-184) (the “Federal Act”). The Council was authorized to adopt the Act pursuant to the authority set forth in the District of Columbia Self-Government and Governmental Reorganization Act (P.L. 93-198; 87 Stat 774; D.C. Official Code, 2006 Repl., §§ 1-201 *et seq.*), as amended (the “Home Rule Act”). See “THE AUTHORITY.”

The Authority provides retail water and wastewater services to approximately 700,000 residents in the District and wholesale wastewater conveyance and treatment to approximately [1.6 million] people in major suburban areas of Prince George’s and Montgomery Counties in Maryland and Fairfax and Loudoun Counties in Virginia (collectively, the “User Jurisdictions”). Pursuant to the Act, the District authorized the Authority to use all of the property and assets of the water distribution system (the “Water System”) and the wastewater collection, treatment and disposal system (the “Wastewater System” and, together with the Water System, the “System”) formerly operated by the District, for as long as any revenue bonds of the Authority, including the Series 2024A Bonds, remain outstanding. In accordance with the Act, the District retains full legal title to and a complete equitable interest in the System. See “THE SYSTEM.”

The Authority’s service area consists of the District and certain areas of the User Jurisdictions and, therefore, certain demographic, economic and statistical information relating to the District and the User Jurisdictions may be relevant to prospective purchasers of the Series 2024A Bonds. The Authority makes no representation as to the accuracy or completeness of information derived from other sources.

Recent Developments [to be updated]

[additional updates?]

Blueprint 2.0 (Strategic Plan)

The Authority continue to implement Blueprint 2.0, a new enterprise-wide strategic plan designed to guide the Authority over the through 2027 and beyond. Blueprint 2.0 sets out five Organizational Imperatives, which are defined outcomes essential to achieving strategic goals. The Imperatives have been developed through engagement with a cross section of key stakeholders and are used to frame strategy and address upcoming challenges. The Blueprint 2.0 Imperatives are (1) healthy, safe and well, (2) reliability, (3) resiliency, (4) sustainability and (5) equity.

Environmental, Social, and Governance (ESG) Report

The Authority released its second Environmental, Social, and Governance (“ESG”) Report that builds on its previous work in consideration of factors in the natural world and activities that impact stakeholders, and frames the Authority’s commitment to operating under a resilient and fair governance framework. Operating one of the country’s largest water and wastewater utilities responsibly and efficiently relies on the awareness and prioritization of ESG matters. The Authority’s ESG ambitions are aligned with the Imperatives developed under Blueprint 2.0.

The complete document can be found at <https://www.dewater.com/esg-reporting>. This reference to the Authority’s website is for informational purposes only, neither the website nor the information contained on the website shall be deemed incorporated herein by reference. The Authority is not obligated to continue to provide information found on its website.

Green Bond Framework

On October 7, 2021 the Board adopted a Green Bond Framework to formalize the process and commitments that govern the Authority’s issuance of Green Bonds. The Green Bond Framework governs the use of Green Bond proceeds, project selection and evaluation processes, management of Green Bond proceeds and disclosure. At the time of issuance of a Green Bond, the Authority’s policy is to seek an independent Second Party Opinion on the sustainability of the Green Bond to be issued. See “OPINION LETTER OF INDEPENDENT SUSTAINABILITY CONSULTANT.”]

Lead Removal Initiative

The Lead-Free DC Initiative aims to replace an estimated 42,000 lead or galvanized-iron pipe with copper pipes by [_____, 20__]. The Authority developed a prioritization model to use water quality and health equity data to prioritize lead service line replacement projects under the Block By-Block program. District blocks with a higher number of lead service lines and populations that are more vulnerable to the health impacts of lead exposure are prioritized for replacement first. These populations include communities of color, children under age 5 and lower-income families. DC Water’s prioritization model is in alignment with the Biden-Harris Administration’s Justice40 Initiative. The Justice40 Initiative aims to prioritize lead service line removal in disadvantaged communities that are already marginalized, underserved, and overburdened by pollution.

Updated Financial and Rate Stabilization Policies

On October 5, 2023 the Board revised the Statement of Financial Policies to provide a minimum of 250 days of cash on hand in each fiscal year based on projected operating expenses. The Authority also set the goal of achieving 350 days of cash on hand by 2032. The Board also revised the Rate Stabilization Fund Policy to (i) establish a targeted Rate Stabilization Fund (RSF) balance of 5% of retail revenues; (ii) provide that contributions to the RSF may be directed by the Board through the allocation of a year-end surplus or by the General Manager from savings or revenues from projects funded by the RSF; (iii) the RSF may be used for: (A) emergencies or unplanned events to prevent rate spikes, (B) investments in technologies or other initiatives that could reduce operating expenditures, (C) apply to revenues to reduce rate increases, defease higher cost debt, or as PAYGO to reduce debt service costs.

Use of the Series 2024A Bond Proceeds

[The proceeds of the Series 2024A Bonds will be used to (i) purchase the Tender Offer Bonds as described in the Invitation (as defined herein), (ii) refund [all or certain of] the Authority’s Public Utility Subordinate Lien Revenue Refunding Bonds Series 2014C (the “Series 2014C Bonds”) and (iii) pay the costs and expenses of issuing and delivering the Series 2024A Bonds.][subject to change] The Tender Offer Bonds include a portion of the District’s outstanding (a) _____ Bonds, Series _____, originally issued in the aggregate principal amount of \$ _____; [etc.]. For more information on the Tender Offer Bonds and the Invitation, see “TENDER OFFER OF CERTAIN BONDS” and APPENDIX G – “BONDS TO BE PURCHASED.”

Security and Source of Payment

Under the Indenture, the Authority may issue “Senior Debt” and “Subordinate Debt” from time to time. The Series 2024A Bonds will constitute Subordinate Debt under the Indenture. The Series 2024A Bonds will be secured by a lien on and a pledge of Net Revenues that is subordinate to the pledge of Net Revenues that secures the Outstanding Senior Debt and any other Senior Debt the Authority may issue from time to time in the future, and on a parity with the pledge of Net Revenues that secures the Outstanding Subordinate Debt and any other Subordinate Debt the Authority may issue from time to time in the future, without preference, priority or distinction of any Subordinate Debt over any other Subordinate Debt.

Prior to the issuance of the Series 2024A Bonds and the Series 2024B Bonds (defined below), \$994,819,000 of aggregate principal amount of Senior Debt and \$2,267,887 aggregate principal amount of Subordinate Debt will be outstanding. See “OUTSTANDING INDEBTEDNESS.”

The Series 2024A Bonds will be payable solely from Net Revenues after the funding of certain Funds and Accounts established under the Indenture. The principal sources of Net Revenues are the payments received by the Authority pursuant to its rates and charges imposed for the use of and the services furnished by the System, as described

in the Indenture. See “SECURITY FOR THE SERIES 2024A BONDS – Lien and Pledge of the Master Indenture” and “RATES AND CHARGES.” The Series 2024A Bonds will not be secured by a Debt Service Reserve Fund.

The Series 2024A Bonds shall be special and limited obligations of the Authority. The Series 2024A Bonds shall be without recourse to the District. The Series 2024A Bonds shall not be general obligations of the District or of the Authority. The Series 2024A Bonds shall not be a pledge of or involve the faith and credit or the taxing power of the District, shall not constitute a debt of the District, the United States of America or any User Jurisdiction or any agency or instrumentality of any User Jurisdiction, and neither the District, the United States, any User Jurisdiction, nor any agency or instrumentality of any User Jurisdiction shall be liable thereon. The Series 2024A Bonds also shall not constitute the lending of the public credit for private undertakings as prohibited by the Home Rule Act of the District. The Authority has no taxing power.

Concurrent Issuance of Bonds by the Authority

Concurrently with the issuance of the Series 2024 Bonds, the Authority expects to issue its Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds, Series 2024B (the “Series 2024B Bonds”), in an amount not to exceed \$[] million pursuant to the Indenture, as supplemented by the Thirty-fourth Supplemental Indenture. The proceeds of the Series 2024B Bonds are expected to refund the Authority’s Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2019C (the “Series 2019C Bonds”) and pay certain costs of issuance. The Authority expects that the Series 2024B Bonds will initially bear interest at a Daily Interest Rate as defined in the Thirty-Fourth Supplemental Indenture. The Series 2024B Bonds will be secured 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, the Series 2024A Bonds and other Subordinate Debt that the Authority may issue from time to time in the future. The issuance of the Series 2024B Bonds is not dependent upon the Authority’s issuance of the Series 2024A Bonds, and the Series 2024A Bonds will be sold separately and independently from the Series 2024B Bonds.]

On August 1, 2024, the Authority expects to establish a new commercial paper facility with the capability to issue its Commercial Paper Notes (the “CP Notes”), in an amount not to exceed \$250 million pursuant to the Indenture, as supplemented by the Thirty-fifth Supplemental Indenture. The proceeds of the CP Notes are expected to provide funds to pay (i) certain costs incurred in connection with the construction of certain capital improvements to its wastewater collection treatment and disposal system and its water system, (ii) obligations of the one or more bank under each bank note resulting from draws under one or more letters of credit, (iii) the costs of issuance of the CP Notes and (iv) any expenditure permitted by law under the Indenture that in the opinion of Co-Bond Counsel will not, in and of itself, adversely affect the exclusion from gross income for federal tax purposes of interest on the CP Notes issued as tax-exempt obligations. The CP Notes will be secured 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, the Series 2024A Bonds and other Subordinate Debt that the Authority may issue from time to time in the future. The issuance of the CP Notes is not dependent upon the Authority’s issuance of the Series 2024A Bonds, and the Series 2024A Bonds will be sold separately and independently from the CP Notes.

Rate Covenant and Financial Forecast

The Master Indenture includes a rate covenant as described below. Rates, fees and charges are established by the Authority and are not subject to regulatory approval, nor are they subject to other regulations under current law. In general, and as more fully described herein, the Rate Covenant provides that the Authority covenants to fix, charge, revise and collect rates, fees and other charges for the use of and the services furnished by the System sufficient in each Fiscal Year so that:

(i) Revenues collected by the Authority in such Fiscal Year will be sufficient to pay at least the actual Operating Expenses and required deposits and payments; and

(ii) Net Revenues shall be sufficient in each Fiscal Year to be at least equal to the sum of (a) an amount equal to one hundred and twenty percent (120%) of the Annual Debt Service on Senior Debt; and (b) one hundred percent (100%) of the Annual Debt Service on Subordinate Debt.

See “SECURITY FOR THE SERIES 2024A BONDS – Rate Covenant.” Additional financial information, including certain projections of revenues, disbursements and debt service coverage, is included in “FINANCIAL OPERATIONS – Projected Financial Operations” herein.

Capital Improvement Program

The Authority utilizes an annually adopted ten-year Capital Improvement Program (the “Capital Improvement Program” or the “CIP”) to plan and manage the capital investments necessary to fulfill its service missions, comply with regulatory requirements and preserve and upgrade its water and wastewater systems. The Authority updates the CIP annually in conjunction with its budget process, based on detailed project review by engineering staff, external engineering consultants retained by the Authority, operations staff and senior management. The Authority intends to finance the costs of the CIP from a number of sources, including proceeds of the Series 2024A Bonds, future bonds and other forms of indebtedness, grants, certain operating revenues and wholesale customer contributions. As more fully described herein, the Authority estimates the cost of the current ten-year CIP at \$6.42 billion on a cash disbursement basis.

The CIP as shown in Table 5 of this Official Statement was approved by the Board on [_____, 2024]. The Board regularly makes adjustment to the annual CIP. See “CAPITAL IMPROVEMENT PROGRAM.”

Miscellaneous

This Official Statement contains brief descriptions of the Series 2024A Bonds, the Authority, the System, the Capital Improvement Program, the Indenture and certain provisions of the Act. Such descriptions and the summaries of and references to all documents, statutes, reports and other instruments referred to herein do not purport to be comprehensive or definitive, and each such document, statute, report or instrument is qualified in its entirety by reference to each such document, statute, report or instrument, copies of which are available from the Authority. All references to the Series 2024A Bonds are qualified in their entirety by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Insofar as any statements are made in this Official Statement involving matters of opinion, regardless of whether expressly so stated, they are intended merely as such and not as representations of fact.

The information in this Official Statement is subject to change without notice, and neither the delivery of this Official Statement, nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Authority since the date hereof. This Official Statement is not to be construed as a contract or agreement between the Authority or the Underwriters and the purchasers or owners of any of the Series 2024A Bonds.

Inquiries regarding information about the Authority and the financial matters contained in this Official Statement may be directed to the Chief Financial Officer and Executive Vice President, Finance Procurement and Compliance of the Authority at (202) 787-2000.

THE SERIES 2024A BONDS

General

The Series 2024A Bonds will be dated their date of delivery and will bear interest at the rates set forth on the inside cover page of this Official Statement. Interest on the Series 2024A Bonds will be calculated on the basis of a 360-day year of twelve 30-day months, payable semi-annually on each April 1 and October 1, commencing April 1, 2025* (each, an “Interest Payment Date”), and will mature on the dates and in the principal amounts as set forth on the inside cover page of this Official Statement.

Book-Entry Only System

The Series 2024A Bonds will be issued in fully registered form and, when issued, will be held by DTC or its nominee, as securities depository with respect to the Series 2024A Bonds. Individual purchases of interests in the Series 2024A Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof. Individual purchasers or acquirers will not receive physical delivery of bond certificates. So long as Cede & Co. is the registered owner of the Series 2024A Bonds as nominee of DTC, references herein to the holders or registered owners of the Series 2024A Bonds will mean Cede & Co. and will not mean the beneficial owners (“Beneficial Owners”) of the Series 2024A Bonds. Beneficial interests in the Series 2024A Bonds may be held through DTC directly as a participant or indirectly through organizations that are participants. See APPENDIX E – “DTC Book-Entry System and Global Clearance Procedures.”

As long as the Series 2024A Bonds are held by DTC or its nominee, interest will be paid to Cede & Co., as nominee of DTC, in same-day funds on each Interest Payment Date. If the book-entry only system is discontinued, bond certificates will be delivered as described in the Indenture, and Beneficial Owners (as defined herein) will become registered owners of the Series 2024A Bonds (the “Bondholders”). If the book-entry only system is discontinued, interest on the Series 2024A Bonds shall be payable on each Interest Payment Date by check or draft mailed to the registered owner at the address as it appears on the 15th day of the month preceding an Interest Payment Date on the registration books kept by the Trustee.

Neither the Authority, the Trustee nor the Underwriters will have any responsibility or obligation to the Participants, DTC or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or by any Direct or Indirect Participant of DTC, (ii) the providing of notice or payments to the Direct Participants, Indirect Participants or beneficial owners, (iii) the selection by DTC or by any Direct or Indirect Participant of any beneficial owner to receive payment in the event of a partial redemption of the Series 2024A Bonds or (iv) any other action taken by DTC or its partnership nominee as owner of the Series 2024A Bonds. For more information on DTC and the book-entry only system, see APPENDIX E – “DTC Book-Entry System and Global Clearance Procedures.”

Redemption Provisions*

Series 2024A Bonds

Optional Redemption. The Series 2024A Bonds maturing on or after [April 1, __],* are subject to optional redemption prior to maturity on or after [April 1, __],* from any source, in whole or in part on any date, in such order of

* Preliminary, subject to change

maturities as shall be determined by the Authority (and by lot within a maturity), at a redemption price of 100% of the principal amount thereof, together with accrued interest, if any, to the redemption date.

Mandatory Redemption. The Series 2024A Bonds maturing on October 1, 20 (the “Series 2024A 20 Term Bonds”) are subject to mandatory sinking fund redemption in part (in accordance with the procedures described below in “– Selection of the Series 2024A Bonds to be Redeemed”), prior to maturity on October 1, in the years set forth below, at a redemption price equal to the principal amount of the Series 2024A Bonds called for redemption plus interest accrued to the redemption date.

Series 2024A 20__ Term Bonds*

Year	Amount
------	--------

† Final Maturity

The principal amount of the Series 2024A Bonds required to be redeemed on any redemption date pursuant to the operation of mandatory sinking fund redemption provisions will be reduced, at the option of the Authority, by the principal amount of any Series 2024A Bond scheduled for redemption on such redemption date or dates, that, at least 45 days prior to the mandatory sinking fund redemption date, (i) has been acquired by the Authority and delivered to the Trustee for cancellation, (ii) has been acquired and canceled by the Trustee, at the direction of the Authority, at a price not exceeding the principal amount of such Series 2024A Bond plus accrued interest to the date of acquisition thereof, or (iii) has been redeemed pursuant to the optional redemption provisions and not previously credited to a scheduled mandatory redemption. Upon such purchase of such Series 2024A Bonds, the Trustee shall then credit an amount equal to the principal of such Series 2024A Bonds so purchased towards the sinking fund installments for the Series 2024A Bonds of such maturity in such order as may be determined by the Authority in a certificate of an Authorized Official, which will direct the reduction of a ratable portion of each annual mandatory sinking fund installment requirement in accordance with the procedures set forth under “ – Selection of the Series 2024A Bonds to be Redeemed” below.

Selection of the Series 2024A Bonds to be Redeemed. The particular maturities of the Series 2024A Bonds to be redeemed at the option of the Authority will be determined by the Authority in its sole discretion.

If less than all of a Series 2024A Bond of a maturity is called for prior redemption and if the Series 2024A Bonds are registered in book-entry only form and DTC or a successor securities depository is the sole registered owner of such Series 2024A Bonds, the particular Series 2024A Bonds or portions thereof to be redeemed shall be selected by DTC in accordance with DTC procedures, or, if the book-entry only system is discontinued, by the Trustee by lot in such manner as the Trustee in its discretion may determine. In either case, (i) the portion of any Series 2024A Bond to be redeemed shall be in the principal amount of \$5,000 or integral multiples thereof and (ii) in selecting Series 2024A Bonds for redemption, each Series 2024A Bond shall be considered as representing that number of the Series 2024A Bonds that is obtained by dividing the principal amount of such Series 2024A Bond by \$5,000.

Notice of Redemption

The Authority shall not be responsible for mailing a notice of redemption to anyone other than DTC or another qualified securities depository or its nominee unless no qualified securities depository is the registered owner of the Series 2024A Bonds. If no qualified securities depository is the registered owner of the Series 2024A Bonds, a notice of redemption shall be mailed to the registered owners of the Series 2024A Bonds. See “THE SERIES 2024A BONDS – Book-Entry Only System.”

The Trustee shall send notice of the call for redemption, identifying the Series 2024A Bonds or portions thereof to be redeemed, not fewer than 20 days prior to the redemption date or such shorter period as may be acceptable to DTC while the Series 2024A Bonds are in book-entry form and registered to DTC (i) by registered or certified mail or overnight express delivery, to the holder of each Series 2024A Bond to be redeemed at the address as it appears on the registration books kept by the Trustee, (ii) by registered or certified mail or overnight express delivery, to all organizations registered as securities depositories with the SEC and (iii) to each nationally recognized municipal securities information repository designated as such by the SEC. Failure to give any notice specified in (i) above, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Series 2024A Bond with respect to which no such failure or defect has occurred. Failure to give any notice specified in (ii) or (iii) above, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Series 2024A Bond with respect to which the notice specified in (i) above is correctly given. If the notices of redemption are sent before there is sufficient money on deposit in the applicable fund or account to pay the full redemption price of the Series 2024A Bonds, the notice of redemption of the Series 2024A Bonds shall specify that the redemption is conditional upon there being on deposit in the applicable fund or account on the redemption date sufficient money to pay the full redemption price of the Series 2024A Bonds to be redeemed.

Any notice of redemption shall be mailed by first-class mail, postage prepaid. Notice of redemption also shall be given by Electronic Means to a Depository. A certificate of the Trustee shall conclusively establish the mailing of any such notice for all purposes.

PLAN OF FINANCE

[The proceeds of the Series 2024A Bonds will be used to (i) purchase the Tender Offer Bonds as described in the Invitation (as defined herein), (ii) refund [all or certain] of the Series 2014C Bonds and (iii) pay the costs and expenses of issuing and delivering the Series 2024A Bonds. The Tender Offer Bonds include a portion of the District’s

outstanding (a) _____ Bonds, Series _____, originally issued in the aggregate principal amount of \$ _____; [etc.].][subject to change] For more information on the Tender Offer Bonds and the Invitation, see “TENDER OFFER OF CERTAIN BONDS” and APPENDIX G – “BONDS TO BE PURCHASED.”

TENDER OFFER OF CERTAIN BONDS

Capitalized terms used under this caption “TENDER OFFER OF CERTAIN BONDS,” which are not otherwise defined, shall have the respective meanings specified in the Tender Offer Materials (as defined below).

The Authority released the Invitation to Tender Bonds, dated _____, 2024 (as it may be amended or supplemented) (the “Invitation”), to the beneficial owners of [the Taxable Bonds and the Tax-Exempt Bonds, on the terms set forth therein. Bonds offered pursuant to the terms of the Invitation are collectively referred to herein as the “Tender Offer Bonds.”] Subject to the terms and conditions of the Invitation, upon the issuance and delivery of the Series 2024A Bonds, the Authority will purchase the Tender Offer Bonds validly tendered and accepted for purchase (comprising the bonds set forth in APPENDIX G – “BONDS TO BE PURCHASED”). The process of the Authority determining which of the Tender Offer Bonds to purchase and consummating the purchase thereof is collectively referred to herein as the “Tender Offer.”

[In connection with the Tender Offer, the Authority released (i) the Pricing Notice dated _____, 2024, (ii) the Notice of Preliminary Acceptance of Tendered Bonds dated _____, 2024, (iii) the Notice of Amendment to Change the Date to Determine the Taxable Bonds Purchase Price dated _____, 2024, (iv) the Notice of Taxable Bonds Purchase Price dated _____, 2024, and (v) the Notice of Final Acceptance dated _____, 2024 (such materials, together with the Invitation, are collectively referred to herein as the “Tender Offer Materials”).]

The Tender Offer Materials were made available: (i) on EMMA, using the CUSIP numbers for the Tender Offer Bonds, and (ii) on the website of the Information Agent and Tender Agent at [www.globic.com/dewater]. For more information on the Tender Offer Materials, contact the Dealer Managers or the Information Agent and Tender Agent.

[Balance of page intentionally left blank]

SOURCES AND USES OF FUNDS*

The proceeds of the Series 2024A Bonds are expected to be applied as follows:

	<u>Series 2024A Bonds¹</u>
Sources of Funds	
Par Amount	\$[2024A par amount].00
Original Issue Premium	
Authority Contribution	
Total Sources	<hr/>
Uses of Funds	
Deposit to [Series 2024A Escrow Account/Tender Purchase Fund]	
Underwriters' Discount	
Other Costs of Issuance	
Total Uses	<hr/>

[Balance of page intentionally left blank]

* Preliminary, subject to change.

SECURITY FOR THE SERIES 2024A BONDS

Lien and Pledge of the Master Indenture

General. The Series 2024A Bonds are authorized and when issued will be issued in accordance with the statutes of the District and the United States, and will constitute valid and legally binding special and limited obligations of the Authority.

The Series 2024A Bonds will constitute Subordinate Debt under the Indenture, payable solely from the Net Revenues of the System. Net Revenues are Revenues less Operating Expenses (as defined in the Indenture). Revenues are defined as all moneys received as income, rates, fees, charges, receipts, profits and other moneys derived by the Authority from its ownership and operation of the System, and for the use of and for the services furnished by the System, including Connection Fees (as defined in the Indenture), transfers from the Rate Stabilization Fund to the Revenue Fund, proceeds of any business interruption insurance, and investment earnings on all of the funds held by the Trustee under the Indenture and the Authority, except any rebate fund that may be created under the Indenture. Revenues do not include refundable customer deposits, the IMA Capital Payments (as defined in the Indenture) or other payments solely in aid of construction, the EPA Grants or similar payments, or the proceeds resulting from the sale of all or a portion of the System.

The Series 2024A Bonds are payable and secured on a subordinate basis to the Outstanding Senior Debt and all other Senior Debt hereafter issued or incurred by the Authority pursuant to the Indenture, and on a parity basis with the Outstanding Subordinate Debt and all other Subordinate Debt hereafter issued or incurred by the Authority pursuant to the Indenture. The Authority expects to issue additional Senior Debt and Subordinate Debt in the future. For a listing of the Authority's Outstanding Senior Debt and Subordinate Debt, see "OUTSTANDING INDEBTEDNESS."

The Master Indenture defines "Senior Debt" as Bonds and Other System Indebtedness, and "Bonds" as bonds, notes or other obligations issued pursuant to the Master Indenture, but not including Other System Indebtedness and Subordinate Debt. "Other System Indebtedness" means any indebtedness issued or incurred in connection with the System that the Authority is required, or has elected, to treat as payable on a parity basis with the Bonds with respect to the pledge of Net Revenues. "Subordinate Debt" means bonds, notes or other obligations issued in connection with the System that are expected to be paid from and have pledged to their payment Net Revenues on a subordinate lien basis after the pledge of Net Revenues to Senior Debt.

The Indenture pledges to the payment of the principal of and premium, if any, and interest on all Senior Debt and Subordinate Debt (at their respective levels of priority of security) that may from time to time be outstanding: (i) all right, title and interest of the Authority in and to the Net Revenues; (ii) all moneys or securities in any of the funds or Accounts established under the Indenture (other than the Operating Fund, and all Accounts in the Construction Fund other than the Construction Account, except to the extent a specific Account or subaccount therein relates, and is pledged, solely to specific series of Bonds or Subordinate Debt); and (iii) all rights and privileges of every kind and nature appurtenant to, all proceeds of, and all right, title and claim which the Authority now or may hereafter acquire in the aforesaid property, subject only to the provisions of the Indenture and the Act relating to the use and application thereof. Furthermore, the Indenture provides for specific Accounts in the Debt Service Reserve Fund to be pledged solely to the Senior Debt to which they relate and specific Accounts in the Subordinate Debt Service Reserve Fund to be pledged solely to the Subordinate Debt to which they relate. The Series 2024A Bonds are not secured by a Debt Service Reserve Fund, therefore no Account in the Subordinate Debt Service Reserve Fund will be established for the Series 2024A Bonds.

Statutory Lien. The Act provides that a pledge of the Authority is binding from the time it is made. Any funds, or property pledged, are subject to the lien of a pledge without physical delivery. The lien of a pledge is binding as against parties having any tort, contract, or other claim against the Authority regardless of notice. Neither the resolution stipulating the terms for sale of Authority bonds nor any other instrument creating a pledge need be recorded.

Segregated Funds. The Act establishes the Water and Sewer Enterprise Fund and requires the Authority to operate it in accordance with generally accepted accounting principles. The Revenue Fund created by the Master Indenture constitutes the Water and Sewer Enterprise Fund. The Revenue Fund is required to be held by the Authority, subject to the lien of the Indenture.

According to the Act, subject to the provisions made by the Authority for security of revenue bonds, all revenues, proceeds, and moneys from whatever source derived (except those collected or received from the stormwater fee) which are collected or received by the Authority will be credited to the Revenue Fund and will not, at any time, be transferred to, lapse into, or be commingled with the General Fund of the District, or any other funds or accounts of the District, except for limited circumstances under which such funds shall be transferred to the District to pay for goods and services and property contracted for by the Authority from the District, or as otherwise authorized by law. See "THE AUTHORITY – Authority's Relationship to the District," "CUSTOMER BASE, RATES AND CHARGES – Components of Retail Rates and Charges – Stormwater Fee."

Direct Payments

General. The Series 2010A Bonds are Build America Bonds, a form of "direct payment bonds" issued pursuant to the American Recovery and Reinvestment Act of 2009 (the "Recovery Act"), which allowed an issuer to apply to receive subsidy payments directly from the Secretary of the United States Treasury. An amount equal to thirty-five

percent (35%) of the Authority's semiannual interest payments on the Series 2010A Bonds is to be paid to the Authority by the federal government in the form of Direct Payments.

The Direct Payments on the Series 2010A Bonds do not constitute Revenues under the Indenture and so are not part of the pledged Net Revenues, but, upon receipt, all Direct Payments are required to be deposited by the Authority or the Trustee into the appropriate subaccount in the Subordinate Interest Account in the Subordinate Bond Fund and, upon deposit, become available to be applied solely to the purposes for which the Indenture permits funds in such subaccount, account and fund to be applied, including to pay debt service on the Series 2010A Bonds.

Rate Covenant Amendment. On October 26, 2010, the Twelfth Supplemental Indenture amended the Master Indenture to provide that, for purposes of determining the Authority's compliance with the Rate Covenant, the amount of any Direct Payment received by the Authority or the Trustee in any Fiscal Year shall be credited against (i) Annual Debt Service on Senior Debt in such Fiscal Year if such Direct Payment is related to Senior Debt or (ii) Annual Debt Service on Subordinate Debt in such Fiscal Year if such Direct Payment is related to Subordinate Debt. This amendment became effective upon the execution of the Twelfth Supplemental Indenture.

Additional Bonds Test Amendment. The Twelfth Supplemental Indenture also amended the Master Indenture to provide that, subject to the requirements of the Master Indenture for obtaining bondholder consent, for the purposes of computing Annual Debt Service on any Direct Payment BABs or Other System Indebtedness as to which Direct Payments are expected to be made (whether previously issued or proposed to be issued by the Authority) in connection with any proposed issuance of additional Bonds or Other System Indebtedness, the amount of any Direct Payment expected to be received by the Authority or the Trustee in the then current or any future Fiscal Year shall be credited against the Annual Debt Service on such Direct Payment BABs. This amendment became effective on November 20, 2014, upon the issuance of the Authority's Series 2014C Bonds, in connection with which the Authority obtained the required consent of a majority (specifically, 50.5%) of the Holders of the Outstanding Bonds.

No Assurances. No assurances are provided that the Authority will receive the Direct Payments. The Direct Payments do not constitute a full faith and credit guarantee of the United States of America. Such payments are required to be paid by the United States Treasury under the Recovery Act, but the amount of any Direct Payment is subject to change by the United States Congress. The Authority is obligated to make all payments of principal and interest on the Series 2010A Bonds whether or not it receives the Direct Payments pursuant to the Recovery Act.

Sequestration. Direct Payments are classified under federal budget rules as mandatory spending programs. Since 2013, mandatory spending programs, such as Direct Payments, have been subject to an automatic reduction (sequestration) pursuant to the provisions of the Budget Control Act of 2011 (the "Budget Control Act"). As a result of the sequestration, payments due to the Authority on the Series 2010A Bonds have been reduced in the following approximate amounts: (i) \$248,000 (4.3%) (Fiscal Year 2013), (ii) \$411,000 (7.2%) (Fiscal Year 2014), (iii) \$417,000 (7.3%) (Fiscal Year 2015), (iv) \$400,000 (7.0%) (Fiscal Year 2016), (v) \$394,000 (6.9%) (Fiscal Year 2017), (vi) \$377,000 (6.6%) (Fiscal Year 2018), (vii) \$354,000 (6.2%) (Fiscal Year 2019), (viii) \$337,000 (5.9%) (Fiscal Year 2020), (ix) \$322,000 (5.7%) (Fiscal Year 2021), (x) \$ _____ (____%) (Fiscal Year 2022) and (xi) \$ _____ (____%) (Fiscal Year 2023).

According to the Report of the Office of Management and Budget ("OMB") to the Congress for Fiscal Year 2023, and as confirmed by the Internal Revenue Service, interest subsidy payments to issuers of direct payment bonds processed on or after October 1, 2023, through and including September 30, 2024, will be reduced by []%, unless intervening Congressional action changes the reduction percentage.

Under the Budget Control Act there may be additional sequester orders for future fiscal years through and including fiscal year 2030. Any such additional sequester order signed by the President may or may not establish a different reduction value. The Authority cannot predict what percentage, if any, cuts may be made to Direct Payments in the future. The projected financial operations of the Authority, as presented herein (see "FINANCIAL OPERATIONS – Projected Financial Operations") and the projected debt service shown in "DEBT SERVICE REQUIREMENTS – Outstanding Senior and Subordinate Debt" reflects the known subsidy reduction of []% for Fiscal Year 2024, and assumes Direct Payments equal to 32% of the interest payments on Series 2010A Bonds in each year starting in Fiscal Year 2025. The Authority is obligated to make all payments of principal of and interest on the Series 2010A Bonds whether or not such Direct Payments are received.

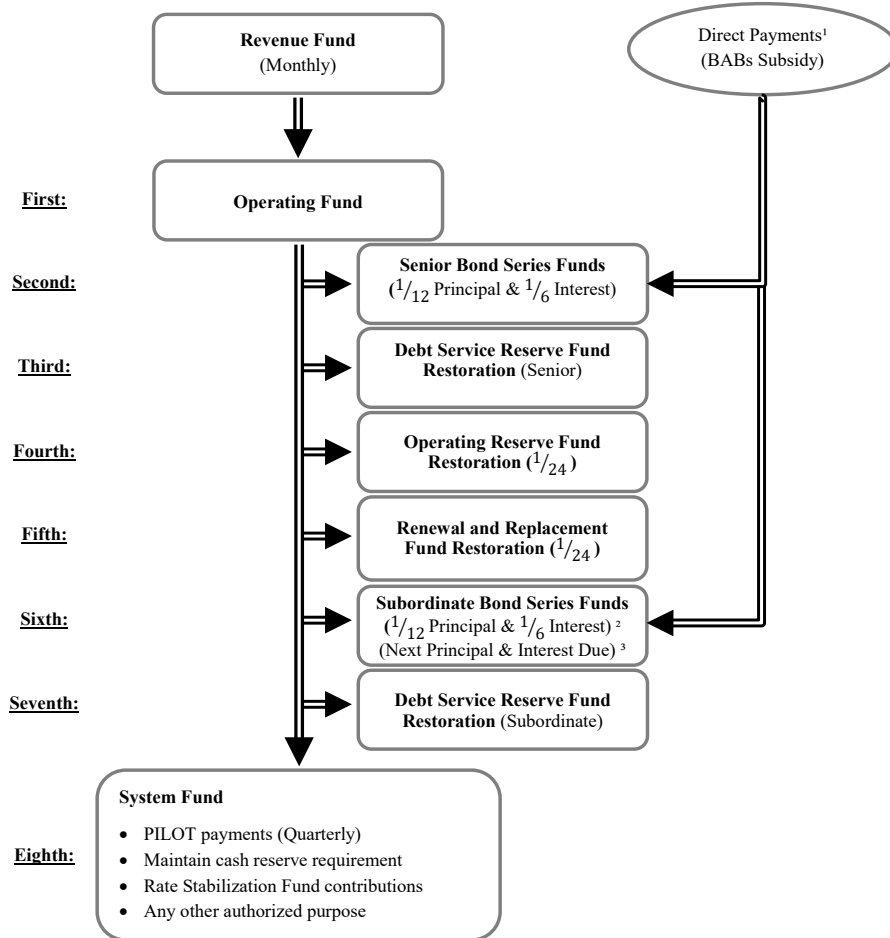
Limited Remedies of Holders of Subordinate Debt

The Indenture prohibits the acceleration of Subordinate Debt if any Senior Debt (including Bonds) is outstanding. The Indenture confers upon the holders of not less than 25% of the aggregate principal amount of Outstanding Bonds (which includes Senior Debt only, not Subordinate Debt) the right to direct the Trustee to protect and enforce their rights by mandamus or other suit, action or proceeding, and confers upon the holders of a majority of the aggregate principal amount of Outstanding Bonds the right to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture or any other proceedings under the Indenture, in accordance with the provisions of law and the Indenture. The Indenture does not confer those rights upon any specified percentage of the holders of Subordinate Debt.

Flow of Funds

The Authority deposits all revenues, as received, in the Revenue Fund. The chart below depicts a simplified flow of Revenues required by the Indenture after being deposited into the Revenue Fund. This chart is for illustrative purposes only, is in no way comprehensive or definitive, and must be read in conjunction with the entire Official Statement.

Indenture Revenue Flow of Funds



¹ The Twelfth Supplemental Indenture amended the above-described deposit requirements in the Master Indenture by providing that, upon receipt of any Direct Payment, the Authority or the Trustee shall cause it to be deposited (i) in the appropriate subaccounts in the Interest Account in the Bond Fund if such Direct Payment relates to Bonds or Other System Indebtedness, and (ii) in the appropriate subaccount in the Subordinate Interest Account in the Subordinate Bond Fund if such Direct Payment relates to Subordinate Debt, and shall cause it to be applied solely to the purposes to which the Indenture permits funds in such subaccount, account and fund to be applied.

²For fixed rate Subordinate Debt

³For variable rate Subordinate Debt

Pursuant to the Indenture, all Revenues received by the Authority shall be deposited in the Revenue Fund to be held by the Authority; provided, however, that upon an Event of Default, the Authority will transfer all amounts in all Authority-held funds to the Trustee, and the Trustee shall hold such moneys in trust for the benefit of the holders of Indebtedness.

Each month, the Authority shall transfer from the Revenue Fund to the Operating Fund an amount sufficient to pay Operating Expenses during such month. Thereafter, Net Revenues shall be disbursed on the last Business Day of each month in the following order (as noted above, the term "Series of Bonds" refers to Senior Debt):

- i. To the subaccounts in the Interest Account established for each Series of Bonds the amounts, if any, set forth in the applicable Supplemental Indentures with respect to each Series of Bonds, and an amount equal to 1/6 of the interest due on each Series of Bonds to pay interest required to be paid on any interest payment date related to such Series of Bonds.
- ii. On a parity with (i) above, to the subaccounts in the Principal Account established for each Series of Bonds and Sinking Fund Account in the Bond Fund the amounts, if any, set forth in the applicable Supplemental Indentures with respect to each Series of Bonds and an amount equal to 1/12 of the principal due on each Series of Bonds.
- iii. To the applicable Account in the Debt Service Reserve Fund with respect to each Series of Bonds the amounts, if any, necessary to restore the amount on deposit therein to the related Series Debt Service Reserve Requirement. For a description of the requirements for and the uses of the Debt Service Reserve Fund, see "Certain Reserve Funds – Debt Service Reserve Fund and Subordinate Debt Service Reserve Fund" below.
- iv. To the Operating Reserve Fund the amounts, if any, necessary to restore the amounts on deposit therein to the Operating Reserve Requirement, which requirement shall be funded within 24 months of any withdrawal and replenished from time to time by depositing 1/24 of the Operating Reserve Requirement on the last Business Day of each month after such withdrawal, if necessary. For a description of the requirements for and the uses of the Operating Reserve Fund, see "Certain Reserve Funds – Operating Reserve Fund" below.
- v. To the Renewal and Replacement Reserve Fund, to the extent that there has been a withdrawal from such fund, the amounts necessary to make the amounts on deposit therein equal to the Renewal and Replacement Reserve Requirement. Such withdrawn amounts shall be funded within 24 months by depositing in such fund 1/24 of the Renewal and Replacement Reserve Requirement on the last Business Day of each month after such withdrawal. For a description of the uses of the Renewal and Replacement Reserve Fund, see "Certain Reserve Funds – Renewal and Replacement Reserve Fund" below.
- vi. To the Subordinate Bond Fund, the amount equal to the deposits to such funds and Accounts required by the related Supplemental Indentures or other documents evidencing such debt. Generally, an amount equal to 1/6 of the interest and 1/12 of the principal next due on any fixed rate Subordinate Debt shall be deposited each month, and generally an amount equal to interest and principal next due on any variable rate Subordinate Debt shall be deposited prior to any date on which such interest and principal is due.
- vii. To the applicable Account, if any, in the Subordinate Debt Service Reserve Fund with respect to each Subordinate Debt issue the amounts, if any, necessary to restore the amount on deposit therein to the related Subordinate Debt Reserve Requirement or to reimburse the provider of any Qualified Reserve Credit Facility for amounts drawn thereunder and to pay related costs.
- viii. To the System Fund, any moneys remaining in the Revenue Fund, after all deposits and transfers required by (i) through (vii) above have been made. Moneys in the System Fund may be used for any authorized purpose. On the following dates, moneys on deposit in the System Fund shall be used to make the following payments:
 - (a) on each May 15, and quarterly thereafter, to the District to make the payment in lieu of taxes (the "PILOT") required by the District Memorandum of Understanding relating to the PILOT dated January 29, 1998, as amended;
 - (b) on each September 1, an amount retained by the Authority in the System Fund necessary to satisfy the Cash Reserve Requirement (250 days of cash on hand); and
 - (c) on each September 30, to the Rate Stabilization Fund, the amount that the Board determines based on an analysis of the Authority's financial performance conducted by the CEO and General Manager (the "CEO") and reported to the Board for approval not later than its regularly scheduled meeting in July of each Fiscal Year. For a description of the uses of the Rate Stabilization Fund, see "Certain Reserve Funds – Rate Stabilization Fund" below.

The Twelfth Supplemental Indenture amended the above-described deposit requirements in the Master Indenture by providing that, upon receipt of any Direct Payment, the Authority or the Trustee shall cause it to be deposited (i) in the appropriate subaccount in the Interest Account in the Bond Fund if such Direct Payment relates to Bonds or Other System Indebtedness, and (ii) in the appropriate subaccount in the Subordinate Interest Account in the Subordinate Bond Fund if such Direct Payment relates to Subordinate Debt, and shall cause it to be applied solely to the purposes to which the Indenture permits funds in such subaccount, account and fund to be applied. See “– Pledge of Master Indenture – Direct Payments – Sequestration” above.

For a more extensive discussion of the terms and provisions of the Indenture including the security for the Series 2024A Bonds, the funds and Accounts established by the Indenture and the purposes to which moneys in such funds and Accounts may be applied, see APPENDIX C – “Glossary and Summary of the Indenture.”

Certain Reserve Funds

Debt Service Reserve Fund and Subordinate Debt Service Reserve Fund. The Indenture creates a Debt Service Reserve Fund and a Subordinate Debt Service Reserve Fund, each to be held by the Trustee. The Indenture permits, but does not require, the Authority to specify a debt service reserve requirement for each issuance of Senior Debt or Subordinate Debt and to make provision for the means by which any such reserve requirements will be met. The Authority will not specify a debt service reserve requirement for the Series 2024A Bonds.

Operating Reserve Fund. The Master Indenture creates an Operating Reserve Fund in which the Authority must maintain a balance equal to at least 60 days of operating and maintenance expenses of the prior year. Money in the Operating Reserve Fund shall be used to pay, to the extent necessary, Operating Expenses of the Authority. In addition, to the extent that the amount on deposit in the Bond Fund is insufficient to make the required interest and principal payments on Senior Debt, money in the Operating Reserve Fund shall be used prior to any withdrawal from the Debt Service Reserve Fund to satisfy any such deficiencies. The Board has adopted a policy of funding operating reserves to a level in excess of that required by the Master Indenture. See “– Discretionary Reserves” below. As of December 31, 2023, the balance in the Operating Reserve Fund was \$64.7 million, which represents 60 days of operating and maintenance expenses.

Renewal and Replacement Reserve Fund. The Master Indenture creates a Renewal and Replacement Reserve Fund to be held by the Authority to provide funding for unforeseen or emergency needs. Money in the Renewal and Replacement Reserve Fund may be used to pay for any capital expenditures related to the System. In addition, to the extent that the amounts on deposit in the Bond Fund and the Operating Reserve Fund are insufficient to make the required interest and principal payments on Senior Debt, money in the Renewal and Replacement Reserve Fund shall be used prior to any withdrawal from the Debt Service Reserve Fund to satisfy any such deficiencies. The Master Indenture allows this requirement to be met if an amount equal to 2% of the original cost value of plant in service, or some other amount as approved by the Board, is held by the Authority. The Board has adopted a policy requiring the Authority to maintain a balance of at least \$35.0 million in the Renewal and Replacement Reserve Fund. As of December 31, 2023, the balance in the Renewal and Replacement Reserve Fund was \$35.0 million.

Rate Stabilization Fund. The Master Indenture creates a Rate Stabilization Fund to be held by the Authority, the moneys in which may be transferred by the Authority to the Revenue Fund at any time. The Board has adopted a policy allowing moneys to be transferred to the Rate Stabilization Fund from the System Fund annually based on an analysis of the Authority’s financial performance conducted by the CEO or designee and reported to the Board for approval during the fourth quarter of each Fiscal Year, and at other times at the direction of the Board. As of December 31, 2023, the balance in the Rate Stabilization Fund was \$35.6 million. The Authority may withdraw funds from the Rate Stabilization Fund in the future to reduce rate increases that might otherwise be required or for other purposes as directed by the Board. See “FINANCIAL OPERATIONS – Reserve Funds – Rate Stabilization Fund” and “FINANCIAL OPERATIONS – Projected Financial Operations.”

Discretionary Reserves. The Board has adopted a policy of funding operating reserves at a level in excess of the 60-day operating and maintenance reserve required by the Master Indenture. Prior to October 7, 2021, Board policy required the Authority to have cash reserves equal to 120 days of budgeted operating and maintenance costs calculated on an average daily balance basis, with the objective of maintaining at least \$125.5 million in operating reserves. Effective October 7, 2021, the Authority is required to have cash reserves equal to 250 days of projected operating expenses calculated on an average daily balance basis in the budget and all years of the financial plan. For purposes of calculating a total operating reserve cash balance for compliance with this requirement, the balances in the Operating Reserve Fund, the Discretionary Reserves and the Renewal and Replacement Reserve Fund are included but the Rate Stabilization Fund is excluded. For Fiscal Year 2024, the operating reserves requirement is \$64.7 million [confirm?]. As of December 31, 2023, the Authority had Discretionary Reserves of \$233.7 million resulting in a total operating reserve cash balance of \$333.4 million which exceeded the Board’s policy requirement.

[update] Pursuant to Board policy, the Authority’s reserves are independently evaluated every five years. In 2024, Amawalk independently evaluated the adequacy of the Authority’s reserves and concluded that current Board policy provides for an appropriate level of reserves.

Rate Covenant

Master Indenture Covenant. The Master Indenture includes a rate covenant (the “Rate Covenant”) as described below. Rates, fees and charges are established by the Authority and are not subject to regulatory approval, nor are they subject to other regulations under current law. (For a description of the pledge of the District not to limit or alter rights vested in the Authority to fulfill agreements made with holders of its bonds, see “COVENANT BY THE DISTRICT OF COLUMBIA.”) The Authority has never failed to satisfy the Rate Covenant, which provides that the Authority shall fix, charge, revise and collect rates, fees and other charges for the use of and the services furnished by the System sufficient in each Fiscal Year so that:

- i. Revenues collected by the Authority in such Fiscal Year will be sufficient to pay at least: (a) the actual Operating Expenses; (b) Annual Debt Service on Senior Debt; (c) any amount necessary to be deposited in any Account in the Debt Service Reserve Fund relating to a Series of Bonds to restore the amount on deposit therein to the Series Debt Service Reserve Requirement; (d) the amount required to pay Annual Debt Service on the Subordinate Debt (including any reserves in connection therewith and the restoration thereof); (e) any amount necessary to be deposited in the Operating Reserve Fund and the Renewal and Replacement Reserve Fund to maintain the required balances therein; and (f) any amount necessary to make any PILOT payments in such Fiscal Year; and
- ii. Net Revenues shall be sufficient in each Fiscal Year to be at least equal to the sum of (a) an amount equal to one hundred and twenty percent (120%) of the Annual Debt Service on Senior Debt; and (b) one hundred percent (100%) of the Annual Debt Service on Subordinate Debt.

If at the end of any Fiscal Year the Authority is not in compliance with the Rate Covenant, or if the Authority fails for three consecutive months to make the deposits required under the Indenture to the Interest Account and the Principal Account (or the Sinking Fund Account, as applicable) or there is a deficiency in a Series Debt Service Reserve Account for longer than three consecutive months, the Authority shall immediately request a Qualified Independent Consultant to submit a written report and recommendations with respect to increases in the Authority’s rates, fees and other charges and improvements in the operations of and the services rendered by the System and the Authority’s accounting and billing procedures necessary to bring the Authority into compliance with the Rate Covenant. The report and recommendations shall be filed with the Trustee and the Authority within 120 days from the date of discovery of noncompliance with the Rate Covenant. The Authority shall promptly revise its rates, fees and charges, and alter its operations and services to conform with the report and recommendations of the Qualified Independent Consultant to the extent permitted by law.

Deposit and Crediting of Direct Payments. The Twelfth Supplemental Indenture amended the Master Indenture to provide that, for purposes of determining the Authority’s compliance with the Rate Covenant, the amount of any Direct Payment received by the Authority or the Trustee in any Fiscal Year shall be credited against (i) Annual Debt Service on Senior Debt in such Fiscal Year if such Direct Payment related to Senior Debt or (ii) Annual Debt Service on Subordinate Debt in such Fiscal Year if such Direct Payment related to Subordinate Debt. This amendment became effective upon the execution of the Twelfth Supplemental Indenture. See “SECURITY FOR THE SERIES 2024A BONDS – Direct Payment Bonds – Sequestration.”

Additional Board Policy. In addition to the Rate Covenant described above, on October 7, 2021, the Board adopted a revised financial policy of fixing, charging, revising and collecting rates, fees and other charges for the use of and the services furnished by the System sufficient in each Fiscal Year so that Net Revenues shall be at least equal to one hundred and sixty percent (160%) of the Annual Debt Service on Senior Debt in each such Fiscal Year. See “FINANCIAL OPERATIONS – Financial Policies.” The Authority consistently has met or exceeded its financial policy goals after their adoption. There can be no assurance, however, that the Board will not change this financial policy or that the Authority will continue to meet this policy goal.

Additional Senior Debt

The Indenture provides that the Authority may issue additional Senior Debt and Other System Indebtedness, including Bonds, to pay Costs of the System only upon satisfaction of certain requirements, including, among other things, receipt by the Trustee of the following:

- i. evidence that upon issuance of such Bonds, each Series Debt Service Reserve Account within the Debt Service Reserve Fund will contain the applicable Series Debt Service Reserve Requirement; and
- ii. either: (a) a certificate of the Authorized Representative of the Authority stating that, based on the Authority’s financial records, the Authority would have been able to meet the Rate Covenant taking into account (1) the maximum Annual Debt Service on the proposed additional Series of Bonds, and (2) the rates, fees and other charges which are in effect at the time of the delivery of the proposed additional Series of Bonds; or (b) a written statement of a Qualified Independent Consultant, which projects Operating Expenses, Revenues and Net Revenues for five full Fiscal Years following the date of issuance of such proposed additional Series of Bonds, which projection does not include the actual

debt service for any Indebtedness to be refunded, and which demonstrates that, on the basis of such projection, the Authority can comply with the Rate Covenant.

If any Bonds are issued to refund any Indebtedness, the Trustee must receive the following:

- iii. evidence that the Authority has made provision as required by the Indenture for the payment or redemption of all Indebtedness to be refunded; and
- iv. either: (a) a written determination by the Authorized Representative of the Authority that the Annual Debt Service requirements for each Fiscal Year in which there will be Outstanding Indebtedness not to be refunded will not increase more than 5% over what the Annual Debt Service requirements for such Fiscal Year would have been on all Senior Debt immediately prior to the issuance of such Bonds, and that the final maturity of Indebtedness being refunded has not been extended; or (b) a certificate of the Authority stating that, based on the Authority's financial records, the Authority would have been able to meet the Rate Covenant, taking into account (1) the maximum Annual Debt Service on the proposed additional Series of Bonds, and (2) the rates, fees and other charges which are in effect at the time of the delivery of the proposed additional Series of Bonds; or (c) a written statement of a Qualified Independent Consultant, that projects Operating Expenses, Revenues and Net Revenues for five full Fiscal Years following the date of issuance of such proposed additional Series of Bonds, which projection does not include the actual debt service for any Indebtedness to be refunded, and that demonstrates that, on the basis of such projection, the Authority can comply with the Rate Covenant.

The Authority may incur or refinance Other System Indebtedness provided that: (i) the documents relating to the Other System Indebtedness acknowledge that such debt constitutes Other System Indebtedness under the Master Indenture and is subject to the applicable terms and conditions thereof, and specify the amounts and due dates of Annual Debt Service with respect to the Other System Indebtedness; (ii) the conditions of the Master Indenture regarding the issuance of Bonds have been met as if the Other System Indebtedness was an additional Series of Bonds; (iii) the Trustee receives written notice of the issuance of the Other System Indebtedness and the material terms and conditions thereof, and the Trustee shall register the holder as owner thereof as such on its books and records; and (iv) the Trustee receives an Opinion of Counsel that the documents creating the Other System Indebtedness have been duly authorized, executed and delivered on behalf of the Authority and constitute valid, binding and enforceable obligations. In connection with the incurrence of any Other System Indebtedness, the Trustee shall enter into an intercreditor arrangement with the holder of such Other System Indebtedness, the terms of which shall be determined at the time of incurrence of such Other System Indebtedness.

The Master Indenture was amended with bondholder consent to include provisions regarding the crediting of Direct Payments for the purposes of computing Annual Debt Service on any Direct Payment BABs or Other System Indebtedness as to which Direct Payments are expected to be made in connection with any proposed issuance of additional Bonds or Other System Indebtedness. See "SECURITY FOR THE SERIES 2024A BONDS – Direct Payments – Sequestration."

Additional Subordinate Debt

Under the Indenture, the Authority may at any time issue Subordinate Debt and pledge Net Revenues thereto so long as rates, fees and charges are in effect or scheduled to go into effect to meet the Rate Covenant immediately after the issuance of such Subordinate Debt. The Authority has modified the Master Indenture to include provisions regarding the crediting of Direct Payments for the purposes of computing Annual Debt Service on any Direct Payment BABs or other Indebtedness as to which Direct Payments are expected to be made in connection with any proposed issuance of additional Bonds, Subordinate Debt or Other System Indebtedness. See "SECURITY FOR THE SERIES 2024A BONDS – Direct Payments – Sequestration."

[Balance of page intentionally left blank]

DEBT SERVICE REQUIREMENTS

Outstanding Senior and Subordinate Debt

The following tables set forth the annual debt service requirements for (i) Outstanding Senior Debt, (ii) Outstanding Subordinate Debt, and (iii) the Series 2024A Bonds, as well as annual and aggregate totals.

Fiscal Year Ending September 30 ¹	Outstanding Subordinate Debt ^{1,2,3,4,5,6,7}	Series 2024A Bonds			Refunded Subordinate Debt	Total Outstanding Subordinate Debt	Direct payments Relating to Series 2010A Bonds	Total Subordinate Debt ⁹	Outstanding Senior Debt ¹⁰	Total Senior and Subordinate Debt
		Principal	Interest	Total						
2024	166,957,509				166,957,509	(5,119,313)	161,838,196	63,378,725	225,216,921	
2025	176,789,518				176,789,518	(4,878,673)	171,910,845	64,059,015	235,969,860	
2026	176,710,343				176,710,343	(4,791,835)	171,918,508	64,057,265	235,975,773	
2027	176,615,613				176,615,613	(4,702,827)	171,912,786	64,061,465	235,974,251	
2028	177,480,891				177,480,891	(4,611,477)	172,869,413	67,506,236	240,375,649	
2029	185,016,214				185,016,214	(4,426,435)	180,589,778	59,390,036	239,979,814	
2030	184,804,873				184,804,873	(4,232,061)	180,572,812	56,528,786	237,101,598	
2031	184,456,763				184,456,763	(4,034,152)	180,422,611	56,221,036	236,643,647	
2032	184,377,123				184,377,123	(3,830,589)	180,546,534	59,734,786	240,281,319	
2033	184,144,100				184,144,100	(3,618,456)	180,525,643	59,393,536	239,919,179	
2034	184,616,757				184,616,757	(3,399,962)	181,216,795	59,395,036	240,611,831	
2035	184,363,541				184,363,541	(3,174,929)	181,188,612	59,391,286	240,579,898	
2036	184,404,061				184,404,061	(2,944,242)	181,459,819	59,395,786	240,855,605	
2037	175,096,698				175,096,698	(2,705,427)	172,391,271	61,896,286	234,287,557	
2038	175,221,417				175,221,417	(2,459,985)	172,761,432	58,946,036	231,707,468	
2039	174,266,341				174,266,341	(2,207,298)	172,059,043	57,634,286	229,693,329	
2040	177,783,050				177,783,050	(1,948,692)	175,834,359	57,629,036	233,463,394	
2041	168,942,715				168,942,715	(971,165)	167,971,550	61,691,036	229,662,586	
2042	170,575,020				170,575,020	(741,097)	169,833,923	61,687,736	231,521,659	
2043	170,374,566				170,374,566	(502,723)	169,871,843	61,683,986	231,555,829	
2044	170,168,343				170,168,343	(255,779)	169,912,564	61,692,736	231,605,300	
2045	98,530,626				98,530,626	-	70,941,286	70,941,286	169,471,912	
2046	74,893,581				74,893,581	-	74,893,581	70,940,836	145,834,417	
2047	74,807,497				74,807,497	-	74,807,497	70,940,586	145,748,083	
2048	74,740,601				74,740,601	-	74,740,601	66,896,786	141,637,387	
2049	49,140,166				49,140,166	-	49,140,166	66,895,286	116,035,452	
2050	57,920,600				57,920,600	-	57,920,600	36,874,036	94,794,636	
2051	45,158,600				45,158,600	-	45,158,600	36,869,286	82,027,886	
2052	43,835,200				43,835,200	-	43,835,200	36,870,286	80,705,486	
2053	42,930,200				42,930,200	-	42,930,200	23,220,286	66,150,486	
2054	39,126,600				39,126,600	-	39,126,600	23,220,286	62,346,886	
2055	18,314,400				18,314,400	-	18,314,400	23,220,286	41,534,686	
2056	18,187,600				18,187,600	-	18,187,600	23,220,286	41,407,886	
2057	18,064,800				18,064,800	-	18,064,800	23,220,286	41,285,086	
2058	-				-	-	-	23,220,286	23,220,286	
2059	-				-	-	-	23,220,286	23,220,286	
2060	-				-	-	-	23,220,286	23,220,286	
2061-2104 ⁸	-				-	-	-	16,849,000	16,849,000	
2105	-				-	-	-	16,849,000	16,849,000	
2106	-				-	-	-	16,849,000	16,849,000	
2107	-				-	-	-	16,849,000	16,849,000	
2108	-				-	-	-	16,849,000	16,849,000	
2109	-				-	-	-	16,849,000	16,849,000	
2110	-				-	-	-	16,849,000	16,849,000	
2111	-				-	-	-	16,849,000	16,849,000	
2112	-				-	-	-	16,849,000	16,849,000	
2113	-				-	-	-	16,849,000	16,849,000	
2114	-				-	-	-	16,849,000	16,849,000	
Total	\$4,388,815,927				\$4,388,815,927	\$(65,557,116)	\$4,323,258,810	\$3,108,901,766	\$7,432,160,576	

* Certain totals may not add due to rounding. Data shown as of date of posting.

1 Amounts due October 1 are shown as debt service for the preceding Fiscal Year ending September 30 (since the amounts actually are required to be set aside in such Fiscal Year). For example, debt service payments due October 1, 2024, are shown in the Fiscal Year ending September 30, 2024.

2 Outstanding Subordinate Debt is calculated excluding the impact of Direct Payments related to the Series 2010A Bonds. See "SECURITY FOR THE SERIES 2024A BONDS – Direct Payments – Sequestration."

3 Series 2019C Bonds are multimodal variable rate bonds currently bearing a 1.75% fixed rate through the mandatory tender date of October 1, 2024. Series 2019C Bonds are expected to be refunded by Series 2024B Bonds issued as daily-reset variable rate bonds in close proximity to the Series 2024A Bonds. Debt service on Series 2019C is shown at the actual rate through the anticipated closing date of the Series 2024B Bonds, and an all-inclusive assumed rate of 4.00% thereafter.

4 Includes the Authority's Debt Service requirements for Government Notes associated with Jennings Randolph.

5 Series 2014B Bonds are weekly-reset variable rate bonds payable through a Liquidity Facility provided by TD Bank, N.A., which expires on July 25, 2025. For calculation of the projected debt service requirement, the all-inclusive rate was assumed to be 4%. The debt is assumed to amortize in FY 2041 - FY 2050.

6 The Authority currently has \$50.0 million of Extendable Maturity Commercial Paper outstanding. Debt service is based on a hypothetical amortization of 30 years with an assumed interest rate of 3.50%.

7 Amounts shown for FY 2061 - FY 2104 are annual totals for each fiscal year and do not represent the cumulative total.

8 Amounts represent cumulative totals for all fiscal years shown. Totals from consolidated rows are included.

9 Total Subordinate Debt is calculated including the impact of Direct Payments related to the Series 2010A Bonds. With respect to the effect of sequestration on the receipt by the Authority of Direct Payments on its Series 2010A Bonds, a reduction of []% was applied to Fiscal Year 2024. Thereafter, the subsidy amount is assumed to be 32% of the interest payments. See "SECURITY FOR THE SERIES 2024A BONDS – Amendment of the Master Indenture" and for a discussion of the effect of sequestration on the Direct Payments to be received by the Authority, see "SECURITY FOR THE SERIES 2024A BONDS – Direct Payments - Sequestration."

10 Outstanding Senior Debt includes the full expected amortization associated with the Senior Lien WIFIA loan balance of \$156,367,104; the current balance is \$52,599,476. Principal amortization on the WIFIA loan will occur semi-annually from April 1, 2028 through October 1, 2060 with interest accrued at 1.87% which is the fixed rate of the WIFIA loan.

List of Outstanding Indebtedness

The Authority’s indebtedness as of the date of this Official Statement is set forth in Table 1 below. For a summary of the annual debt service payments for the Authority’s existing indebtedness, see “FINANCIAL OPERATIONS – Debt Service.”

Table 1. Outstanding Indebtedness
(\$ in thousands)

	Original Principal Amount	Interest Rates	Final Maturity	Amount Outstanding as of 4/1/2024 ¹
Senior Debt				
Series 1998 Bonds	\$266,120	5.50%	2028	\$34,645
Series 2014A Bonds	350,000	4.81	2114	350,000
Series 2017A Bonds	100,000	4.00-5.00	2052	100,000
Series 2017B Bonds	200,000	4.00-5.00	2044	175,950
Series 2018A Bonds	100,000	5.00	2049	100,000
Series 2018B Bonds	200,000	5.00	2049	181,625
Series 2021 Bonds (WIFIA)	156,367 ²	1.87	2060	52,599
Total Senior Debt				<u>\$994,819</u>
Subordinate Debt:				
<u>Subordinate Bonds</u>				
Series 2010A Bonds	300,000	4.07-5.52 ³	2044	281,450
Series 2014B Bonds	100,000	Variable Rate ⁴	2050	100,000
[Series 2014C Bonds]	377,700	3.00-5.00	2044	227,880
Series 2015A Bonds	100,000	2.00-5.00	2045	65,975
Series 2015B Bonds	250,000	5.00-5.25	2044	173,090
Series 2016A Bonds	389,110	5.00-5.25	2039	377,575
Series 2019A Bonds	104,010	4.00-5.00	2049	104,010
Series 2019B Bonds	58,320	5.00	2037	58,320
[Series 2019C Bonds]	99,505	Variable Rate ⁵	2054	99,505
[Series 2019D Bonds]	343,160	1.713-3.207	2048	336,555
Series 2022A Bonds ²	294,305	1.56-2.53	2036	284,085
Series 2022B Bonds	79,585	5.00	2047	79,585
Series 2022C Bonds	211,148	4.00-5.00	2051	211,148
[Series 2022D Bonds]	148,945	1.672-3.526	2044	127,945
Series 2022E Bonds	96,350	Variable Rate ⁶	2057	96,350
<u>Additional Subordinate Obligations</u>				
TD Bank Master Letter of Credit	\$25,000 ⁶	Variable Rate	N/A	-
<u>Government Notes</u>				
Jennings Randolph Reservoir Debt	\$18,269	3.25%	2041	9,849
<u>Commercial Paper Notes (“CP Notes”)⁷</u>				
Series B CP Notes	\$100,000 ⁸	Variable Rate	2025 ¹⁰	-
Series C CP Notes	\$50,000 ⁹	Variable Rate	2025 ¹⁰	-
<u>Extendable Municipal Commercial Paper Notes (“EMCP Notes”)</u>				
Series A EMCP Notes ^{11,12}	\$50,000	Variable Rate	2024	50,000
Total Subordinate Debt				<u>2,267,887</u>
Total				<u>\$3,692,707</u>

¹ Amounts outstanding do not reflect any amortization of accrued principal.

² Maximum amount. \$52,599,477 was outstanding as of April 1, 2024.

³ Taking into account the Direct Payment subsidy, the Series 2010A Bonds had an all-in-true interest cost of 3.6%. With respect to the effect of sequestration on the receipt by the Authority of Direct Payments on its Series 2010A Bonds, see “SECURITY FOR THE SERIES 2024A BONDS – Direct Payments – Sequestration.”

⁴ The Series 2014B Bonds are weekly-reset variable rate bonds supported by a Liquidity Facility provided by TD Bank, N.A.

⁵ The Series 2019C Bonds are multimodal variable rate bonds currently bearing a 1.75% fixed rate through the mandatory tender date of October 1, 2024

- ⁶ The Series 2022E Bonds are multimodal variable rate bonds currently bearing a 3.00% fixed rate through the mandatory tender date of October 1, 2027
- ⁷ The Series A CP Notes are not currently authorized for issuance.
- ⁸ Maximum amount authorized for the Series B CP Notes is \$100 million; the Series B CP Notes are supported by a Letter of Credit provided by TD Bank, N.A.
- ⁹ Maximum amount authorized to be outstanding at any one time for the Series C CP Notes is \$50 million; the Series C CP Notes are supported by a Letter of Credit provided by TD Bank, N.A.
- ¹⁰ Final maturity of the CP Notes reflects expiration of current credit facility.
- ¹¹ Maximum amount authorized to be outstanding at any one time for the Series A EMCP Notes is \$100 million.
- ¹² The Series A EMCP notes are placed for an original maturity date not to exceed 90 days. At their original maturity date, the EMCP notes may be repaid, remarketed and resold as new Series A EMCP notes, or extended at the option of the Authority to an extended maturity date not greater than 270 days from their initial issuance. Should the Series A EMCP Notes be remarketed and resold, upon such resale the Series A EMCP Notes will mature on such date or dates as provided in the terms of the remarketing and resale (up to a maximum original maturity date of 90 days and a maximum extended maturity date of 270 days).

Source: Authority records.

Outstanding Senior Debt

As indicated in Table 1, as of April 1, 2024, the Authority had Senior Debt outstanding in the aggregate principal amount of approximately \$994.8 million consisting of its Public Utility Senior Lien Revenue Bonds, Series 1998 (the “Series 1998 Senior Bonds”), its Public Utility Senior Lien Revenue Bonds, Series 2014A (Federally Taxable) (Green Bonds) (the “Series 2014A Senior Bonds”), its Public Utility Senior Lien Revenue Bonds, Series 2017A (Green Bonds) (the “Series 2017A Senior Bonds”), its Public Utility Senior Lien Revenue Bonds, Series 2017B (the “Series 2017B Senior Bonds”), its Public Utility Senior Lien Revenue Bonds, Series 2018A (Green Bonds) (the “Series 2018A Senior Bonds”), its Public Utility Senior Lien Revenue Bonds, Series 2018B (the “Series 2018B Senior Bonds”) and its Public Utility Senior Lien Revenue Bonds, Series 2021 Senior Lien Bonds (the “Series 2021 Bond (WIFIA)”). The Authority expects to issue additional Senior Debt in the future to finance capital improvements to the System. See “CAPITAL IMPROVEMENT PROGRAM.”

WIFIA Bond. In September 2021, the Authority issued a Senior Lien Bond under the Indenture to evidence its repayment obligation to the United States Environmental Protection Agency (“EPA”) under a WIFIA Loan Agreement. Pursuant to the terms of the WIFIA Loan Agreement, the EPA agreed to loan the Authority an amount up to \$156,367,104 to fund a portion of a Comprehensive Infrastructure Repair, Rehabilitation, and Replacement Program Project (the “WIFIA Project”) and eligible expenses. The WIFIA Bond is payable from and secured by a pledge of Net Revenues on parity with Senior Lien Debt. As of the date of this Official Statement, the Authority has drawn \$52,599,477 of the WIFIA Loan and the principal amount of the WIFIA Bond is \$52,599,477.

Outstanding Subordinate Debt

The Subordinate Debt summarized in Table 1 consists of the following categories of outstanding debt: (i) Subordinate bonds; (ii) Government Notes; (iii) Commercial Paper Notes; and (iv) Extendable Municipal Commercial Paper Notes (the “EMCP Notes”). [please confirm] As of April 1, 2024, the Authority had Subordinate Debt outstanding in the aggregate principal amount of approximately \$2.70 billion.

Subordinate Bonds. As of April 1, 2024, approximately \$2.64 billion of Subordinate bonds was outstanding, consisting of its Public Utility Subordinate Lien Revenue and Revenue Refunding Bonds of various series listed in Table 1. The Authority expects to issue additional Subordinate bonds in the future to finance capital improvements to the System. See “CAPITAL IMPROVEMENT PROGRAM.”

Master Letter of Credit Agreement. The Authority entered into a revised Master Letter of Credit Agreement with TD Bank, N.A. to provide letters of credit for the benefit of the Authority’s Rolling Owner Controlled Insurance Program, in an aggregate maximum amount at any one time outstanding of \$25,000,000 and secured the Reimbursement Obligations (as defined in the Twenty-Eighth Supplemental Indenture) 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.

Government Notes. The Authority is responsible for debt service on notes payable to the federal government for the construction of the Jennings Randolph Reservoir. As of April 1, 2024, \$9.8 million of Government Notes was outstanding. Upon the issuance of the Series 2024A Bonds, the amount of outstanding Government Notes will remain unchanged.

Commercial Paper Notes. The Authority currently has in place a commercial paper facility to provide interim financing for Costs of the System, consisting of three series of notes, each as Subordinate Debt: (i) the tax-exempt Series A CP Notes, which were not authorized or enhanced by a liquidity facility (although the Authority had the right to authorize the Series A CP Notes), (ii) the tax-exempt Series B CP Notes in an aggregate principal amount not to exceed \$100 million, and (iii) the taxable Series C CP Notes in an aggregate principal amount not to exceed \$50 million (collectively, the “Series ABC Commercial Paper Notes”). As of date of this Official Statement, none of the Series ABC Commercial Paper Notes issued under the current facility were outstanding.

On August 1, 2024, the Authority expects replace the current commercial paper facility described above with a new commercial paper facility authorized to issue commercial paper notes (the “CP Notes”) in an amount not to exceed \$250 million pursuant to the Indenture, as supplemented by the Thirty-fifth Supplemental Indenture. The proceeds of the CP Notes are expected to provide funds to pay (i) certain costs incurred in connection with the construction of certain capital improvements to its wastewater collection treatment and disposal system and its water system, (ii) obligations of the one or more bank under each bank note resulting from draws under one or more letters of credit, (iii) the costs of issuance of the CP Notes and (iv) any expenditure permitted by law under the Indenture that in the opinion of Co-Bond Counsel will not, in and of itself, adversely affect the exclusion from gross income for federal tax purposes of interest on the CP Notes issued as tax-exempt obligations. The CP Notes will be secured 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, the Series 2024A Bonds and other Subordinate Debt that the Authority may issue from time to time in the future. The issuance of the CP Notes is not dependent upon the Authority’s issuance of the Series 2024A Bonds, and the Series 2024A Bonds will be sold separately and independently from the CP Notes.

Extendable Municipal Commercial Paper Notes. The Authority has established an extendable municipal commercial program to provide an additional source of interim financing for Costs of the System. The EMCP Notes are not supported by a credit facility or credit enhancement, but instead are solely supported by a subordinate lien on and pledge of Net Revenues on a parity with the lien on and pledge of Net Revenues that secures Outstanding Subordinate Debt and any other Subordinate Debt that the Authority may issue in the future. The Board has authorized one series of EMCP Notes not to exceed \$100 million outstanding at any one time. As of April 1, 2024, \$50 million of the EMCP Notes was outstanding.

Interest Rate Exchange Agreements and Guaranteed Investment Contracts

The Authority has not previously entered into any interest rate exchange agreements or any guaranteed investment contracts.

THE AUTHORITY

General

The Authority is a corporate body and an independent authority created pursuant to the Act that has a separate legal existence within the District government. It was created in 1996 to expedite the repair, replacement, rehabilitation, modernization and extension of existing water distribution and sewage collection, treatment and disposal systems, and the financing, on a self-sustaining basis, of capital and operation expenses relating thereto. The Authority began operations on October 1, 1996, and in June 2010, adopted a new logo and rebranded itself as “DC Water.” Prior to creation of the Authority, the District, through its Department of Public Works, Water and Sewer Utility Administration (“WASUA”), owned, operated and maintained the System. In accordance with the Act, the District authorized the Authority to use all of the property and assets of the System and transferred to the Authority any liabilities of the District that were directly attributable to the System. The District has retained full legal title to, and a complete equitable interest in, the System. In accordance with the Act, however, the System must remain under the control of the Authority for as long as any Authority revenue bonds remain outstanding.

The Authority currently provides retail water and wastewater services to approximately 700,000 residents of the District of Columbia and wholesale wastewater conveyance and treatment to approximately 1.6 million residents of Prince George’s and Montgomery Counties in Maryland and Fairfax and Loudoun Counties in Virginia. In addition, the Authority annually serves approximately 24.6 million visitors to the area and approximately 800,000 workers in the District. In addition to providing services to the White House, the U.S. Congress and the Supreme Court, the Authority also counts among its customers a number of international organizations, including the International Monetary Fund and numerous diplomatic embassies. The Authority also provides services to a number of nationally recognized cultural and educational institutions, including the John F. Kennedy Center for the Performing Arts, and Georgetown, Howard, American, Catholic, Gallaudet and George Washington Universities.

The Authority operates the largest advanced wastewater treatment facility in the United States [and is in material compliance with all requisite permits][*please confirm*]. Since its creation as an independent authority of the District, the Authority has become a leader in the water and wastewater industry. The Board has provided stable leadership and a focus on establishing long-term policies and planning, particularly financial stability. Under its leadership, the Authority has adopted and implemented financial and rate-setting policies that have enhanced financial performance. The Authority’s unrestricted cash, cash equivalents and investment balances have increased from \$55.8 million as of September 30, 1998, to \$[] million as of September 30, 2023. The Authority’s operating revenues have increased from \$258.4 million in Fiscal Year 1998 to \$[] million in Fiscal Year 2023.

The Authority’s accomplishments are consistently recognized by industry associations and publications. The Government Finance Officers Association (“GFOA”) has given the Authority the Certificate of Achievement for Excellence in Financial Reporting Program every year since 1997, and the Distinguished Budget Presentation Award every year since 2001.

In 2020, the Authority’s Office of Marketing and Communications accepted a Public Communication and Outreach Program Award from the Water Environment Federation (WEF) for its first-ever children’s book, “Wendy, Where Does the Wastewater Go?” In the book, the Authority’s waterdrop mascot takes a group of students on a tour through each of the steps of the wastewater treatment process, beginning in a home where the water is first used, and ending with cleaned water being released back into the Potomac River.

In 2021, The National Association of Clean Water Agencies (NACWA) honored the Authority with a Platinum9 Award for nine consecutive years of 100% compliance with the requirements of the U.S. Environmental Protection Agency’s National Pollutant Discharge Elimination System (NPDES).

Purposes and Powers

The Act requires the Authority to establish, fix and revise fees, rates or other charges for the use of, or services furnished, rendered or made available by the System, owned, leased or utilized by the Authority at least in an amount sufficient, together with other revenues available to the Authority, if any, to pay its costs, the principal of and interest on and other requirements pertaining to its bonds, and to make transfers to the District of amounts equal to the debt

service payments on the District General Obligation Bonds, which financed WASUA capital projects, as such debt service and transfers become due and payable. All such General Obligation Bonds are now retired.

Pursuant to the Home Rule Act, the Council delegated to the Authority, under the Act, its power to issue revenue bonds, including the Series 2024A Bonds, for the purpose of financing “water and sewer facilities” (as such term is defined in the Home Rule Act). Pursuant to the Home Rule Act and the Act, the Authority is required to submit its annual operating budget to the District for its review and recommendations; however, the District has no power to change the annual budget of the Authority. After receiving the Authority’s budget, the District then submits its annual operating budget, of which the Authority’s budget is a part, to the U.S. Congress for approval. See “– Authority’s Relationship to the District” and “FINANCIAL OPERATIONS – Annual Budget.”

Board of Directors

The Authority is governed by a Board of Directors consisting of 11 principal and 11 alternate members, each appointed for a staggered four-year term. Six principal members (appointed by the Mayor of the District with the advice and consent of the Council) represent the District and five principal members (appointed by the Mayor on the recommendations of the User Jurisdictions) represent the User Jurisdictions, two each from Prince George’s and Montgomery Counties in Maryland, and one from Fairfax County, Virginia. The powers of the Authority are vested in and exercised by the Board at meetings duly called and held where a quorum of at least six members is present. All Board members participate in decisions directly affecting the management of joint-use facilities which are those facilities used by all three jurisdictions. Only the six members appointed to represent the District participate in those matters that affect District ratepayers and in setting rates, fees and charges for various services that affect only District residents. The Board meets monthly and operates through various standing and ad-hoc committees. The committees include Executive, Environmental Quality and Operations, Finance and Budget, Human Resources and Labor Relations, Audit, Strategic Planning, Governance, and District of Columbia Retail Water and Sewer Rates. The current principal members of the Board are listed below.

<u>Principal Board Members¹</u>	<u>Appointing Authority</u>	<u>Term Start Date²</u>	<u>Term Expiration</u>
Keith Anderson, Chair	District of Columbia	March 2024	September 2027
Rachna Bhatt	District of Columbia	June 2012	September 2026
Anthony Giancola	District of Columbia	July 2021	September 2024
Howard Gibbs	District of Columbia	October 2022	September 2024
Christopher Herrington	Fairfax County	December 2021	September 2025
Floyd Holt	Prince George’s County	February 2019	September 2022
Richard Jackson	District of Columbia	March 2024	September 2024
Fariba Kassiri	Montgomery County	April 15, 2020	[May 2024]
Jon Monger	Montgomery County	October 2023	May 2027

¹ As of the date of this Official Statement, there is one vacant seat for the District of Columbia and one vacant seat for Prince George’s County.

² Term start date indicates start of the Board member’s initial term as a principal member.

Source: Authority records.

The following are short biographies of the principal members of the Board.

Keith Anderson (District of Columbia)

Mr. Anderson was appointed as principal member and Chair of the Board in March 2024. Mr. Anderson was appointed Deputy Mayor for Operations and Infrastructure (DMOI) by Mayor Bowser on October 13, 2023. Previously, he served as Interim Deputy Mayor for Planning and Economic Development, Director of the DC Department of General Services, Director of the DC Department of Parks and Recreation and Director of the DC Department of Energy and Environment.

Rachna Bhatt (District of Columbia)

Ms. Bhatt was appointed as a principal member to the Board in July 2012. Ms. Bhatt serves as Director at HRGM Corporation, and has been with HRGM since 2001. Previously, Ms. Bhatt served as an Associate for Wachovia Securities, and as a consultant for Deloitte & Touche, LLP. Ms. Bhatt serves as a board member for the Professional Women in Construction and holds a Virginia Class A Contractor’s License. Ms. Bhatt holds a Bachelor of Science in Business Administration from Georgetown University and a Master in Business Administration from The Wharton School, University of Pennsylvania, with a major in Real Estate and Management.

Anthony Giancola (District of Columbia)

Mr. Giancola was appointed a principal member of the Board in 2021. He is a licensed professional engineer in the District of Columbia. His active duty career in the Civil Engineer Corps, U. S. Navy, achieving the rank of Commander, included tours in the Public Works (4), Contracts, Seabees, and as a Staff Civil Engineer (2). Since military retirement he has worked as the Public Works Director, City of Takoma Park, Maryland and Chief Engineer, Public Works

Department, Frederick County, Maryland. He served as the Executive Director, National Association of County Engineers from October 1993 - June 2011 before retirement. He is a former chair of the Transportation Research Board (TRB) Low Volume Roads Committee (2001-2007) and serves on the Roadway Safety Foundation Advisory Committee from 1997 - present. Active in community activities he was the President of Plan Takoma, Inc., a non profit 501(c) 3 community organization in the District of Columbia from 1984 - 1998; was an appointed member of the DC Convention Center Community Advisory Committee (1995 to 2015 serving as 2nd Vice President); and an appointed Alternate member of the Board of Directors of the Washington Metropolitan Area Transit Authority (2007 - 2011 District of Columbia and 2011 - 2016 Federal).

Howard Gibbs (District of Columbia)

Mr. Gibbs is an Adjunct Professor of Structural Engineering, University of the District of Columbia, College of Agriculture, Urban Sustainability and Environmental Sciences. From 1972 to 2007 he was employed by the Potomac Electric Power Company (PEPCO) in the Civil and Substation Engineering Department, where he performed civil/structural engineering design and development of substations and other facilities. Prior to his appointment as a Principal Board Member, he served as an Alternate Member of the Board of Directors of D.C. Water since 2006. Mr. Gibbs has been affiliated with numerous professional engineering organizations, including Lifetime Member of the American Society of Civil Engineers, National Society of Professional Engineers Fellow, the District of Columbia Board of Professional Engineers Vice Chair from 1997 to 2016, and the District of Columbia Society of Professional Engineers Vice Chair from 1997-2016. Mr. Gibbs holds a Bachelor of Science Degree in Civil Engineering (Summa Cum Laude), 1979, and a Master of Science Degree in Engineering Management, the George Washington University, 1996. Mr. Gibbs has received the Lifetime Achievement Award from the District of Columbia Council of Engineering and Architectural Societies, Distinguished Service Award, from the National Council of Examiners for Engineering and Surveying, and Meritorious Service Awards, District of Columbia Engineering and Architectural Societies, 2005 and 2012.

Christopher Herrington (Fairfax County)

Mr. Herrington was appointed a principal member of the Board in 2021. He began his appointment as director of the Department of Public Works and Environmental Services. He has over 25 years of local government experience with the City of Austin, Texas. He served as the assistant director for the Watershed Protection Department and as Austin's senior environmental policy officer, advising public officials, city departments and the public on a wide variety of development projects. While serving as Austin's senior environmental policy officer, Herrington worked to ensure that the protection of Austin's natural resources and residents received the highest priority in all public and private development. He has a dual background in ecology and engineering and has authored numerous publications on water quality and the environment. Herrington has a Bachelor of Science in Biology and a Master of Science in Civil Engineering, both from the University of Texas at Austin.

Floyd Holt (Prince George's County)

Mr. Holt was appointed a principal member of the Board in 2019. Mr. Holt is Deputy Chief Administrative Officer for Government Infrastructure, Technology and the Environment for Prince George's County Maryland. He previously worked as Prince George's County's Deputy Director of Central Services. Mr. Holt served as Chief of University Police at Gallaudet University; the world's only liberal arts university for the deaf before joining the Washington Suburban Sanitary Commission as Chief of Public Safety and Internal Investigations. He was later appointed Director of General Services, overseeing Fleet Management and Transportation, Warehousing, Quality Assurance, Procurement and Contracting. Mr. Holt attended the University of Maryland where he received a Bachelor's Degree in Government and Politics with a minor in Law Enforcement. Mr. Holt also holds a Master's in Business Administration from Gallaudet University.

Richard Jackson (District of Columbia)

Mr. Jackson is the Director of the Department of Energy and Environment (DOEE). He provides strategic guidance and leadership to a workforce of more than 450 environmental professionals and oversees the daily operations of five administrations that work collaboratively to protect the environment and conserve natural resources in the District of Columbia. Mr. Jackson joined DOEE in 2008 as a hazardous waste inspector in the Environmental Services Administration (ESA). During his tenure, he has established the Rail Safety and Emergency Response Division (RSERD), provided oversight on for the District of Columbia's Indoor Mold Inspection and Compliance Program, and managed the Site Remediation and Response Program. Notably, as Associate Director of the Toxic Substances Division, he led the largest and most complex river remediation project in the District --The Anacostia River Sediment Remediation Project - a major step towards creating a cleaner, swimmable, fishable Anacostia River. Prior to his appointment as interim director, he served as senior deputy director at DOEE. He has over 20 years of experience in the chemical and environmental engineering industry and has successfully led teams to solve a wide range of environmental issues. He has extensive experience in hazardous waste management, chemical production and processing, nuclear power plant maintenance, occupational safety, research development, and quality assurance auditing. Mr. Jackson spent 21 years with the U.S. Navy as a nuclear submariner operating nuclear reactors, power generation and propulsion systems, and maintaining weapons systems.

Fariba Kassiri (Montgomery County)

Ms. Kassiri was appointed principal member of the Board in 2019. Ms. Kassiri is the Montgomery County Deputy Chief Administrative Officer (DCAO) and joined the Office of the County Executive in 2006. She is responsible for assisting the Chief Administrative Officer (CAO) in managing the operations and performance of County Government. In doing so, she provides administrative oversight to the directors of County departments and ensures that departments' core activities align with the County's Effective and Sustainable priority outcome and comply with all applicable policies, procedures, and regulations. Prior to joining Montgomery County, Ms. Kassiri spent four years as Special Advisor to the Prince George's County Chief Administrative Officer, providing recommendations to the County Executive and Chief Administrative Officer on a wide array of issues, programs, and policies. Ms. Kassiri holds a Bachelor of Science degree in Civil and Environmental Engineering from the University of Colorado, and a Master's degree in Public Policy specializing in finance and management from the University of Maryland.

Jon Monger (Montgomery County)

Mr. Monger serves as the Director of the Montgomery County Department of Environmental Protection, appointed by County Executive Marc Elrich and confirmed by the Montgomery County Council in June 2023. His experience includes service as Counsel to the presidential commission formed to investigate the 2010 Deepwater Horizon Oil Spill, White House Liaison, and policy advisor to the U.S. Environmental Protection Agency (EPA) under President Barack Obama, and as Oversight Counsel to the U.S. House of Representatives' Committee on Energy and Commerce. He also served in the administration of President Biden as Assistant Deputy Administrator of the U.S. Environmental Protection Agency, where he oversaw agency policy, management, and operational priorities. Mr. Monger received his B.A. from the University of Michigan and graduated magna cum laude from the Catholic University of America Columbus School of Law.

Organizational Structure

The Authority's day-to-day operations are managed by the Chief Executive Officer (CEO), who is appointed by the Board. The CEO is supported by the Senior Executive Team (SET) that is comprised of the Chief Financial Officer (CFO) and Executive Vice President (EVP), Finance Procurement and Compliance; the Chief Operating Officer (COO) and EVP, Operations and Engineering; the Chief Legal Officer and EVP, Legal Affairs; the Chief Strategy and Performance Officer and EVP, Strategy and Performance; the Chief Communications and Stakeholders Engagement Officer and EVP; the Chief People and Inclusion Officer and EVP, People and Talent; and the Chief of Staff.

The COO oversees Operations and Engineering (including Blue Plains, water and sewer services, Clean Rivers, permit operations, and design and construction) as well as shared services (fleet, facilities, safety, security, and emergency management), watershed management, information technology, and customer care.

The CFO oversees the departments of Finance, Accounting, Budget and Rates and Revenue, and Procurement and Compliance.

Senior Executive Team

The Authority has in place a senior and mid-level management team with a broad range of private and public sector utility experience. The following are short biographies of key members of the Authority's Senior Executive Team.

David Gadis, CEO and General Manager

Mr. Gadis was appointed CEO and General Manager in 2018. Mr. Gadis brings 20 years of industry experience to the role, most recently as Executive Vice President of Veolia North America (VNA), where he led North American business development operations, and was responsible for corporate growth and \$3 billion in revenue. Mr. Gadis has been a frequent presenter at utility and government services conferences, including the U.S. Conference of Mayors, speaking on both Underground Infrastructure and Managing Utilities, as well as the National League of Cities and the National Association of Public Private Partnerships. Mr. Gadis earned a basketball scholarship to Southern Methodist University and was a four-year basketball player and team captain before graduating from SMU with a B.A. in Marketing Communications.

Matthew T. Brown, Chief Financial Officer and Executive Vice President, Finance Procurement and Compliance

Mr. Brown is the Chief Financial Officer and Executive Vice President of Finance and Procurement. In this role he has overall responsibility for the Authority's financial management and procurement activities, including rates and revenue, accounting operations and financial reporting, budget formulation and execution, treasury, investment and debt management, and goods and services and capital procurement. Mr. Brown previously served as the Director of the Mayor's Office of Budget and Finance of the District of Columbia and Director of the District Department of Transportation (DDOT). Mr. Brown began his career in the New York City Management of Budget and has served as Budget Director for the Washington Metropolitan Transit Authority, as an analyst with the Milwaukee Metropolitan Sewerage District, and as a project manager for Public Financial Management. He holds a B.A. in Political Science from Texas Wesleyan University, and an M.P.A. in Budget and Public Finance from the George Washington University.

Jeffery F. Thompson, Chief Operating Officer and EVP

Mr. Thompson has served as DC Water as Chief Operating Officer and Executive Vice President since May 2023. His responsibilities include oversight of DC Clean Rivers, Water Operations, Sewer & Pumping Operations, Engineering (including the Capital Improvement Program), and Blue Plains Advanced Wastewater Plant. Throughout his 33-year career, Mr. Thompson has led several utilities and has directed many large capital programs. He is a licensed Professional Engineer and holds a Bachelor of Science in Civil Engineering from the University of Central Florida and an Executive MBA from The University of Alabama. Mr. Thompson began his career as a Water Resources Engineer for The Walt Disney Company and has served in a variety of utility executive roles in Florida, Rhode Island, Massachusetts, and Alabama. He also serves on the Board of Blue Drop, LLC and the Board of The Water Research Foundation.

Keith J. Lindsey, Chief of Staff

Mr. Lindsey initially joined the Authority in 2017, and currently serves as Chief of Staff. In this capacity, Mr. Lindsey is responsible for advising and delivering on programs and initiatives related to the specific needs of the Office of the CEO. These initiatives include the CEO's programs to improve internal controls, transparency and accountability. Mr. Lindsey partners across all Divisions to execute the CEO's vision. Mr. Lindsey holds a Master of Science in Management with Troy University with a focus on Leadership and Organizational Design. He also holds a Bachelor of Arts in Psychology with a focus on Adult Education from Saint Leo College. Additionally, he has completed Executive Education Programs with Harvard, The Wharton School of the University of Pennsylvania, Duke Corporate University, and the Center for Creative Leadership. Mr. Lindsey retired honorably from the United States Air Force in 1999, after 20 years of service, including eight years stationed in Europe and Asia.

Marc K. Battle, Esq., Chief Legal Officer and Executive Vice President, Government & Legal Affairs

Mr. Battle, Esq. serves the Authority as Chief Legal Officer and Executive Vice President, Government and Legal Affairs. Joining the Authority in November 2019, Mr. Battle came to DC Water from Pepco, where he served in several roles, most recently as Region Vice President. As Executive Vice President, Legal Affairs, Mr. Battle manages, coordinates and performs all actions necessary to provide competent, timely legal advice to the CEO, the Board of Directors and all offices and departments of the Authority. Additionally, Mr. Battle is responsible for directing a team of attorneys and professional staff engaged in a wide range of legal matters, including regulatory compliance, litigation, FOIA, contract, employment and tort law. Mr. Battle is a graduate of the University of the District of Columbia and holds a J.D. from the Howard University School of Law. He serves as board member of the Greater Washington Urban League, Leadership Greater Washington, the DC Chamber of Commerce and the University of the District of Columbia Foundation.

Wayne Griffith, Chief Administration Officer and Executive Vice President

Mr. Griffith serves the Authority as Chief Administration Officer and Executive Vice President. Mr. Griffith is a utility management professional with over 36 years' experience in the water infrastructure market. He promotes and delivers programs to optimize assets, improve revenues, and enhance resources, achieving improved levels of performance and service. He is responsible for the functions for the development and execution of the Authority's strategic plan, Blueprint 2.0. This includes Strategic Management, Enterprise Program Management, Sustainability & Innovation program development and management, and Enterprise Risk Management. He has a unique blend of industry leading private sector operations management, niche utility business development and consulting experience. He has a B.S. in Environmental Engineering from Temple University and M.S. in Environmental Engineering from Michigan State University.

Kirsten B. Williams, Chief Communications and Stakeholders Engagement Officer, and EVP

Ms. Williams has served as Chief Communications and Stakeholders Engagement Officer, and EVP for the Authority since 2021 and has over twenty years of professional communications and stakeholder engagement experience. Most recently, Kirsten served as the Deputy Executive Director of the Public Service Commission of the District of Columbia. She previously served as the Senior Public Affairs Manager at Pepco. In this role, Ms. Williams addressed policy and legislative matters in the District, as well as stakeholder relations with government entities, community leaders, business organizations and non-profit groups. Ms. Williams has also served as an Attorney Advisor at the Federal Energy Regulatory Commission where she provided counsel on matters related to market-based rates and regional stakeholder processes. She earned two Bachelors of Science degrees in Public Relations and Public Communications from Appalachian State University, a Master of Public Administration from Appalachian State University and a Juris Doctorate from Howard University School of Law. Ms. Williams has served as a member of the Appalachian State University Board of Visitors and on Appalachian's Department of Communication Professional Advisory Board.

Joy J. Dorsey, Chief People Officer And Executive Vice President, People and Talent

Ms. Dorsey serves the Authority as Chief People Officer And Executive Vice President, People and Talent. In this role, she leads all activities related to full-cycle human resources core functions, including benefits, compensation, employee and labor/union relations. Ms. Dorsey, who joined the Authority in September 2023, came to DC Water from the DC Office of the Attorney General, where she served as Talent Acquisition and Professional Development Officer since February 2020. In that capacity, she was charged with oversight of recruitment, professional training, consultant

performance, and retention strategies of more than 700 employees across 11 divisions. Earlier in her career, she held senior leadership positions with Pepco, an Exelon Company, the Potomac Capital Investment Corporation, and Pepco Energy Services. Across each of these roles, Ms. Dorsey provided both legal advice and senior-level policy and compliance guidance on corporate and personnel matters. Ms. Dorsey earned her bachelor's degree in economics at Howard University, and Juris Doctorate from Hofstra University School of Law and was a member of the Leadership Greater Washington Class of 2010.

Authority's Relationship to the District

General. In accordance with section 207(e) of the Act, the District retained full legal title to, and a complete equitable interest in, the System; however, the System must remain under the control of the Authority for as long as any Authority revenue bonds remain outstanding. The District also has the power to appoint certain Board members, see “Board of Directors” above.

According to the Home Rule Act, as amended by the “District of Columbia Water and Sewer Authority Independence Preservation Act,” P.L. 110-273, enacted by the Congress on July 15, 2008, (i) the authority of the District's Chief Financial Officer to hire, supervise and remove certain financial management employees, set forth in Section 424A of the Home Rule Act (D.C. Official Code Section 1-204.25), does not apply to personnel of the Authority and (ii) the financial management, personnel and procurement functions and responsibilities of the Authority shall be established exclusively pursuant to the rules and regulations adopted by the Board.

Pursuant to the Home Rule Act and the Act, the Authority is required to submit its annual operating budget to the District for its review and recommendations; however, the District has no power to change the annual budget of the Authority. After receiving the Authority's budget, the District then submits its annual operating budget, of which the Authority's budget is a part, to the U.S. Congress for approval. See “FINANCIAL OPERATIONS – Annual Budget.”

The Act provides that, subject to the provisions made by the Authority for security of revenue bonds, all revenues, proceeds, and moneys (except those collected or received from the stormwater fee) which are collected or received by the Authority will be credited to a segregated fund and will not, at any time, be transferred to, lapse into, or be commingled with the General Fund of the District or any other funds or accounts of the District, except for limited circumstances under which funds will be transferred to the District to pay for goods and services and property contracted for by the Authority from the District, or as otherwise authorized by law. See “SECURITY FOR THE SERIES 2024A BONDS – Lien on and Pledge of Net Assets – *Segregated Funds.*”

The Act also provides that, except as provided in the Act, the District will not limit or alter rights vested in the Authority to fulfill agreements made with holders of Authority bonds, or in any way impair the rights and remedies of the holders of Authority bonds. See “COVENANT BY THE DISTRICT OF COLUMBIA.”

The DC Water Consumer Protection Amendment Act of 2018, DC Law 22-299, effective April 11, 2019 (the “OPC Act”), amended the Act authorizing the Office of the People's Counsel, an independent agency of the District of Columbia government to (1) represent District of Columbia rate payers at DC Water administrative hearings; (2) represent the interests of and advocate for District of Columbia ratepayer's at public hearings; (3) represent and advocate for District of Columbia ratepayers at proceedings before local and federal regulatory agencies and courts; (4) investigate the services given by, and the rates charges by, the Authority; and (5) advise and educate the Authority customers about their legal rights and responsibilities pursuant to the rules governing service by the Authority. The OPC Act also requires the Authority to provide the public at least 45 days notice to consider adjustments to water and wastewater rates before a public hearing is held and to provide a written response to the OPC if it submits any written comments on the establishment or adjustments of water and wastewater rates. The OPC Act will not have a material impact on the Authority or its finances. See “CUSTOMER BASE, RATES AND CHARGES – Customer Assistance Programs”.

The “District of Columbia Water and Sewer Authority Omnibus Amendment Act of 2020” (“Transparency Act”), effective March 16, 2021, codified DC Water rate-making practices, while maintaining DC Water's long-standing autonomy and independent financial authority. The Act: (1) provides the public with remote meeting access for open Board meetings and public hearings; (2) requires reporting requirements for emergency events; (3) permits public comments on water and sewer rate changes from the date of publication of the hearing notice, through 5 days after the hearing (50 days); (4) creates a report, to be transmitted to the DC Water Board of Directors, responding to comments DC Water received during the rate making process; (5) publishes the report on its website, within 15 days after the end of the public comment period; (6) transmits a copy of the Independent Review of the Proposed Rates Report and the Cost of Service study to the Mayor and the Council, and publishes the report and study on DC Water's website at least 45 days before any public hearing on water and sewer rates; (7) establishes requirements regarding private-side replacements of lead service lines; and (8) requires lead service line replacement reporting. The Transparency Act will not have a material impact on the Authority or its finances.

Memoranda of Understanding. The Authority is presently operating under, and is in compliance with, the following Memoranda of Understanding (each, a “Memorandum of Understanding” or “MOU”) with the District.

- A January 29, 1998, Memorandum of Understanding provides that the Authority will pay the District a PILOT for government services it receives from the District (the “1998 PILOT MOU”). This MOU

provides that, beginning in Fiscal Year 1999, the annual PILOT will be based on the amount due from the Authority to the District for the previous Fiscal Year plus a percentage increase in an amount equivalent to the Authority's System-wide rate increase for the current Fiscal Year. The District and the Authority amended the 1998 PILOT MOU pursuant to a September 4, 2014 Memorandum of Understanding, as amended and restated on December 15, 2014 (the "2014 PILOT MOU"). According to the 2014 PILOT MOU, the amount of the PILOT payment increases by two percent per annum based on the amount of the prior year's annual PILOT payment. In addition, the Authority will deduct one-fourth of the annual fire protection service fee for services provided by the Authority to the District from the annual PILOT payment. In Fiscal Year 2021, the Authority made a PILOT payment to the District in the amount of \$22.4 million. The 2014 PILOT MOU will remain in effect until September 30, 2024. If the parties have not executed a new amendment to the 1998 PILOT MOU before September 30, 2024, the terms of the 2014 PILOT MOU will remain in force until a new amendment has been executed.

- A September 12, 2003, Memorandum of Understanding provides that the Authority will make quarterly payments to the District for its public right of way occupancy permit fee (the "2003 ROW MOU"). Under the terms of this MOU, the Authority was obligated to pay the District an annual fee of \$5.1 million through September 30, 2013, the expiration date of the MOU. On October 2, 2014, the District and the Authority entered in a new Memorandum of Understanding (the "2014 ROW MOU") that amended the 2003 ROW MOU to establish the amount of the ROW Fee payment of \$5.1 million to the District for Fiscal Years 2015 to 2024 and revised the expiration date to September 30, 2024. As with the 2014 PILOT MOU, if the parties have not executed a new ROW MOU before September 30, 2024, the terms of the 2014 ROW MOU will remain in force until a new amendment has been executed.
- A July 25, 2008, Memorandum of Understanding between the District Department of Energy and Environment ("DOEE") and the Authority establishes the basis for the billing and collection of a stormwater fee by the Authority on behalf of DOEE, and the transfer of those fees on a pass-through basis to DOEE. This MOU extends for one-year periods at the option of the Parties. See "THE SYSTEM – The Wastewater System – District Stormwater Permit and Management Program" and "CUSTOMER BASE, RATES AND CHARGES – Components of Retail Rates and Charges."
- A May 3, 2013, Memorandum of Understanding between the District of Columbia Fire and Emergency Medical Services Department ("FEMS") and the Authority memorializes the ongoing commitment between the two agencies to share information about public fire hydrant inspections and upgrades. The Authority is required to inspect all public fire hydrants once per year in accordance with National Fire Protection Association ("NFPA") guidelines, and FEMS may, as time permits, also conduct a second inspection of fire hydrants in coordination with the Authority. The Authority is responsible for identifying and installing new hydrants as part of its ongoing capital program, developing manuals and protocols for hydrant inspection and inspection data management, and ensuring that the required preventative maintenance is performed on each hydrant as required by the manufacturer. The Authority is required to flow test all hydrants every six years, and those hydrants that have been upgraded as part of the capital program will be tested upon being placed in service to ensure proper pressure and operation. Furthermore, the Authority has committed to providing water supply personnel on scene to FEMS when requested for two-alarm or greater fires. The Authority annually bills the District to recover the Authority's costs for these fire hydrant protection services activities.
- A September 11, 2014, Memorandum of Understanding provides the terms by which the District and the Authority will cooperate in the execution of the Northeast Boundary Neighborhood Protective Project (the "2014 Bloomingdale MOU"). This MOU established the value of incremental capital expenditures totaling \$58,579,499.00 incurred by the Authority at the request of the District in order to mitigate overland flooding and wastewater backups in the Bloomingdale and LeDroit Park neighborhoods in Northwest Washington, D.C. The District has entered into an agreement with the Authority for the amounts spent pursuant to the 2014 Bloomingdale MOU, to be paid in ten equal annual installments, commencing January 2016, and has made the payments on a timely basis.

Proposed Legislation. The "Water is Life Amendment Act of 2024" was introduced by Councilmember Zachary Parker on February 1, 2024 and referred to the Committee on Transportation and the Environment on February 6. If enacted, the legislation would prevent water service from being disconnected from residential properties for nonpayment. It also enables residential tenants to access their water bill and utility payment programs intended to prevent low-income residents from service interruptions. The legislation has no cosponsors and there have been no hearings on the legislation scheduled. The Authority is not aware of any other proposed legislation by the Council that would materially impact the Authority's operations as of the date of this Official Statement.

Employees and Labor Relations

The total number of authorized positions for the Authority for Fiscal Year 2024 is 1,317. As of March 31, 2024, the Authority had 1,162 full-time equivalent employees, of whom 705 were represented by five unions:

- American Federation of Government Employees ("AFGE") consisting of Locals 631, 872 and 2553;

- American Federation of State, County and Municipal Employees (“AFSCME”), Local 2091; and,
- National Association of Government Employees (“NAGE”), Local R3-06.

The Authority and all five unions operate under a single Master Agreement on Compensation, which is currently under renewal negotiations.

The Authority is also a party to five separate working condition agreements with each union. The AFGE 2553 and AFSCME Local 2091 working condition agreements expired on September 30, 2021, but the terms of each agreement remain in effect and the Authority expects the agreements to be renewed for an additional term subject to further negotiations. The NAGE R3-06 working condition agreement expired on September 30, 2023. The AFGE 631 and 872 working condition agreements are subject to renewal negotiations at any time moving forward (until negotiations commence, the same terms and conditions of each working condition agreement remain in full force and effect).

The percentage of current employees eligible to retire within the next five and ten years (based on age and years of service) is shown in Table 2.

[to be confirmed] Table 2. Percentage of Current Employees Eligible to Retire Within the Next Five and Ten Years

(based on age and years of service)

	3/31/2024	3/31/2029	3/31/2034
Employees	20%	37%	54%
Directors and Executives	28%	49%	75%

Source: Authority records.

People & Talent launched a Succession Development Pilot Program in the 3rd Quarter of the fiscal year 2019. The pilot program includes critical positions from both leadership and operational rolls across the Authority. The program uses a systematic approach of identifying critical positions, developing internal talent, retaining organizational knowledge, and fostering interdepartmental collaboration.

Retirement/Pension Plan

Most DC Water employees participate in Defined Contribution type retirement plans. In the 401(a) Defined Contribution plan, all contributions are made by DC Water, who contributes 7% of employee base pay each pay period. An additional matching contribution is made (dollar for dollar) when employees defer money into the 457(b). The maximum match is 5%. Employees with salaries more than the social security wage base receive an additional 5% contribution each pay period for the salary above the social security wage base. This plan requires three (3) years of service to be fully vested (Cliff Vesting Schedule). In the 457(b) Deferred Compensation plan, employees may defer salary on a pre-tax basis up to the annual limits established by the IRS. Finally, in the Retirement Health Savings Plan, non-union employees who leave DC Water after 5 years of service with an unused sick leave balance of equal or greater than 100 hours have the value of the sick leave cashed out and deposited into a Retirement Health Savings Plan for the benefit of the employee.

The Authority has a small group (40 as of March 31, 2024) of employees participating under Federal Benefits. Most of the employees were hired before October 1, 1987. In the Civil Service Retirement (CSR) plan, each pay period DC Water contributes 7% of base pay and the employee contributes 7% of base pay into the CSR system. When these employees retire, their pension is paid by the Federal Government and administered by the Office of Personnel Management. DC Water bears no post retirement cost. The Federal Retirement Health and Life plan consists of a grandfathered group who may continue to participate in the Federal Health Benefits Plan at the same cost share arrangement as active employees. The employer share is assumed by the federal government and administered by OPM after retirement.

The Authority has no unfunded pension liability or other post-employment benefits liability under any of the plans described above.

Risk Management and Insurance

The Authority has developed a comprehensive risk management and insurance program which is annually reviewed and periodically bid by management and their independent insurance advisors through qualified brokers and direct insurance writers. The most recent risk management, insurance assessment and bid process was completed in July 2023. The Authority’s Rolling Owner Controlled Insurance Program is scheduled to be maintained through October 2026. The Authority’s other insurance policies (including liability insurance and workers’ compensation, property, equipment, crime, fiduciary, public officials’ and employment practices liability) were are renewed annually on July 1. Since the passage of the Terrorism Risk Insurance Act of 2002 (“TRIA”), terrorism coverage is included under all insurance policies.

Risks from Unexpected Events

General

The Authority's infrastructure could sustain damage and loss of use as a result of certain unexpected events, such as terrorist attacks, extreme weather events and other natural occurrences, fires and explosions, spills of hazardous substances, strikes and lockouts, sabotage, wars, blockades and riots. While the Authority has attempted to address the risk of loss through the purchase of insurance, certain of these events may not be covered. Furthermore, even for events that are covered by insurance, the Authority cannot guarantee that coverage will be sufficient or that insurers will pay claims in a timely manner. From time to time, the Authority may change the types of, and limits and deductibles on, the insurance coverage that it carries. The Authority cannot predict what effects any of these events may have on the Authority's ability to generate Revenues, but the effects may be materially adverse.

Risk Factors Related to Public Health Emergencies

There can be no assurance concerning possibility of future public health emergencies, including but not limited to global pandemics, that negatively impact the Authority's customer base and operations, including future variants of the coronavirus. The Authority cannot predict (i) the duration or extent a future pandemic or other public health emergency; (ii) the implementation, duration, or expansion of governmental restrictions; (iii) what effect any pandemic-related restrictions or warnings may have on the economy, the District or the Authority; (iv) whether and to what extent the a future pandemic or other public health emergency may disrupt the local or global economy, manufacturing or supply chain, or whether any such disruption may adversely impact the construction of the CIP or other operations; (v) the extent to which a future pandemic or other public health emergency may result in changes in demand for water, or may have an impact on water customers or suppliers or the water industry, generally; (vi) whether or to what extent the Authority may provide additional deferrals, forbearances, adjustment or other changes to the arrangements with its customers; (vii) whether actions taken by Federal and state and local governments (including the District) to mitigate the impact a future pandemic or other public health emergency will have the intended effects; or (viii) whether any of the foregoing may have a material adverse effect on the finances and operations of the Authority.

Global Climate Change

Numerous scientific studies on global climate change show that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures will become more common and extreme weather events will become more frequent as a result of increasing global temperatures attributable to atmospheric pollution. Over the next 25 to 100 years, such extreme events and conditions are expected to increasingly disrupt and damage critical infrastructure and property as well as regional economies and industries that depend on natural resources and favorable climate conditions. Disruptions could include more frequent and longer-lasting power outages, fuel shortages and service disruptions. Coastal public infrastructure may be threatened by the continued increase in the frequency and extent of high-tide flooding due to sea level rise, and inland infrastructure, including access to roads, the viability of bridges and the safety of pipelines, may be affected by increases in the severity and frequency of heavy precipitation events. Near-coastal areas like the greater Washington, D.C. metropolitan area (which contains areas of land that are at or near sea level) may be at risk of substantial flood damage over time, affecting private development and public infrastructure. As a result, many residents, businesses, and governmental operations within this area could be negatively impacted and possibly displaced, reducing the number of rate payers and users of the system. In addition, local public agencies and governmental entities could be required to mitigate these climate change effects at a potentially material cost.

Ensure a Safe & Reliable Computing Environment

As a retail utility and critical infrastructure asset, the Authority is a potential target of an array of threats from the casual hacker to a state sponsored cyber terrorist. It is the Authority's priority and responsibility to maintain a safe and reliable computing environment. The Authority was the first water utility to adopt the voluntary Cyber Security framework outlined in Executive Order 13636, "Improving Critical Infrastructure Cyber Security," issued in February 2013. This Cyber Security framework is now formally known as the NIST Cybersecurity Framework (the "NIST Framework"). The NIST Framework forms the foundation of the Authority's Cyber Security program. Coupled with a layered defense approach, a default deny strategy, a privilege access control policy and a comprehensive cyber awareness program, the Authority strives to ensure the highest level of protection across its three separate computing environments (one traditional business networks and two operational networks, which do not have direct internet access).

The NIST Framework focuses on six (6) primary pillars of excellence. The Authority helps to:

Govern — The organization's cybersecurity risk management strategy, expectations, and policy are established, communicated, and monitored. The Govern Function provides outcomes to inform what an organization may do to achieve and prioritize the outcomes of the other five Functions in the context of its mission and stakeholder expectations. Governance activities are critical for incorporating cybersecurity into an organization's broader enterprise risk management (ERM) strategy. Govern addresses an understanding of organizational context; the

establishment of cybersecurity strategy and cybersecurity supply chain risk management; roles, responsibilities, and authorities; policy; and the oversight of cybersecurity strategy.

Identify – Develop an organizational understanding to manage cybersecurity risks to systems, people, assets, data and capabilities. The activities in the Identify Function are foundational for effective use of the NIST framework. Understanding the business context, the resources that support critical functions, and the related cybersecurity risks enables an organization to focus and prioritize its efforts, consistent with its risk management strategy and business needs. Examples of outcome categories include Asset Management, Business Environment, Governance, Risk Assessment and Risk Management

Protect – Develop and implement appropriate safeguards to ensure delivery of critical services. The Protect Function supports the ability to limit or contain the impact of a potential cybersecurity event. Examples of outcome categories include Identity Management and Access Control, Awareness and Training, Data Security, Information Protection Processes and Procedures and Patch Management and Protective Technology.

Detect – Develop and implement appropriate activities to identify the occurrence of a cybersecurity event. The Detect Function enables timely discovery of cybersecurity events. Examples of outcome categories include Anomalies and Event detection, Security Continuous Monitoring and Correlation Analysis.

Respond – Develop and implement appropriate activities to take action when cybersecurity incident is suspected or detected. The Respond Function supports the ability to contain the impact of a potential cybersecurity incident. Examples of outcome categories include Response Planning, Communications Analysis, Mitigation, and Incident Management.

Recover – Develop and implement appropriate activities to maintain plans for resilience and to restore any capabilities or services that were impaired due to a cybersecurity incident. The Recover Function supports timely recovery to normal operations to reduce the impact from a cybersecurity incident. Examples of outcome categories include Recovery Planning, Backup and Replication and Recovery Management.

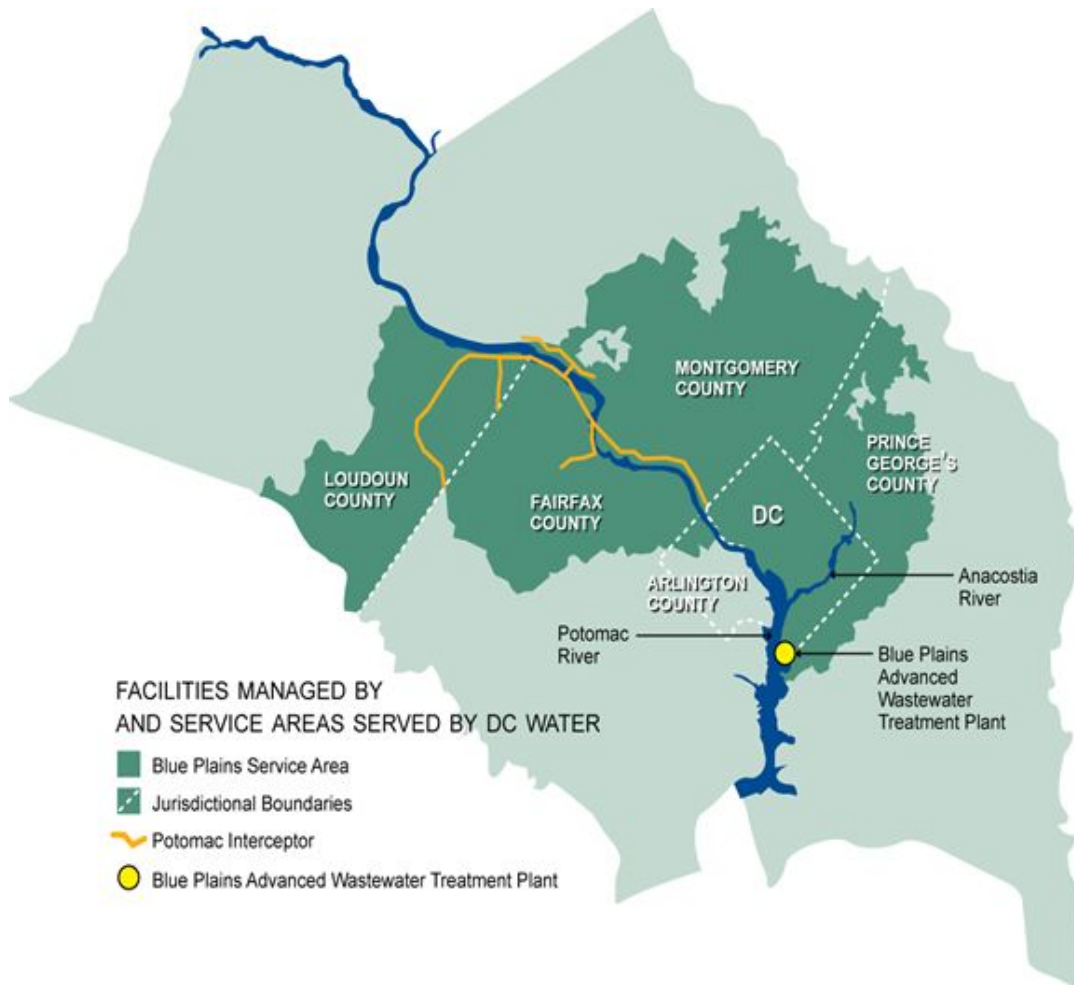
In addition to the NIST Framework, the Authority has implemented information systems with consideration to IT-related risks that could impact the Authority or the Water and Wastewater Systems of the Authority. The information system’s goal is met through the following security objectives: confidentiality – data stored on an information systems is not disclosed to unauthorized individuals; integrity – there has not been an unauthorized alteration of the data while in storage or in transit, and the information system is free from unauthorized changes; availability – the system functions as designed and service is available to authorized users upon demand; accountability – actions of an entity may be traced uniquely to that entity; assurance – confidence that the security measures protect the information system and the information it processes.

Adopting the NIST Framework and implementing information systems alone will not ensure the Authority and the Water and Wastewater Systems are protected from a cyber-threat. A shift to a higher-level focus on Cyber Resiliency is necessary. The Authority continues to evaluate, implement, and exercise technologies that allow the organization to continue to provide critical water and wastewater services during adverse conditions. Authority staff meets regularly with technology providers to ensure deployed technology is configured optimally to mitigate disruptions, minimize impacts while maintaining complete situational awareness of the threat landscape. The Authority’s success is achieved by institutionalizing the elements of the NIST Framework, information system and Cyber Resilience.

The Authority also has an established network of resources, which it leverages to proactively assess new and evolving risks including vendors, internal auditors, peer utilities, WaterISAC and government partners. These resources contribute to continuously improving the Authority’s capabilities. Finally, the Authority has purchased Cyber Liability and Breach Notification insurance coverage for third party liability and privacy notification expenses resulting from data breaches. The total aggregate coverage is \$5 million.

THE SYSTEM

The Authority provides retail water distribution to the District and wastewater treatment, collection and disposal services to the District and certain neighboring counties in Maryland and Virginia. The following section describes the Water and Wastewater Systems of the Authority, including a description of the Aqueduct.



The Wastewater System

Blue Plains Advanced Wastewater Treatment Plant

The Authority operates the Blue Plains Advanced Wastewater Treatment Plant (“Blue Plains”), the largest advanced wastewater treatment facility in the United States. The original wastewater treatment facility at the site of Blue Plains was built in 1938. The original facility provided only primary treatment for up to 130 million gallons per day (“mgd”). Subsequently, there have been several expansions and upgrades. Since 1983, Blue Plains has provided advanced treatment, which includes nutrient removal, filtration and dechlorination. The most recent expansion of Blue Plains was completed in 1997, which increased the plant’s capacity to 384 mgd.

Service Area

The Blue Plains service area includes the District (retail service), parts of Arlington, Fairfax and Loudoun Counties, and the Town of Vienna in Virginia, parts of Prince George’s and Montgomery Counties in Maryland, Washington Dulles International Airport and various U.S. Government agencies located in Virginia and Maryland (wholesale service). [*confirm population estimates*: The population of the Blue Plains service area totals approximately 2.3 million, consisting of approximately 700,000 residents of the District and 1.6 million residents of the surrounding jurisdictions. In addition, the Authority annually serves approximately 24.6 million visitors to the area and approximately 800,000 workers in the District.]

Wholesale Customer Agreements

Intermunicipal Agreements – In 1985, the District signed the Blue Plains Intermunicipal Agreement of 1985 (the “1985 IMA”) with Fairfax County in Virginia, Montgomery and Prince George’s Counties in Maryland and the Washington Suburban Sanitary Commission (the “WSSC”) in order to address wastewater treatment, biosolids management and cost allocation rights, obligations and objectives with respect to Blue Plains. A significant portion of the wastewater collection and all of the wastewater treatment and related biosolids management required by the 1985 IMA was provided by the District at Blue Plains until 1996, when the District created the Authority as an independent authority with regional responsibilities to provide those services through the operation and management of Blue Plains and associated facilities. The District, however, retained and continues to hold title to the real property, appurtenances and fixtures of Blue Plains.

The 1985 IMA was replaced in 2012 by a new Intermunicipal Agreement (the “2012 IMA”), which was negotiated, approved and executed by each of the signatories to the 1985 IMA, in addition to the Authority. The 2012 IMA incorporates provisions and establishes terms relating to: facility location; current and long-range infrastructure planning and development; allocation of wastewater treatment capacity of Blue Plains and associated facilities and related peak flows for the collection system; funding and allocation of the capital costs of wastewater treatment, biosolids management and O&M costs; responsibilities with respect to pretreatment and operational requirements; the process of making future wastewater capacity planning decisions, including load allocations; mechanisms for coordination among the parties; and long-term management of the wastewater treatment and disposal process. Under those terms, the cost of operations and maintenance of Blue Plains are shared among the 2012 IMA signatories on an actual basis, whereas the costs of the capital program of Blue Plains are shared among the 2012 IMA signatories commensurate with their respective capacity allocations, with 45.8% of Blue Plains flow capacity allocated to the District and the remainder to the WSSC (on behalf of Montgomery and Prince George’s Counties) and Fairfax County. The 2012 IMA also establishes the Authority’s right to require the User Jurisdictions to off-load flows to other wastewater treatment plants as necessary to provide the Authority capacity as needed to serve the District’s portion of the service area.

Potomac Interceptor Agreements – Since October 1963, the District has entered into separate, limited allocation agreements with several entities that were tributaries to the Potomac Interceptor sewer as provided by statute. Certain of those agreements remain in effect and include users that did not participate in the IMA as signatories, but are allocated flow capacity under the 2012 IMA in accordance with the original individual agreements they entered into with the District prior to the 1985 IMA. Those entities include the Department of Transportation/Federal Aviation Administration on behalf of Washington Dulles International Airport, the Department of the Navy, the National Park Service, and the Town of Vienna, Virginia, which together account for less than 1% of Blue Plains allocated flow capacity. These Potomac Interceptor agreements provide for the pro-rata recovery, through the District, of the Authority’s costs of constructing, operating and maintaining the Potomac Interceptor sewer and certain major interceptor sewers within the Blue Plains service territory. A separate Potomac Interceptor agreement was executed after the 1985 IMA with the Loudoun County Sanitation Authority and is described below.

Loudoun County Sanitation Authority Agreement – In November 1998, the Authority and the District executed an agreement with the Loudoun County Sanitation Authority (“LCSA”) allocating the right to limited Potomac Interceptor flow capacity to the LCSA, including the treatment and disposal of the associated wastewater at Blue Plains. Consistent with that agreement, the 2012 IMA allocates commensurate Blue Plains flow capacity to the LCSA, although it is also not a signatory to the IMA. The agreement requires LCSA to pay for its share of the Potomac Interceptor and Blue Plains operating and capital costs, following the IMA methodology (i.e., based upon metered flows for operating costs and a pro rata capacity allocation for capital costs).

Wastewater Collection

The wastewater collection system consists of approximately 1,900 miles of sanitary, stormwater and combined sewers, 50,000 manholes, 25,000 catch basins, 22 flow metering stations, nine sewage pumping stations, 16 stormwater pumping stations, seven miles of tunnels (23-feet in diameter and buried over 100 feet deep), 11 drop shafts, 25 diversion chambers and approximately 200 green infrastructure facilities. The Authority has completed detailed assessments and a large number of improvements to many of the pumping stations. See “THE SYSTEM – Wastewater Regulation and Permits” below.

Sanitary Sewer System

A sanitary sewer system serves two-thirds of the District’s land area. The system includes 600 miles of interceptor and sewer collection pipes with eight sanitary pumping stations. The typical operation is a gravity flow system with a few pumping stations to pump across higher grades in the District. Over the last 17 years, the Authority has completed a number of upgrades to its sanitary sewer system, which have made the system compliant with new code standards and regulations, and increased the efficiency and effectiveness of several of the system’s pump stations.

Combined Sewer Overflow Wastewater System

Approximately one-third of the District’s land area is served by a combined sewer overflow (“CSO”) wastewater system that combines both stormwater and wastewater in a single conveyance system. Combined sewer

systems are common among older cities throughout the United States. The District's combined sewer system conveys only sanitary flow to Blue Plains during dry weather. During and immediately following periods of heavy rainfall, however, the combined sanitary and stormwater flows frequently exceed the capacity of the combined sewer system and a combination of stormwater and untreated wastewater is discharged through one or more of the 53 existing CSO outfalls authorized in the Authority's NPDES Permit. See "THE SYSTEM - Wastewater Regulation and Permits – NPDES Permit" below.

Biosolids Disposal

[*please review and confirm – updating language as facilities have now been in operation nine years*] Blue Plains biosolids processing facilities consist of thermal hydrolysis and anaerobic digestion. These facilities produce approximately 500 tons of biosolids per day (25 truckloads). These biosolids are considered Class A (as defined by EPA) and are currently applied directly to farmland at various sites in Virginia, Maryland, and Pennsylvania with disposal in landfills being utilized as an alternate method if weather conditions do not allow land application. Because the biosolids are Class A, the Authority has maximum flexibility in its efforts to recycle biosolids produced at Blue Plains. See "CAPITAL IMPROVEMENT PROGRAM – Categories of CIP Projects – Wastewater Treatment Projects."

Wastewater Regulation and Permits

[*Please review and provide any updates regarding permits and consent decrees since January 1, 2022*]

NPDES Permit. Blue Plains is authorized to discharge treated effluent to the Potomac River through two outfalls (Outfalls 001 and 002) pursuant to an NPDES permit (the "NPDES Permit") that was reissued to the Authority by the U.S. Environmental Protection Agency (the "EPA") effective August 26, 2018. Discharges through Outfall 002, which consist of sanitary flow and some combined sewer flow from the CSO system during and following rainfall events, receive complete treatment. Combined sewer flows that exceed Blue Plains' capacity receive partial treatment and are discharged through Outfall 001. The NPDES Permit also authorizes discharges to the Anacostia River, the Potomac River and Rock Creek from the combined sewer system through a total of 53 CSO outfalls and four emergency relief outfalls.

The NPDES Permit requires that discharges from the CSO outfalls not exceed those limits necessary to comply with applicable water quality standards under the Clean Water Act, 33 U.S.C. § 1251 et seq. (the "Clean Water Act"). The Authority was the first agency to meet the voluntary nutrient reduction goal of the 1987 Chesapeake Bay Agreement. See "*The Chesapeake Bay Agreements*" below. The NPDES Permit also requires the development and implementation of a Nine Minimum Controls program (the "NMC Program"), consisting of proper operation and maintenance of the existing collection and treatment system to minimize untreated discharges from the CSO outfalls, as well as the implementation of a CSO Long-Term Control Plan (the "DC Clean Rivers Project")^{*} designed to control CSO discharges to prevent them from causing or contributing to violations of applicable water quality standards.

The DC Clean Rivers Project is being implemented pursuant to a consent decree among the Authority, the District, and the United States dated March 25, 2005 (the "2005 LTCP Consent Decree"). In 2016, the Authority successfully renegotiated an amendment to the 2005 LTCP Consent Decree that modifies the DC Clean Rivers Project to include green/gray infrastructure in the Potomac Watershed and green infrastructure in the Rock Creek Watershed. According to the amended 2005 LTCP Consent Decree (the "1st Amended Decree") pursuant to the DC Clean Rivers Project, the Authority will construct 17 miles of tunnels with a combined storage capacity of 187 million gallons, five new tunnels, a low lift pumping station, several diversion structures and sewers to collect CSO overflows, and green infrastructure to control selected CSOs. On December 22, 2020, the parties filed a second amended consent decree (the "2nd Amended Decree"), which amended provisions regarding the Rock Creek Sewershed Projects. The 2nd Amended Decree requires the Authority to achieve the 9.5 million gallons of storage in the CSO 049 sewershed by (i) constructing a 4.2 million gallon storage facility, (ii) constructing at least 92 acres (3 million gallons) of green infrastructure, targeted sewer separation, and downspout disconnections, and (iii) credits 2.3 million gallons of other green infrastructure controlled acres constructed in the CSO 049 sewershed. The 2005 LTCP Consent Decree, as amended by the 2nd Amended Decree, does not have an expiration date.

The DC Clean Rivers Project continues on schedule. The FY 2022 – FY 2031 CIP includes approximately \$1.22 billion for the costs of the DC Clean Rivers Project and combined sewer projects. See "CAPITAL IMPROVEMENT PROGRAM – Categories of CIP Projects – Combined Sewer Overflow Projects." Effective May 1, 2009, the Authority implemented a rate structure that more equitably allocates the costs of the DC Clean Rivers Project to retail customers based on the impervious surface area on customers' properties. See "CUSTOMER BASE, RATES AND CHARGES – Components of Retail Rates and Charges – *Clean Rivers Impervious Area Charge*."

Industrial Pretreatment Program. As with most large wastewater systems, the Authority, under the provisions of the Clean Water Act, operates an industrial pretreatment program to control the discharge into the wastewater system of industrial wastewater containing certain toxins or prohibited pollutants. The Authority regulates 48 "significant industrial users" or "SIUs" as defined by EPA regulations within the Blue Plains service area. Nine SIUs are managed by

^{*} Note that in Official Statements of the Authority prior to 2022 the DC Clean Rivers Project was referred to as the "CSO LTCP".

the Authority, of which 6 of these users are physically located within the District of Columbia. The remaining 39 SIUs are managed by the User Jurisdictions.

Wastewater Consent Decree and Stipulated Agreement and Orders. Upon its creation, the Authority assumed responsibility for compliance with various legal actions taken against the District related to the operation of, and discharges from, Blue Plains, specifically including a judicial Consent Decree issued in 1995 (the “1995 Consent Decree”) and a subsequent Stipulated Agreement and Order (the “1996 Stipulated Agreement and Order”). The Authority is presently in compliance with all of the requirements under each of the 1995 Consent Decree and the 1996 Stipulated Agreement and Order. The EPA Region III has acknowledged satisfaction of these requirements, although the 1995 Consent Decree remains in effect.

The Chesapeake Bay Agreements. In 1987, the Mayor of the District and the Governors of the Commonwealths of Virginia and Pennsylvania and the State of Maryland entered into the 1987 Chesapeake Bay Agreement, committing each jurisdiction to, and subsequently achieving, a 40% reduction of nutrients, such as nitrogen and phosphorus, reaching the main stem of the Chesapeake Bay by the year 2000. Unlike many municipal wastewater treatment facilities that discharge into the Chesapeake Bay, the Authority has historically removed phosphorus and nitrogen. As a supplemental environmental project in settlement of liability for stipulated penalties under the 1995 Consent Decree, the Authority installed a pilot program to test a nitrogen reduction process on one-half of its wastewater, which demonstrated a greater than 40% nitrogen reduction in completely treated effluent. As a result, in 2000, the Authority began operation of full plant scale biological nutrient removal.

In 2000, the parties entered into Chesapeake 2000, a comprehensive agreement to guide further efforts to improve the water quality in the Chesapeake Bay through 2010. In April 2007, the EPA issued a modification to the Authority’s NPDES Permit, reflecting a new total nitrogen effluent limit for Blue Plains, which was developed to match the goals of Chesapeake 2000. In addition to meeting the new effluent limit for total nitrogen, the Authority had existing NPDES Permit requirements for treating wet weather flows at Blue Plains as part of its long-term control plan for the combined sewer system. In October 2007, the Authority submitted to the EPA the Blue Plains Total Nitrogen Removal/Wet Weather Plan (“TN/Wet Weather Plan”), setting forth the Authority’s proposal and schedule to attain the new nitrogen limit and to satisfy its wet weather treatment obligations. The principal TN/Wet Weather systems include the Blue Plains Enhanced Nitrogen Removal Facilities program (“ENRF”), which was designed to achieve advanced effluent treatment with nitrification and denitrification facilities, and the extension of the tunnels system from Poplar Point to Blue Plains, including tunnel dewatering and enhanced clarification facilities at the tunnels system terminus. In September 2008, the Authority submitted to the EPA a summary report that provided a plan for implementing the wet weather aspects of the TN/Wet Weather Plan. The EPA approved the TN/Wet Weather Plan in July 2010 and incorporated these changes into the amended 2005 LTCP Consent Decree.

The Authority’s NPDES Permit, effective September 30, 2010, required the Authority to comply with a new total nitrogen discharge limit at Outfall 002 of 4,377,580 pounds per year by January 1, 2015. The ENRF was completed and began treating the full Blue Plains plant flow in October 2014, satisfying the Authority’s obligation to begin compliance by January 1, 2015. See “CAPITAL IMPROVEMENT PROGRAM – Categories of CIP Projects – Wastewater Treatment Projects.”

On June 16, 2014, the parties to Chesapeake 2000 and the Governors of the State of Delaware, New York and West Virginia entered into the Chesapeake Watershed Agreement (“2014 Chesapeake Agreement”) committing to have in place practices and controls to achieve 60% reduction of nutrients and sediments by 2017. On March 9, 2018, the Authority began operation of all TN/Wet Weather systems, which satisfies the requirements of the 2014 Chesapeake Agreement.

The Authority’s current NPDES Permit, effective August 26, 2018, requires the Authority to operate the ENRF to meet the total nitrogen effluent limit at Outfall 002 of not more than 4,370,078 pounds per year which is assigned to Outfall 002. The Authority is in compliance with these requirements.

Air Quality Regulations. The Authority has applied for and received from the DOEE numerous air quality construction and operating permits under Chapter 2 of Title 20 of the District of Columbia Municipal Regulations for several emission sources. The terms of the Chapter 2 air quality permits as well as other applicable requirements relating to air pollution will eventually be incorporated into an air quality operating permit under Chapter 3 of Title 20 of the District of Columbia Municipal Regulations (“Chapter 3 Operating Permit”). The Authority submitted an application to the DOEE for the Chapter 3 Operating Permit in March 2008 and the application was updated in June 2020 to include all new sources.

Future Matters. In addition to continued compliance with its current permits, agreements and regulations described above, in the future, the Authority’s wastewater discharges may become subject to additional federal or local requirements. As the EPA or the District promulgate additional regulations, the Authority may be required to modify operations and/or construct facilities beyond those contemplated in the CIP. As an example, on November 23, 2015, the Authority filed a declaratory action in the U.S. District Court for the District of Columbia against the EPA, seeking to correct alleged technical errors in a regulatory action related to the Total Maximum Daily Load (“TMDL”) for E. coli. The TMDL, as approved, did not account for the normal day-to-day variability at Blue Plains and, if enforced against the Authority, could have required significant capital improvements at Blue Plains. On January 13, 2017, EPA issued a revised

decision rationale, which resolved the issues that the Authority challenged. On March 13, 2017, the parties filed a motion to dismiss the Authority’s complaint and that case was closed. However, the EPA’s revised decisional rationale was challenged in a separate proceeding filed by the Anacostia Riverkeeper, Inc., Kingman Park Civic Association and Potomac Riverkeeper Network (the “Plaintiffs”). On August 12, 2019, the U.S. District Court for the District of Columbia held that the TMDL for E. coli that DOEE developed and EPA approved (based on its revised decision rationale) did not comply with the Clean Water Act. On August 7, 2020, EPA and DOEE informed Plaintiff’s that they had not developed revised the TMDL, and it would take 7-10 years to complete because they plan to first revise the District’s water quality standards pursuant to a “use attainability analysis” to remove the current designated use of primary contact recreation in District waters under certain conditions. The Plaintiff’s requested the Court to extend the stay of vacatur to provide more time to work with EPA and DOEE to confer about the new plan. [update?][The stay of vacatur is extended until May 9, 2022 as of the date of this Official Statement.] The litigation is ongoing and the Authority will continue to monitor the development of new TMDL and will advocate, as necessary, on behalf of itself and its rate payers.

The Water System

The Washington Aqueduct

Established in 1852, the Washington Aqueduct Division of the U.S. Army Corps of Engineers (the “USACE”) provides water to the District and parts of Virginia. The USACE owns and operates the Washington Aqueduct (the “Aqueduct”), including its two water treatment plants, raw water conduits, reservoirs, pumping stations and treated water transmission lines.

The Aqueduct facilities supply treated water to distribution systems of the Authority, Arlington County, Fairfax County Water Authority (“FCWA”) (collectively, the “Aqueduct Customers”), the federal government, and other parts of northern Virginia. In January 2014, FCWA assumed ownership and operation of the water distribution system previously owned and operated by the City of Falls Church. The Authority is responsible for managing the treated Water System that serves the District and several other governmental customers outside the District. The Authority purchases approximately 73% of the finished water produced by the Aqueduct, and Arlington County and the FCWA purchase the remainder. The Authority’s share of the water purchased from the Aqueduct in the last ten Fiscal Years is set forth in Table 3. For a discussion regarding the reduction in consumption and customer demand, see “CUSTOMER BASE, RATES AND CHARGES – Customer Demand.”

Table 3. Historical Water Demand

Fiscal Year ended September 30	Annual Deliveries to System (MG)	Average Day (MGD)	Max Day (MGD)
2014	34,708	95.1	123.7
2015	38,146	104.5	148.4
2016	36,363	99.4	127.7
2017	35,827	98.2	122.7
2018	34,343	94.1	132.5
2019	35,189	96.4	133.3
2020	33,639	91.9	123.4
2021	34,719	95.1	124.2
2022	34,763	95.2	115.0
2023	34,448	94.4	122.1

Source: Authority records.

The Aqueduct draws water from the Potomac River, which is the predominant source of water in the District and the User Jurisdictions. As a result of the Potomac River’s importance for maintaining adequate water supply, the Interstate Commission on the Potomac River Basin (“ICPRB”) and the Metropolitan Washington Council of Governments (“COG”), have maintained a drought plan since 1978, through which the Potomac River’s water supply is supplemented by a 23.5 billion gallon reserve that is stored at three separate off-river reservoirs. Due to the maintenance of this strategic reserve, the ICPRB has been able to effectively manage drought conditions and effectively allocate water resources during drought events.

The federal Safe Drinking Water Act Amendments of 1996 authorized the Secretary of the Army with the consent of the Authority, the City of Falls Church and Arlington County to either establish a non-federal public or private utility to receive title to operate, maintain and manage the Aqueduct or to allow the USACE to remain as owner and operator with the Authority, the City of Falls Church and Arlington County having some input into strategic operations, direction, operations and capital improvement of the Aqueduct. In May 1998, the Authority, the City of Falls Church, Arlington County and the USACE executed a Memorandum of Understanding that the USACE would continue to own

and operate the Aqueduct facilities. In December 2013, the Authority, FCWA, Arlington County and the USACE executed a revised Memorandum of Understanding to include the FCWA as the successor in interest to the City of Falls Church.

The Aqueduct has developed a capital improvement program, including improvements to the Dalecarlia and McMillan Water Treatment Plants (each a “WTP”), raw water conduits, pumping stations and reservoirs. *[confirm/update]*: Over the next ten years, the Authority estimates that its share of the cost of the Aqueduct capital improvements will be [\$254 million], which is accounted for in the CIP.] See “CAPITAL IMPROVEMENT PROGRAM – Categories of CIP Projects – Washington Aqueduct Projects.”

Water Sales Agreement

Pursuant to a Water Sales Agreement, dated as of July 31, 1997, by and between the Authority and the USACE (the “Water Sales Agreement”), the USACE sells and furnishes to the Authority all of the finished water that the Authority requires for the operation of the Water System to the extent that the USACE has water and facilities available at the Aqueduct. In accordance with the Water Sales Agreement, the Authority is obligated to make monthly payments into an escrow account to be used by the USACE to cover the Authority’s pro rata share, based on its consumption of water, of the costs of the operation and capital improvement of the Aqueduct. The Authority currently contributes approximately 73% of capital and operating expenditures of the Aqueduct. *[update]* [The Water Sales Agreement will remain in effect until September 30, 2023, unless earlier terminated in accordance with its terms. Thereafter, the Water Sales Agreement may continue until terminated by either party giving the other party not less than six months’ prior written notice.]

Water Supply

The Aqueduct obtains its water supply from two Potomac River intakes at Great Falls and Little Falls. Two other regional water suppliers, FCWA and WSSC, also obtain water from the same area of the Potomac River for processing at their drinking water treatment facilities. Water for the Authority is withdrawn at the Great Falls intake and flows by gravity through two nine-mile conduits and is then pumped to the Dalecarlia Reservoir. Water may also be withdrawn from the Little Falls intake and pumped to the Dalecarlia Reservoir. The Dalecarlia Reservoir acts as a presedimentation basin for water drawn into the Dalecarlia WTP and for water diverted to the Georgetown Reservoir for subsequent treatment at the McMillan WTP.

In 1978, the United States, the District, the State of Maryland, the Commonwealth of Virginia and the FCWA entered into a Low Flow Allocation Agreement to provide a basis for allocation of resources during severe drought conditions and outline procedures to be followed in such circumstances. Water supply reservoirs developed on Little Seneca Creek and the north branch of the Potomac River are designed to augment the natural flow of the Potomac River during low flow conditions and ensure that the Washington metropolitan area will have sufficient water for years to come.

Raw Water Supply Agreements

A series of agreements ensures the continuous adequate supply of water to the Aqueduct’s and the Authority’s customers. The following are the Authority’s raw water supply agreements:

The Savage Reservoir Maintenance and Operation Cost Sharing Agreement was executed in June 1982. Pursuant to the laws of the State of Maryland, the Upper Potomac River District contracted with the District, WSSC, FCWA and Allegheny County, Maryland, to share the operation, maintenance, repair and replacement costs of the Savage Reservoir project located in western Maryland. This agreement provides for releases from Savage Reservoir that mix with, and thereby reduce, the acidic nature of the Jennings Randolph Lake waters. The Savage Reservoir cost-sharing agreement was incorporated by reference into the Water Supply Coordination Agreement described below.

The Little Seneca Lake Cost Sharing Agreement was executed in July 1982 by and among the District, WSSC and FCWA to construct a dam and reservoir to provide an adequate supply of potable water continuing into the current century. This agreement calls for WSSC to finance, construct, operate and maintain Little Seneca Lake. The Authority’s share of the project and operating and maintenance costs under the agreement is 40%. The Little Seneca Lake Cost Sharing Agreement was incorporated by reference into the Water Supply Coordination Agreement described below.

The Water Supply Coordination Agreement was executed in July 1982 by and among WSSC, FCWA and the Aqueduct to provide for the coordinated operation of its water supply sources and cooperative regional management of the water supply system and the cost-sharing arrangement for any water supply projects for the Washington metropolitan area, if and when they are needed.

The Novation and Future Water Supply Storage Agreement was executed in July 1982, by and among the United States, the Maryland Potomac Water Authority, WSSC, FCWA and the District, to provide for initial water supply storage in the Jennings Randolph Lake reservoir of approximately two billion gallons. The Novation and Future Water Supply Storage Agreement increased the amount of water supply storage to 13.4 billion gallons, or 32% of the reservoir’s total storage. Of the remaining reservoir storage 40% is designated for water quality and 28% for flood control.

Water Treatment and Storage

The Authority receives finished water from the Dalecarlia and McMillan WTPs. The original Dalecarlia WTP was completed in 1928, and underwent major expansion and improvements in 1964. The McMillan WTP was

constructed in 1985 on the site of the original 1905 plant. The design capacity of the Dalecarlia and McMillan WTPs was based on population growth and water use projections that are greater than have been realized to date. The total treatment capacity of the plants of 384 mgd currently exceeds the day-to-day demands and peak requirements of their respective service areas.

Finished water from the Dalecarlia WTP and McMillan WTPs is pumped by the Dalecarlia Pumping Station and Bryant Street Pumping Station, respectively, to the water distribution system. The water distribution system is also served by two pump stations (16th and Alaska Pump Station and Anacostia Pump Station), four underground reservoirs (Brentwood, Soldier's Home, Fort Reno No. 1, and Fort Stanton No.1), three elevated tanks (St. Elizabeth's Elevated Tank, Good Hope Elevated Tank and Boulevard Elevated Tank) operated by the Authority. Also, three reservoirs owned and operated by the Aqueduct (Foxhall, Van Ness and Fort Reno Reservoir No. 2) serve the water distribution system. The combined facilities can store up to 102 million gallons ("mg") of finished water. Flexibility in the distribution system is provided in that DaleCarlia and Bryant Street Pump Station each can pump to the reservoirs in the distribution system as circumstances warrant.

Sold vs. Pumped Ratio

The Authority regularly monitors the ratio of water billed to customers (sold water) versus water it purchases from the Aqueduct (pumped water). Unlike many other water utilities, the Authority does not adjust this ratio for water used in normal system activities, such as firefighting and system maintenance, including flushing of water mains and hydrant testing.

The sold versus pumped ratio increased from [update with most recent data available][71.22% in 2019 to 72.43% in 2020]. Water sales figures are derived from the operating budget of the Authority and may not be consistent with the audited financial statements for each year. The cost of unbilled water is not substantial relative to total annual expenses of the Authority.

Water System Regulation and Permits

Drinking Water Quality

The water operations of the Aqueduct and the Authority are subject to the requirements of the federal Safe Drinking Water Act of 1974, 42 U.S.C. § 300f et. seq., as amended in 1986 and 1996 by Congress. The 1986 amendments to the Safe Drinking Water Act extended the regulatory agenda of the EPA to include, among other things, the development of drinking water standards for 90 contaminants.

The Aqueduct and the Authority are in substantial compliance with all physical, chemical, radiological and bacteriological standards established by the regulations currently in effect under the Safe Drinking Water Act and are studying the potential impacts of proposed rules as well as those still under development by the EPA. As the EPA promulgates additional regulations, there is a potential that the Aqueduct or the Authority will be required to modify operations and/or construct facilities beyond those contemplated by the CIP. The Aqueduct and the Authority management believe, however, that planned capital projects should address all current regulatory requirements.

NPDES Permit and Water Treatment System Sediments

Until April 2003, during high flow periods, the Aqueduct discharged river sediments that are removed during the treatment process in the Potomac River. The NPDES Permit issued in March 2003 included discharge limitations on sediments. The Aqueduct entered into a Federal Facilities Compliance Agreement ("FFCA") with EPA Region III, which provides a legally mandated plan and an enforceable compliance schedule for achieving the effluent discharge limitations in the NPDES Permit. The Aqueduct evaluated various options for residuals collection, conveyance, processing and disposal and selected a process which dewateres the residuals on site and transports them off-site for disposal. Construction on this project commenced in Fiscal Year 2008, was completed and placed into service on November 22, 2012 at a cost to the Authority of \$98.6 million. See "CAPITAL IMPROVEMENT PROGRAM – Categories of CIP Projects – Washington Aqueduct Projects."

Aqueduct Discharge

The Aqueduct approached the Authority in 2016 regarding the possibility of sending filter backwash to Blue Plains to meet the USEPA's Filter Backwash Rule. The Authority agreed to accept the discharge at a nominal rate that would recover the costs of conveyance, treatment and disposal. The filter backwash has relatively weak waste characteristics; the Authority anticipates no significant impact on treatment and disposal expenses. All discharges will be interruptible during wet weather events; moderated through use of an equalization basin.

[update necessary?] The Authority authorized Raftelis to study the cost of handling the discharge: based on the results of that study, a new retail rate class and Backwash Rate was proposed beginning in Fiscal Year 2022. The Rate reflects a cost of service-based approach that is consistent in methodology with Board Rate-Setting Policy and with all existing retail rates.

Lead Levels

Pursuant to the Safe Drinking Water Act, the Lead and Copper Rule promulgated in 1991 by the EPA (the "Lead and Copper Rule") establishes maximum contaminant level goals and action levels for lead and copper. Large water suppliers, such as the Authority, are required to perform periodic monitoring and optimize corrosion control of water so as to minimize leaching of lead and copper contaminants into drinking water. If more than 10% of the tap water samples contain lead above the "action level" of 15 micrograms per liter, the water supplier is required to perform public education and to optimize the corrosion control treatment. If, after optimal corrosion control treatment has been implemented, the lead level in water at the tap continues to exceed the action level, the supplier must annually replace 7% of existing lead service lines that it owns. Alternatively, the water supplier may demonstrate through testing that individual lead service lines that it owns do not have lead levels above the action level (called "sampling in lieu of replacement"). The supplier may perform a combination of these two actions to attain the 7% annual replacement level. In the District, property owners own the lead service lines.

In August 2002, the Authority reported to EPA Region III that results for the sampling period from July 2001 to June 2002 demonstrated lead levels in excess of the threshold for action established by the Lead and Copper Rule. Elevated lead levels were believed to be linked to changes in the Aqueduct's water treatment methods. In November 2000, the Aqueduct had switched from free chlorine to chloramines disinfection to reduce the concentration of disinfection byproducts under the federal Disinfectant Byproducts Rule. Elevated lead levels began appearing within a year of the chlorine/chloramines switchover.

In February 2004, EPA Region III commenced an audit of the Authority's compliance with the Lead and Copper Rule and found noncompliance with regard to sampling, monitoring, public notification and reporting requirements. In an Administrative Order dated June 17, 2004, as supplemented on January 14, 2005, and amended on June 8, 2005 (collectively, the "Administrative Order"), EPA Region III and the Authority agreed to remedies for the issues identified by the compliance audit. The Authority and the Aqueduct undertook appropriate measures to implement corrosion control treatment. Lead levels have consistently been below the action level since 2005 and the Authority is no longer subject to the Administrative Order from EPA Region III.

Pursuant to a Consent Agreement and Final Order ("CAFO") executed on May 2, 2007, the Authority agreed to pay a civil penalty in the amount of \$10,000 to EPA Region III for certain alleged reporting violations of the Lead and Copper Rule. The CAFO resolved all of the civil claims in connection with these allegations. EPA Region III and the DOJ also conducted an investigation to determine whether any criminal violations occurred in connection with the Annual Report on Lead Service Replacement Program the Authority filed with EPA Region III in October 2003 and the two different methods the Authority used to test lead levels. In October 2008, EPA Region III and the DOJ informed the Authority that it would take no adverse action against the Authority, thereby resolving all criminal claims against the Authority in connection with this matter.

In addition to the measures undertaken by the Authority pursuant to the Administrative Order, in 2004 the Authority commenced a voluntary lead service replacement program, even though not legally required to do so under the Lead and Copper Rule. In order to reduce adverse impacts and costs to ratepayers, lead service replacement construction work was performed in conjunction with sewer laterals, small valves and water main repair work, and the replacement of broken or defective hydrants. However, this resulted in a large number of partial lead service replacements because many property owners declined to replace the lead service line on their private property. In 2008, in response to research indicating that partial lead service replacements are not effective in reducing lead levels, the Authority discontinued its accelerated replacement program. In September 2009, the Board approved modifications of the Authority's lead service replacement policy to encourage full service line replacements and to manage costs. Under the modified policy, public lead service lines (between the main and the property line) will continue to be replaced with copper pipes in conjunction with: (i) the Authority's water main replacement projects when the Authority must replace the water service pipe to connect to a new water main, and (ii) when the customer replaces the private portion of lead service lines and requests that the Authority replace the public portion of the lead service line.

In December 2010, the CDC published a study of the District's water supply conducted from 1998 to 2006, which concluded that children living in the District were exposed to high levels of lead despite an attempt to prevent the water from being contaminated by partial lead service replacements. The 2010 CDC Study confirms information the Authority received in previous years which led the Authority in 2008 to discontinue the partial lead service line replacements. Partial line replacements can cause agitation that temporarily releases lead into the home, which can cause a temporary spike in lead levels. As described above, the Authority modified its lead service line replacement program in 2009 and continues its efforts to address lead in drinking water by: (i) monitoring household lead levels to ensure drinking water is in compliance with the EPA drinking water standards, (ii) conducting research on household plumbing characteristics, (iii) offering free lead testing, (iv) recommending full lead service replacements on public and private property, (v) providing free water filters and lead testing following a full or partial lead service line replacement, (vi) recommending that pregnant women and children under the age six should use filtered tap water for drinking and cooking until all sources of lead impacting water are removed, and (vii) participating in coordinated District interagency meetings and responses to lead in water issues.

[update?] [The Authority estimates the cost of the lead service line replacement program in the CIP at \$629.0 million over the next 10 years to remove all remaining lead service lines. From the inception of the Authority’s earliest lead line replacement program through September 30, 2030, the Authority will expend \$812.5 million on lead replacement efforts captured under the Lead Free DC program. To achieve the removal of all lead service lines, additional funds captured separately from the \$629.0 million under the Lead Free DC program will be spent on projects to replace small diameter mains in conjunction with lead replacement as part of the program.]See “CAPITAL IMPROVEMENT PROGRAM – Categories of CIP Projects – Water Projects.”

The Lead Water Service Line Replacement and Disclosure Amendment Act of 2018, D.C. Law 22-241, effective March 13, 2019 and as amended by D.C. Law 23-229 effective March 16, 2021 (the “Line Replacement Act”), established new programs that will fund the replacement of the lead service lines on private property. The Authority is strictly limited, however, from replacing only a portion of a lead water service line that is on public property and must conduct full replacements. The Line Replacement Act accomplishes five things:

- (1) Full Lead Water Service Line Replacement. The Line Replacement Act authorizes the Authority to use District appropriated funds to pay for the costs to replace the lead water service line on private property when the Authority is replacing the lead water service line in conjunction with water main replacements or after an emergency replacement of the water main or lead water service line;
- (2) Lead Water Service Line Replacement Payment Assistance Program. In cases where the water service line on public property is not lead, the District has budgeted appropriated funds to assist all District homeowners to provide 50% to 100% of the costs, depending on their household income, to pay for the lead water service line replacement on private property. This provision was funded by the District’s budget and included in the Authority’s Fiscal Year 2022 budget. Under this program, the Authority is responsible for certifying that the work is done, and paying the contractor from funds provided by the District;
- (3) Voluntary Lead Service Pipe Replacement Program. In cases when there are lead service lines on private property and in public space, but the District’s funds are insufficient to cover the costs, or where the Authority does not have any planned activities to replace water mains and the lead water service lines connected to them within two years, or the street is not under a DDOT moratorium, the property owner may participate in the Authority’s Voluntary Lead Service Pipe Replacement program. Under this program, the property owner agrees to pay the costs for the replacement of the lead pipe on private property and the Authority will replace the pipe in the public space at the same time; and
- (4) Education. Creates a new series of outreach, education and disclosure requirements for home sellers and real estate agents to increase awareness of lead service issues.
- (5) Notification. Establishes requirements for the Authority to notify the property owner of the intent to replace the public-side of a lead service line in advance of planned or emergency work to offer the property owner the opportunity to replace the private-side of the lead service line for free using District funds (see: (1) Full Lead Water Service Line Replacement).

[update?][The Authority’s proposed ten-year capital improvement program (CIP) includes \$629.0 million to replace all lead service lines by 2030. The CIP assumes that private side costs of approximately \$135.1 million will be paid for with outside sources, including funds from the District of Columbia and from the recently passed bi-partisan infrastructure package. The Authority’s planned replacement of all lead service lines by 2030 exceeds the rate of replacement required by the EPA under new regulations finalized in December 2021.]

PFAS (Forever Chemicals)

[Preliminary draft disclosure below – subject to DC Water’s review in all respects]

Harmful per-and polyfluoroalkyl substances (PFAS), also known as Forever Chemicals, are a category of synthetic chemicals used in consumer products to create non-stick and water-resistant surfaces. They are also found in firefighting foams and industrial processes. Certain PFAS can cause serious health problems if humans are exposed to them over a long period of time or at certain critical life stages including pregnancy and early childhood.

On April 10, 2024, the EPA issued a final rule setting maximum contaminant levels for six different categories of PFAS in drinking water. Public water systems, including the Authority, have five years to address PFAS problems, if any – three years to sample their systems and establish the existing levels of PFAS, and an additional two years to install water treatment technologies if their levels are too high.

In October 2022, the Authority, using EPA approved methodology, found the Aqueduct contained an average of 1.9 ppt of Perfluorooctanesulfonic acid (PFOS), 2.4 ppt Perfluorooctanoic acid (PFOA), 2.7 ppt of Perfluorobutanesulfonic acid (PFBS) and nondetectable levels of Hexafluoropropylene Oxide (HFPO) Dimer Acid, all of which are below enforceable maximum contaminant levels in the new rule. The Authority did not test for other types of

PFAS which are now controlled by the new rule including Perfluorononanoic acid (PFNA) and Perfluorohexane sulfonate (PFHxS).

As the new rule requires three years of sampling, the test results listed above are not predicative of future PFAS test results. The Authority is in the process of examining the scope and potential costs of its obligations under the new rule, which may necessitate significant new capital improvement as well as operating expenditures. As owner of the Aqueduct, USACE would be responsible for implementing any required mitigation measures subject to the Authority's approval.

Protection of the Water System and Wastewater System

In 2000, the Authority developed and implemented an extensive security program in conjunction with the District's Metropolitan Police Department and various federal agencies, including the Federal Bureau of Investigation and the Bureau of Alcohol, Tobacco and Firearms (the "2000 Security Program"). After the events of September 11, 2001, and in response to certain provisions of the Bioterrorism Act of 2002 and amendments to the Safe Drinking Water Act pertaining to security for community water systems, the Authority implemented additional security measures beyond the 2000 Security Program.

The Aqueduct and each of the Aqueduct Customers have independent obligations under law to protect the community water systems they operate. Both the Authority and the Aqueduct completed studies of Water System vulnerability using the Sandia National Laboratories RAM-W methodology. The vulnerability reports were submitted to EPA Region III in March 2003 to fulfill the Bioterrorism Act requirement for a vulnerability assessment.

Blue Plains and the primary water and wastewater distribution facilities it operates are fenced, gated and manned 24 hours a day by security officers. Major security technology video surveillance, intrusion alarm monitoring, and access control management system upgrades are utilized, with significant security technology upgrades in progress at several facilities and properties. The secondary distribution facilities are monitored by vehicular security patrols as well as some security technologies. The Authority also employs cameras and other monitoring equipment at these facilities.

Access to facilities operated by the Aqueduct is also controlled, and the Aqueduct has increased security at both staffed and remotely operated facilities. In conformance with the requirements of the Safe Drinking Water Act, the Aqueduct contracted with the Interstate Commission on the Potomac River Basin to develop a source water assessment and monitoring program. The program was implemented in 2002. In 2003, the Aqueduct together with the Fairfax County Water Authority and the WSSC founded the Potomac River Drinking Water Source Protection Partnership to further the goals of watershed protection. In 2014, the Aqueduct and the Authority collaborated with the Metropolitan Washington Council of Governments to pilot a web-based regional source water assessment tool ("WaterSuite") building on the static 2002 assessment prepared by the Interstate Commission on the Potomac River Basin. The WaterSuite tool emphasizes chemicals stored throughout the watershed and draws upon federal, state, and local databases for insights into potential chemical contaminants. The physical security of the Aqueduct facilities that (i) collect water from the Potomac River, (ii) process the water to Safe Drinking Water Act standards, and (iii) deliver the water into the Authority's distribution system are all maintained via a wide variety of means including gated facilities, armed guards, video surveillance, and employee protocols. All Aqueduct employees have current federal background investigations that are required for their employment. The electronic business records of the Aqueduct are handled on systems accredited by the Department of Defense to give a high assurance of control over unauthorized intrusion. The industrial control systems that function to control treatment plant processes and data transfer operate in a contained environment (i.e., no connection to the Internet). These systems are also accredited by Department of Defense and Department of the Army agencies and are constantly monitored for possible compromise. The Aqueduct is currently revisiting its Capital Programming efforts and embarking on an Asset Management informed Capital Investment strategy that will classify both risk and consequence and prioritize its Capital Program and spending projections accordingly. [above confirmed?]

For information regarding the cyber security measures taken to protect the Authority and the Water and Waste Water Systems, see "THE AUTHORITY – Risks from Unexpected Events – Ensure a Safe and Reliable Computing Environment."

[Balance of page intentionally left blank]

CAPITAL IMPROVEMENT PROGRAM

General

The Authority utilizes an annually adopted ten-year Capital Improvement Program to plan and manage the capital investments necessary to fulfill its service missions, comply with regulatory requirements and preserve and upgrade its Water and Wastewater Systems. The Authority updates the CIP annually in conjunction with its budget process, based on detailed project review by engineering staff, external engineering consultants retained by the Authority and senior management.

The Authority evaluates and prioritizes capital projects based on specific criteria. These criteria are fundamental in developing a CIP based on demonstrated needs and are set forth in Table 4 and described below.

Table 4. Capital Improvement Program Criteria
(\$ in thousands)¹

Fiscal Year	Mandates ²	Health and Safety ³	Board Policy ⁴	Potential Failure ⁵	High Profile Good Neighbor ⁶	Good Engineering/High Payback ⁷	Good Engineering/Lower Payback ⁸	Total
FY 2024	\$120,058	\$12,459	\$111,587	\$47,443	\$1,532	\$152,003	\$69,644	\$514,727
FY 2025	\$213,048	\$29,558	\$152,417	\$43,254	\$681	\$158,313	\$134,867	\$732,139
FY 2026	\$222,641	\$58,599	\$170,665	\$29,537	\$674	\$191,862	\$167,837	\$841,815
FY 2027	\$227,487	\$12,338	\$180,177	\$32,980	\$1,792	\$191,723	\$182,735	\$829,232
FY 2028	\$189,057	\$6,679	\$187,840	\$48,222	\$6,195	\$230,815	\$220,083	\$888,890
FY 2029	\$147,147	\$860	\$198,183	\$68,145	\$3,123	\$353,180	\$246,827	\$1,017,465
FY 2030	\$77,719	\$2,081	\$216,909	\$65,608	\$0	\$287,281	\$259,388	\$908,987
FY 2031	\$0	\$1,197	\$145,298	\$43,075	\$0	\$255,140	\$264,798	\$709,507
FY 2032	\$0	\$969	\$123,631	\$34,039	\$1,490	\$294,518	\$220,821	\$675,467
FY 2033	\$1,490	\$0	\$125,191	\$28,147	\$0	\$276,140	\$194,038	\$625,006
Total	\$1,198,649	\$124,740	\$1,611,897	\$440,449	\$15,486	\$2,390,976	\$1,961,038	\$7,743,235
% of Total	15.5%	1.6%	20.8%	5.7%	0.2%	30.9%	25.3%	

¹ Column and row totals may not add due to rounding.

² Agreements, regulatory standards, court orders, issues and permits requirements, stipulated agreements, etc.

³ Projects required to address public safety.

⁴ Projects undertaken as a result of the Board's commitment to outside agencies.

⁵ Projects related to facilities in danger of failing or critical to meeting permit requirements.

⁶ Projects that address public concerns.

⁷ Projects that are necessary to fulfill mission and upgrade facilities.

⁸ Lower priority projects.

Source: Authority records.

Since its creation in 1996 through September 30, 2023, the Authority has expended approximately \$8.4 billion, on a cash disbursement basis, for capital improvement projects, including \$2.8 billion for projects at Blue Plains, \$1.3 billion for Water System infrastructure projects, \$2.7 billion for the DC Clean Rivers Project and combined sewer projects, \$562 million for sanitary sewer projects, \$55 million for stormwater projects, \$134 million for non-process facilities, \$115 million for meter replacement/Automated Meter Reading ("AMR") projects, \$350 million for capital equipment, and \$417 million for projects at the Aqueduct.

The Authority estimates the cost of the Fiscal Year 2024 - 2033 CIP at \$7.74 billion on a cash disbursement basis, including approximately \$1.33 billion for wastewater treatment projects at Blue Plains, \$1.23 billion for the DC Clean Rivers Project and combined sewer projects (Combined Sewer LTCP), \$2.35 billion for Water System infrastructure projects, \$1.86 billion for sanitary sewer projects, \$68.6 million for stormwater projects, \$197.5 million for non-process facilities, \$300.4 million for capital equipment, \$357.5 million for Washington Aqueduct Division projects and \$47.0 million for meter replacement/AMR projects. The CIP was presented to the Board on January 4, 2024 and the Board approved the CIP on March 7, 2024.

An overview of the CIP project categories and the sources of funding is set forth in Table 5.

**Table 5. Fiscal Year 2024-2033 Capital Improvement Program
Sources and Uses of Capital Funds
Fiscal Years ended/ending September 30
(\$ in thousands)^{1,2}**

	Actual(s) ³	Projected										Total (FY24- FY33)
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
BEGINNING BALANCE (A.)	\$494,562	\$366,735	\$184,103	\$118,297	\$112,313	\$121,549	\$101,070	\$103,939	\$103,175	\$101,788	\$97,946	\$366,735
SOURCES OF FUNDS:												
Proceeds from Revenue Bonds	0	0	325,000	460,620	404,627	409,246	525,195	423,386	238,406	259,463	218,050	3,263,993
Proceeds from WIFIA Loan	32,066	26,000	26,000	26,000	25,768	0	0	0	0	0	0	103,768
Curing Pad and Solar	0	0	0	1,000	5,387	1,925	2,648	1,853	1,763	1,677	1,595	17,848
System Availability Fee (SAF)	5,087	7,700	7,700	7,700	7,700	7,700	7,700	7,700	7,700	7,700	7,700	77,000
Transfer from Operations (CRIAC)	52,514	63,348	60,977	69,711	77,750	81,490	89,759	94,393	64,044	64,086	64,092	729,651
Transfer from Operations (Pay-Go)	131,737	145,526	127,369	127,997	154,010	165,298	182,047	193,514	232,509	253,586	270,350	1,852,207
Federal Grants - Infrastructure Funding	0	24,598	29,755	31,665	41,342	43,141	42,384	41,684	20,173	4,500	4,500	283,740
EPA Grants/FEMA Grants/DC Reimbursement	26,503	13,005	20,144	12,949	12,949	10,019	7,000	7,000	7,000	7,000	7,000	104,067
CSO Grants	8,000	0	0	0	0	0	0	0	0	0	0	0
Wholesale Customer Capital Contributions	41,865	77,404	88,796	118,945	136,154	176,522	189,662	165,517	164,737	101,668	83,772	1,303,177
Interest Income	9,550	7,946	10,592	9,244	2,782	3,069	3,939	3,175	1,788	1,946	1,635	46,117
Total Sources of Funds (B.)	\$307,322	\$365,527	\$696,333	\$865,831	\$868,468	\$898,410	\$1,050,334	\$938,224	\$738,120	\$701,626	\$658,695	\$7,781,568
USES OF FUNDS:												
Water Projects	118,381	158,736	222,494	252,395	250,278	266,256	268,591	279,184	207,235	219,880	227,979	2,353,028
Blue Plains Projects	50,359	65,150	103,291	133,487	146,143	164,601	194,637	185,233	174,807	91,587	74,666	1,333,603
Sanitary Sewer Projects	57,696	80,599	92,235	123,854	118,639	169,037	287,816	249,471	227,771	269,312	236,846	1,855,580
Combined Sewer Projects	1,392	4,880	9,375	10,933	4,032	4,693	7,653	14,644	4,041	0	0	60,249
Combined Sewer LTCP	92,366	118,913	204,033	220,390	212,583	189,057	147,147	77,719	0	0	0	1,169,843
Stormwater Projects	3,523	7,293	13,565	7,958	3,804	4,532	3,268	6,697	9,432	6,772	5,231	68,551
Non-Process Facilities	10,272	13,074	19,900	25,190	27,461	17,775	35,413	23,100	13,283	14,977	7,345	197,518
Washington Aqueduct Projects	74,728	35,546	35,770	35,770	35,770	35,770	35,770	35,770	35,770	35,770	35,770	357,472
Capital Equipment	24,680	26,937	24,532	25,010	25,290	33,102	33,102	33,102	33,102	33,102	33,102	300,382
Meter Replacement / AMR / CIS / ERP	1,750	3,598	6,944	6,829	5,233	4,067	4,067	4,067	4,067	4,067	4,067	47,008
Total Uses of Funds	\$435,149	\$514,727	\$732,139	\$841,815	\$829,232	\$888,890	\$1,017,465	\$908,987	\$709,507	\$675,467	\$625,006	\$7,743,235
Sources Minus Uses	(127,827)	(149,200)	(35,806)	24,016	39,236	9,520	32,869	29,237	28,612	26,159	33,689	38,332
Capital Contingency Reserve for LTCP	32,350	33,432	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Use of Capital Contingency Reserve for LTCP	0	(33,432)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(303,432)
Sources Minus Uses Net of Reserves	(160,178)	(216,063)	(95,806)	(35,984)	(20,764)	(50,480)	(27,131)	(30,763)	(31,388)	(33,841)	(26,311)	(295,099)
Ending Balance	\$366,735	\$184,103	\$118,297	\$112,313	\$121,549	\$101,070	\$103,939	\$103,175	\$101,788	\$97,946	\$101,635	\$101,635

¹ DC Water sets aside capital cash on hand from the above sources to serve as a contingency for the Clean Rivers Project. The Ending Balance shown above in each year is inclusive of these funds.

² Totals may not add due to rounding.

³ Preliminary results, unaudited.

Source: Authority records.

Categories of CIP Projects

Water System Projects. Projects in the water service area are designed to maintain an adequate and reliable potable water supply to customers and to provide required fire protection for the District. This work also includes the elimination of all lead service lines by 2030. Categories of projects include the rehabilitation and replacement of water mains, water service connections, storage facilities, and pumping stations. The Authority has completed several critical improvements to the Water System, including cross connection removal, and major pumping station and storage facility rehabilitation.

The CIP includes approximately \$2.35 billion in projected disbursements for Water System projects, including new system storage facilities, large diameter water main rehabilitation, 1% renewal of small diameter water mains (including ancillary items, such as fire hydrants, valves and service connections) DDOT-related water main projects, and significantly enhanced funding for the lead service line replacement program for the water distribution system. See “THE SYSTEM – The Water System – Water System Regulation and Permits – Lead Levels.”

Blue Plains – Wastewater Treatment Projects. Capital projects in the wastewater treatment service area are required to rehabilitate, upgrade or provide new facilities at Blue Plains to ensure that it can reliably meet its NPDES Permit requirements and produce a consistent, high-quality dewatered solids product for land application. The Authority has undertaken several major capital improvement projects to rehabilitate, replace or add new processes and capacity at Blue Plains in recent years, including: (i) a new facility was placed in service in 2015 to comply with NPDES requirements to reduce nitrogen in the plant effluent; (ii) facilities to digest solids after thermal hydrolysis treatment were placed in operation in 2015, reducing the volume by 50% (reducing hauling and recycling costs) and resulting in production of Class A biosolids, which can be applied to land without any pathogen-related restrictions at the site and also can be bagged and marketed to the public for application to lawns and gardens, thereby increasing beneficial reuse options; (iii) a combined heat and power facility to utilize digester gas produced by the process to generate electricity (up to one-third of plant needs) along with steam for the thermal hydrolysis and digestion process, and a belt filter press facility to dewater the Class A product were placed in service in 2016; (iv) a facility upgrade to improve secondary treatment performance for more efficient overall nitrogen removal capability was completed in 2018; (v) construction of a new facility to treat high nitrogen load dewatering recycles was completed in 2018; (vi) the design phase for an upgrade of a raw wastewater pump station, the filtration and disinfection facility and the gravity thickener complex that was completed in 2018; (vii) an upgrade of one of the influent pumping facilities, which was completed in 2019; and (viii) a tunnel dewatering pump station and enhanced clarification facilities to pump out and treat flows captured through the Authority’s ongoing combined sewer overflow projects were completed and placed in operation in 2018.

The projected ten-year disbursements for wastewater treatment projects are approximately \$1.33 billion, which includes approximately \$1.15 billion in disbursements for liquid, plant-wide and solids processing projects such as major improvements to filtration and pumping facilities, and \$61 million for the enhanced nitrogen removal facilities projects.

Sanitary Sewer Projects. The CIP includes approximately \$1.86 billion in projected disbursements for sanitary sewer projects including the rehabilitation of six sanitary sewer pumping stations – Potomac, Main & O, Swirl Facility, East Side, and 3rd & Constitution Avenue, as well as sewer condition assessments that cover 60 miles of the system per year through year 2026. Rehabilitation of the District’s major assets including the Potomac Interceptor, B Street/New Jersey Avenue Trunk Sewer, Northeast Boundary Trunk Sewer, Anacostia Force Main and portions of the other 35 major sewers are also included. Creekbed sewers and sewers under buildings will largely be rehabilitated as part of these projects. The program to rehabilitate other small and large diameter sewers including replacement and lining of laterals, and replacement of manholes, is an ongoing project of the Authority.

In 2016, the Authority completed a Sewer System Asset Management Plan. This Plan includes a risk tool that calculates the consequence of failure and likelihood of failure for each sewer in the system. This information can then be used to prioritize sewers for inspection/condition assessment and/or rehabilitation. The Plan also includes a high level risk assessment for all pumping stations in the system which can also be used to help prioritize proposed CIP projects for these facilities. The Sewer System Facilities Plan represents the culmination of an initiative involving sewer inspection and condition assessment, development of a sewer GIS database, hydraulic monitoring and modeling to assess system capacity and the development of prioritized activities for system improvement.

Combined Sewer Overflow Projects. The CIP includes \$1.23 billion for the DC Clean Rivers Project and combined sewer projects. The DC Clean Rivers Project is designed to control combined sewer overflow discharges to prevent them from causing or contributing to violations of applicable water quality standards. See “THE SYSTEM – Wastewater Regulation and Permits – NPDES Permit.” Through the DC Clean Rivers Project, the Authority is constructing combined sewage storage/conveyance tunnels that are designed to intercept and store water until Blue Plains can receive and treat the combined sewage. The DC Clean Rivers Project includes a variety of capital improvement projects throughout the System including three large tunnel systems which will accommodate the storage of combined sewer overflows (“CSOs”) from storm events until they can be conveyed to Blue Plains for treatment. Approximately one-third of the System is served by a combined sewer system, in which both sanitary sewage and stormwater flow through the same pipes. When the collection system reaches capacity, typically during periods of heavy rainfall, the system is designed to overflow the excess diluted sewage or CSOs.

The DC Clean Rivers Project also includes the Authority's green infrastructure initiative. See "THE SYSTEM – Wastewater Regulation and Permits." The green infrastructure initiative is cost-neutral (as compared to the Authority's tunnel options) and will reduce the size of the tunnels required to serve the Rock Creek and Potomac River by implementing new environmental technologies on a significant scale. Green infrastructure technologies capture, infiltrate, treat and reuse polluted stormwater runoff before it enters the sewer system. Examples of green infrastructure technologies include rain gardens, porous pavements, bioswales, green roofs, infiltration planters, trees and tree boxes, and rainwater harvesting for non-potable uses such as landscape irrigation.

When completed, the DC Clean Rivers Project will reduce the combined sewer overflows by at least 96% (exceeding the EPA standard of 85%), reducing pollution to the Potomac, Anacostia and Rock Creek waterways, improving water quality, and reducing locally generated debris from the combined sewer system and local waterways. The Authority expects to implement the DC Clean Rivers Project, which commenced in March 2005, over a 25-year period, at a total estimated cost (including funds spent prior to Fiscal Year 2021) of \$2.99 billion.

Stormwater Projects. The projected disbursements for the stormwater service area in the CIP are approximately \$68.6 million and include extensions to the system and relief of certain sewers as well as rehabilitation or replacement of deteriorated storm sewers. Also, included in the budget is the rehabilitation of the stormwater pumping stations operated and maintained by the District.

Non-Process Facilities Projects. This area accommodates projects approved under the non-process facilities master plan and related improvements necessary to support Authority critical operations. The CIP includes approximately \$197.5 million in projected disbursements for facility land use projects. In fiscal year 2019, the Authority completed its Administrative Headquarters Building at the Main & O Street Campus and relocated over 300 employees into the new LEED Platinum facility.

Washington Aqueduct Projects. The Aqueduct provides wholesale water treatment services to the Authority and other Aqueduct Customers. See "THE SYSTEM – The Water System – The Washington Aqueduct." Under federal legislation enacted and a memorandum of understanding executed in 1997, the Aqueduct Customers have a role in the oversight of the Aqueduct's operations and its capital improvement program. The Aqueduct successfully designed, constructed and implemented a new orthophosphate corrosion control system at its water treatment plants in 2005 that meets the optimal corrosion control requirements of the Lead and Copper Rule. The CIP includes approximately \$357.5 million for Aqueduct projects. See "THE SYSTEM – The Water System – Water System Regulation and Permits – NPDES Permit and Water Treatment System Sediments."

Capital Equipment Projects. The CIP includes approximately \$300.4 million for major information technology projects, vehicle fleet upgrades, and large equipment projects at Blue Plains and the major water and sewer pumping stations.

Meter Replacement Projects. The CIP includes approximately \$47.0 million for ongoing meter replacements and continued automated meter reading system improvements and upgrades to the AMR equipment. These improvements are part of the Authority's preventative maintenance program for the advanced meter infrastructure, which collects data from approximately 120,000 meter readings per day and is an essential asset to the Authority's billing process.

CIP Financing Sources

The Authority expects to finance the CIP from multiple sources including (i) revenue bonds, (ii) income from certain fees and charges, pay-as-you-go funds and interest income (all of which constitute Revenues under the Indenture), as well as (iii) federal and other grants and wholesale customer contributions (which are excluded from the definition of Revenues under the Indenture). The CIP financing sources are summarized below.

Revenue Bonds/Commercial Paper Notes. The Authority expects to finance approximately \$3.26 billion, or 41.9%, of the sources of funds with new long-term debt. The Authority has used, and expects to use in the future, its Commercial Paper Notes and EMCP Notes to fund capital needs on an interim basis, followed by issuance of long-term revenue bonds (or other forms of indebtedness, as appropriate) to retire outstanding Commercial Paper Notes and EMCP Notes and provide permanent financing for CIP costs. As approved by the Board, the total amount of Commercial Paper Notes outstanding at any time cannot exceed \$150 million.

As of the date of this official statement, there were no CP Notes outstanding. As approved by the Board, the total amount of Series A EMCP Notes outstanding at any one time cannot exceed \$100 million. As of the date of this Official Statement, \$50 million of the Series A EMCP Notes were outstanding.

WIFIA Loan. DC Water has secured a long-term, low interest loan (the "WIFIA Loan") for up to \$156.4 million for infrastructure repair, rehabilitation and replacement pursuant to the Water Infrastructure Finance and Innovation Act of 2014 ("WIFIA"), a federal credit program administered by United States Environmental Protection Agency ("USEPA"). The interest rate on the WIFIA Loan is 1.87%; principal payments are assumed to begin in Fiscal Year 2028 and the final repayment is in Fiscal Year 2060. The Authority currently expects to finance \$103.8 million of the CIP, or 1.3%, from the proceeds of the WIFIA Loan.

Solar Energy and Curing Pad. Solar power is being generated at the Authority's facilities through the installation of photovoltaic solar panels for purposes of green energy and solar renewable energy credits (SRECs). The Authority expects to receive revenue from the sale of SRECs and generate energy savings. The Blue Plains Phase I solar project began generating power in June of 2021. Based on current generation, the estimated savings are \$450,000/year.

The Curing Pad is a building that the Authority can use to produce and store a high value Bloom product, cured Bloom, that has a high demand and commands a higher price compared with uncured Bloom. This facility is expected to generate revenue from the increased volume of sale of this higher value product. The Authority currently expects to finance \$17.8 million, or 0.2%, of the sources of funds with revenues or net savings generated by Solar Energy and the Curing Pad.

System Availability Fee. On February 1, 2018, the Board approved a new System Availability Fee ("SAF") to be effective June 1, 2018. The SAF is intended to be a one-time fee, assessed to a property owner of any premises, building or structure, to recover the cost of system capacity servicing all metered water service and sanitary sewer connections renovation or redevelopment projects that require an upsized meter size connection to the water and sewer system in the District. For a renovation or redevelopment project on a property that already has the Authority meters and accounts, credits will be applied for the older meters being removed from the system. Such fees are common in the industry and among utilities in the region. The SAF is based on meter size. The Authority currently expects to finance \$77 million, or 1.0%, of the sources of funds with revenues generated by the SAF.

Clean Rivers Impervious Area Charge. The Authority currently expects to finance about \$730 million, or 9.4%, of the sources of funds with revenues received from the Clean Rivers Impervious Area Charge ("CRIAC"), which was first implemented in Fiscal Year 2009 to recover the costs of the DC Clean Rivers Project. For more information regarding the CRIAC, see "CUSTOMER BASE, RATES AND CHARGES – Components of Retail Rates and Charges – Clean Rivers Impervious Area Charge."

Pay-As-You-Go Funds. The Authority expects to finance approximately \$1.85 billion, or 23.8%, of the sources of funds with pay-as-you-go funds. Revenues in excess of those required to meet operating and maintenance expenses, to make debt service payments and to fund reserves can be used, at the discretion of the Authority, to fund a portion of the CIP. The projected financial operations of the Authority assume that such amounts are used as a source of funds for the CIP. In addition, the Authority established a separate line item in its operating budget beginning in Fiscal Year 2015 to provide funds for additional cash-financed capital construction, the defeasance of debt, or other uses at the discretion of the Authority. The projected financial operations of the Authority assume that the amounts in this line item are also used a source of funds for the CIP. The Board has also adopted a policy that authorizes any funds in excess of the operations and maintenance reserve and any other significant one-time cash infusions to be used to finance the CIP or to pay off higher cost debt. The projected financial operations of the Authority assume at this time that no funds are available from these potential sources.

Interest Income on Bond Proceeds. The Authority estimates that \$46.1 million in interest income, or 0.6%, will be available to finance the CIP. Subject to Federal tax law requirements relating to use of the proceeds of tax-exempt bonds, the Authority uses interest earned on the proceeds of its bonds as a source of funds for the CIP. This interest income is treated as non-operating revenue of the Authority that is available to pay debt service, if needed. The use of this income for capital funding purposes represents another source of pay-as-you-go capital.

Federal and Other Grants. The Authority expects to finance approximately \$387.8 million, or 5.0%, of the sources of funds with federal and other grants. The Authority receives annual grants from the federal government under the Clean Water Act and Safe Drinking Water Act for a variety of projects at Blue Plains and for the Water System to improve drinking water supplies and wastewater treatment. Unlike most public water or wastewater utilities, the Authority receives appropriations in the form of grants and not as loans pursuant to a State Revolving Fund program. Under the terms of these grants, payments to the Authority are made on a reimbursable basis, with unclaimed appropriations remaining available to be obligated in subsequent years. In addition, the Authority has received a special Congressional appropriation for improvements to the combined sewer system. Under the Wet Weather Water Quality Act of 2000 that codified the EPA's 1994 National CSO Policy, the U.S. Congress authorized grant funding for the DC Clean Rivers Project. These appropriations require a 50% match from the Authority.

In fiscal years 2019 through 2023, the Authority received an average \$8.0 million in grant funding for the DC Clean Rivers Project per year. The Authority also expects to be reimbursed by the District for certain capital investments. Federal and other grants do not constitute Revenues under the Indenture.

Wholesale Customer Contributions. The Authority expects to finance approximately \$1.30 billion, or 16.7%, of the sources of funds with wholesale customer contributions. Under the terms of the 2012 IMA, the Authority's wholesale customers share the cost of operating, maintaining and making capital improvements at Blue Plains. A separate agreement with the Loudoun County Sanitation Authority ("LCSA") allows the Authority to recoup capital and operating costs from the LCSA on the same basis as provided for in the 2012 IMA. Contribution levels are governed by the agreements that provide for the pro-rata reimbursement for capital improvements based on the capacity allocated to each wholesale customer. As of the date of this Official Statement, all wholesale customers were current on their capital contributions payments. Wholesale customer contributions do not constitute Revenues under the Indenture.

Cost Estimates

Although actual bid prices for recent construction projects, on average, have been slightly below the engineering cost estimates for such projects, the costs shown in the CIP reflect the Authority’s practice of increasing construction cost estimates by 3% annually to the midpoint of construction. There are no assurances that the actual rate of inflation in construction costs will not increase significantly above the assumed rate of inflation or that such increases will not have an adverse impact on the financial operations of the Authority.

An additional consideration regarding the construction cost estimates is the value of change orders relative to the total cost of construction work performed. The cost of construction-related change orders executed by the Authority for contracts (excluding unplanned work performed for emergency repair contracts) closed during the five-year period from Fiscal Year 2019 through Fiscal Year 2023 was \$16,854,523 or 6.2% of the total original value of the contracts of \$273,446,159 for this period. The relatively low value of change orders compared to the total construction costs incurred is an indication that project designs are thorough and that projects are being effectively managed during construction.

CUSTOMER BASE, RATES AND CHARGES

Customer Categories and Accounts

As of September 30, 2023, the System had 127,033 active, metered water and wastewater accounts. Except for wholesale accounts, the majority of accounts receive both water and wastewater service. The Authority’s customer accounts are divided into three categories: (i) residential, multifamily and commercial, (ii) governmental and (iii) wholesale. The number of accounts in each of the categories as of September 30, 2023 is set forth in Table 6.

Table 6. Customer Categories and Accounts

<u>Customer Category</u>	<u>Number of Accounts</u>	<u>% of Total Operating Revenue</u>
Residential, Multifamily, Commercial	124,970	63%
Governmental (Federal, District and D.C. Housing Authority) ¹	2,056	16
Wholesale	7	17
Total	127,033	96%²

¹ The D.C. Housing Authority is the only District agency that is billed separately. The remaining District agencies are billed as part of a composite bill for the government.

² The remaining 4% of the Authority’s operating revenue comes from capital contributions, interest income, and other revenue.

Source: Authority records and the Authority’s Annual Report.

Customer Base

The Authority’s customer and revenue base is diverse, consisting of a wide variety of residential, commercial and governmental customers, as well as wholesale wastewater customers. In Fiscal Year 2023, the residential, commercial and multifamily customer revenue represented approximately [56%] of total operating revenue.

The commercial portion of the customer base includes a variety of uses, including nationally recognized universities and regional hospitals, commercial office space with tenants that are national associations, lobbying firms, major law firms and large hotels. Table 7 reflects the Authority’s ten largest commercial customer accounts in the last five fiscal years. In Fiscal Year 2023, the ten largest commercial customer accounts represented 2.94% of total operating revenues.

Table 7. Ten Largest Commercial Customers¹

	2023	2022	2021 ²	2020	2019
Howard University	\$ 4,765,717	\$ 3,663,172	\$ 3,065,479	\$ 3,710,923	\$ 3,898,131
George Washington University	3,809,717	3,456,763	2,285,071	3,268,007	2,998,442
Washington Hospital Center	3,379,146	3,188,277	2,728,267	2,455,804	2,078,916
Georgetown University	2,901,301	3,030,532	2,434,834	1,958,462	1,875,409
William C Smith & Co	2,874,585	3,149,593	2,767,263	2,496,772	2,441,968
Horning Brothers	2,271,422	2,235,641	2,276,290	2,076,006	1,697,812
Catholic University	1,751,633	1,570,521	-	-	1,174,396
Amtrak	1,686,500	-	-	-	1,924,967
Metropolitan Washington Airports Authority	1,567,382	-	-	-	-
Gallaudet University	1,449,858	1,491,808	1,278,783	-	-
American University ²	-	-	2,904,844	987,647	1,005,881
Children's Hospital	-	1,621,805	1,451,942	1,279,259	-
Medstar-Georgetown Medical Center	-	1,329,146	1,166,894	1,031,263	-
Cafritz	-	-	-	1,092,288	-
Georgetown University Hospital	-	-	-	-	1,010,696
Total	\$26,457,261	\$24,737,257	\$22,359,669	\$20,356,430	\$20,106,617
% of Total Operating Revenues	2.94%	2.97%	2.90%	2.76%	2.76%

¹ Years where no figure is shown indicate years where the customer was not among the ten largest commercial customers for the given year.

² Fiscal Year 2021 figure is result of overbilling, the correction is reflected in Fiscal Year 2022.

Source: DC Water Department of Customer Service

Table 8 reflects the Authority's ten largest government customers in last five fiscal years. In Fiscal Year 2023, the ten largest government customers represented 7.19% of total operating revenues.

Table 8. Ten Largest Government Customers¹

	2023	2022	2021	2020	2019
D.C. Housing Authority	\$15,094,266	\$12,574,996	\$11,345,071	\$9,921,080	\$9,203,222
U.S. General Services Administration	10,013,337	9,741,460	10,816,058	9,536,411	7,870,446
Federal Naval Research Lab	6,419,833	5,995,495	4,707,425	3,553,343	2,779,271
Bolling Air Force Base ²	7,286,112	5,703,529	12,567,892	4,798,312	4,279,384
Smithsonian Institution	5,527,940	4,802,274	4,146,701	6,138,774	4,967,305
U.S. Congress/Fed Legislative	5,570,008	4,659,746	3,391,970	6,157,111	5,447,393
D.C. Board of Education	3,756,702	4,116,350	3,876,997	2,908,559	1,866,303
Department Defense VA	3,848,500	3,567,662	4,018,325	4,003,435	2,834,531
Department of the Navy	2,497,750	3,388,084	-	1,894,810	1,951,907
National Park Service	4,621,394	3,287,476	2,839,593	2,707,685	2,342,203
D.C. Recreation and Parks	-	-	2,159,393	-	-
Total	\$64,635,841	\$57,837,072	\$59,869,426	\$51,619,519	\$43,541,966
% of Total Operating Revenues	7.19%	6.95%	7.19%	7.01%	6.17%

¹ Years where no figure is shown indicate years where the customer was not among the ten largest government customers for the given year.

² Increase in Fiscal Year 2021 from Fiscal Year 2020 is in part due to an account merger.

Source: DC Water Department of Customer Service

Customer Demand

Table 9 shows the average percentage of annual water consumption by customer category from Fiscal Year 2019 through Fiscal Year 2023. The results illustrate the diversification of the Authority’s customer base.

Table 9. Average Annual Consumption By Customer Category¹
Fiscal Years 2019 – 2023
(millions of Ccf)

Customer	Average Annual Consumption	% of Total Consumption
Residential Single-Family	6.57	20.2%
Commercial ²	10.51	32.3%
Residential Multi-Family	9.05	27.8%
D. C. Municipal Government ³	1.13	3.5%
Federal Government	4.41	13.6%
D. C. Housing Authority	0.83	2.5%
Total Consumption	32.50	100.0%

¹ Totals may not add due to rounding.

² Includes consumption at commercial facilities and selected facilities at Soldiers’ Home.

³ Reflects consumption at District of Columbia Government facilities and the Authority facilities.

Source: Authority Records.

Table 10 shows projected annual consumption for the Authority’s customer categories for Fiscal Years 2024 through 2028. The Authority’s use of the AMR program, including the replacement and repair of meters, significantly reduces estimated meter readings and improves the reporting of actual consumption.

Table 10. Projected Annual Consumption by Major Customer Category^{1,2}
Fiscal Years ending September 30
(millions of Ccf)

	2024	2025	2026	2027	2028
Residential Single-Family	6.09	6.03	5.97	5.91	5.85
Commercial ³	10.56	10.45	10.35	10.25	10.14
Residential Multi-Family	9.18	9.09	9.00	8.91	8.82
D. C. Municipal Government ⁴	1.20	1.18	1.17	1.16	1.15
Federal Government	4.31	4.26	4.22	4.18	4.14
D.C. Housing Authority	0.88	0.87	0.86	0.85	0.85
Total Consumption	32.21	31.89	31.57	31.25	30.94

¹ Totals may not add due to rounding.

² Total water consumption in Fiscal Years 2025 - 2028 reflects the assumption of a 1% annual decline.

³ Includes consumption at commercial facilities and selected facilities at Soldiers’ Home.

⁴ Reflects consumption at District of Columbia Government facilities and the Authority facilities.

Source: Amawalk

Some fluctuation in consumption can occur in a given year due to variations in weather conditions and other factors such as billing adjustments. In Fiscal Year 2019, total consumption decreased by 1.8% versus the prior year. Consumption in Fiscal Years 2020 and 2021 was impacted by the pandemic, with significant decreases in non-residential customer usage compared to previous years. Total consumption in Fiscal Years 2020 and 2021 was 32.43 million Ccf and 31.80 million Ccf, respectively, representing declines from prior years of 3.0% and 2.0%. In Fiscal Years 2022 and 2023, total consumption was 32.20 million Ccf and 32.65 million Ccf, respectively, representing increases from prior years of 1.3% and 1.4%. See “– Rate-Setting Authority” for additional information.

The Authority assumes that consumption will total 32.21 million Ccf in Fiscal Year 2024, representing a decrease of 1.4% from the prior year. The Authority further assumes that long-term total water consumption will decline at the rate of 1.0% per year beginning in Fiscal Year 2025. The expectation that future sales will decline is consistent with

recent trends in the Washington, D.C. region as well as the projected sales in other large cities in the northeast United States.

There is some risk that consumption could be lower than anticipated during the Projection Period. The risk is mitigated to some extent in that revenues from the federal government are determined in advance and then subject to a true-up after the year is completed. In addition, the consumption risk is mitigated to a significant extent by retail revenue that is not consumption-related: customer receipts from the meter charge, the Water System Replacement Fee (as defined below) and the CRIAC, are unaffected by changes in the quantity of customer water use. Consumption-based retail water and wastewater revenues within the District are estimated to comprise about 62% of total revenues (excluding the PILOT/ROW Fee) in Fiscal Years 2024 through 2028. The Authority evaluates its water consumption projections annually in connection with its budget preparations and more frequently if the need arises.

Rate-Setting Authority

The Authority recovers the costs of operations, maintenance and debt service through retail rates and fees, wholesale customer charges and other miscellaneous non-operating income such as interest earnings. The Board establishes the Authority's rates, fees and charges. Only the six Board members representing the District vote on setting retail water and wastewater rates and fees for the retail customers who are customers within the District. No approvals from federal or local officials are required in order to set rates.

Retail Rates, Fees and Charges

The Authority's retail rate structure is designed align the Authority's revenues and expenditures by establishing customer class-based volumetric water rates based upon peaking factors, to create a progressive rate structure for its residential customers by establishing lifeline water rates that discount core consumption and to fund the Authority's water main replacement program by establishing the monthly, fixed Water System Replacement Fee (the "Water System Replacement Fee"). For a summary of the Authority's retail rates, fees and charges, see "-- Components of Retail Rates and Charges" and "-- Historical and Projected Retail Rates" below.

Since Fiscal Year 2017, the Authority has set retail rates and charges for two-year periods. The benefits of the multi-year rate setting include: greater revenue certainty, increased budget discipline, and better alignment between revenues and expenditures. The retail rates and charges are expected to change each year. See "-- Historical and Projected Retail Rates". If the Authority determines that revenues are materially less than expected and/or debt service or operating expenses are materially higher than budgeted, the Authority may adjust its retail rates and charges during the Fiscal Year. Historically, there has been no need for the Authority to make such changes during a Fiscal Year.

In calendar year 2019, the Authority modified the adopted wastewater rate and the CRIAC: the wastewater rate for Fiscal Year 2020 increased from the adopted rate and the CRIAC decreased from the adopted rate, with the resulting revenues being relatively unchanged. Further adjustments in the recovery of costs through the wastewater rate and the CRIAC are reflected in the actual and projected rates after Fiscal Year 2020.

The Authority receives annual grant funding under the Clean Water Act which requires the maintenance of wastewater charges sufficient to defray costs of operation, maintenance and replacement and surcharges for industrial discharges into the System's sewers levied in conformity with formulas set forth in the Clean Water Act and regulations thereunder. See "CAPITAL IMPROVEMENT PROGRAM - CIP Financing Sources."

Federal Government Charges

The Authority's forecasted water and wastewater charges for the federal government are prepared and included in the federal budget 18 months in advance of the commencement of the Authority's Fiscal Year based on the prevailing consumption estimates, projected retail rate increases as included in the current ten-year financial plan and adjustments for prior year true-ups. The federal government budgets for and pays its bills quarterly directly from the U.S. Treasury based on the estimates provided by the Authority in advance. Under the current billing process, any differences between the projected and the actual charges are netted against a future year's billing. Federal government revenues are expected to constitute approximately 7.8% of the Authority's total annual revenues during Fiscal Year 2024 through Fiscal Year 2028 (excluding the PILOT/ROW Fee and transfers from Rate Stabilization Fund).

Water consumption billed to Federal accounts in recent years has shown significant year to year fluctuation and an overall reduction compared to prior years. The Authority has adjusted its future forecasts for federal revenue primarily due to four factors:

- i. A previous executive order created a requirement for federal agencies to reduce potable water and landscaping use water by 2% annually through conservation measures until 2020; Authority conversations and investigations with federal property managers show that significant progress is being made toward this goal through plumbing fixture replacement.
- ii. In the District, the Telework Enhancement Act (the "Telework Act") has resulted in a significant shift to employees working from home, reducing water used at the workplace, and, pursuant to the Telework Act, GSA has strategically reduced the number of buildings it owns and operates in the District in favor

- of placing employees in shared rental spaces. In the latter case, the water reduction observed in federal buildings is partially made up in the commercial customer billing of the Authority.
- iii. There have been significant adjustments made to federal bills as a result of property sales and transfers between the federal and District governments.
 - iv. The Authority accelerated a testing and calibration program on large capacity meters installed at federal properties and observed that some of the meters had degraded and were measuring less water than was actually being consumed. Where possible, the Authority is retroactively billing for the difference in consumption.

Wholesale Customer Charges

The Authority provides wholesale wastewater treatment services to User Jurisdictions at Blue Plains. Each wholesale customer’s share of operating costs at Blue Plains is recovered in accordance with the Blue Plains Intermunicipal Agreement of 1985, the 2012 IMA, the Potomac Interceptor Agreements and the Loudoun County Sanitation Authority Agreement (as discussed in more detail in “THE SYSTEM – The Wastewater System”), and is based on actual costs of operating and maintaining the plant and the collection facilities, prorated to each User Jurisdiction based on its respective actual share of wastewater flows. A User Jurisdiction’s share of capital costs is based on its share of capacity allocations in the plant. Both operating and capital payments are made on a quarterly basis. Wholesale customer revenues are expected to constitute approximately 12.4% of the Authority’s total annual revenues during Fiscal Year 2024 through Fiscal Year 2028 (excluding the PILOT/ROW Fee and transfers from Rate Stabilization Fund).

Wholesale customers are billed based on the adopted budget for that Fiscal Year. Capital-related charges are billed quarterly with payments due on the 15th day of the second month following the end of the quarter. The operating and maintenance-related charges are billed annually by mid-October and payments are due each November, February, May and August. Following each Fiscal Year, the Authority prepares a reconciliation that determines the actual costs and each wholesale customer’s appropriate share of such costs. Adjustments are then billed or credited to the wholesale customers in the first quarter of the subsequent Fiscal Year.

Components of Retail Rates and Charges

The primary retail rates and fees include water and wastewater charges, the clean rivers impervious area charge, the PILOT/ROW Fee and the stormwater fee.

Water and Wastewater Charges

Water and Wastewater Consumption Rates. Water and wastewater consumption rates are based on metered water usage and are stated in terms of hundred cubic feet (“Ccf”). Through Fiscal Year 2015, each of the Authority’s three customer classes (i.e., Residential, Multi-Family and Non-Residential) were charged the same consumption rates. In Fiscal Year 2015, the Authority retained Raftelis Financial Consultants, Inc. (“RFC”) to analyze the allocation of costs between the water and wastewater rates, as well as the peak demand factors of its various customer classes, and to prepare a cost of service study (the “2015 COS Study”). Based on the findings of the 2015 COS Study, the Authority’s management recommended a restructuring of the rates, charges and fees to the Board to include water rate classes for Residential, Multi-Family and Non-Residential customers. Wastewater rates remain uniform for all customers. The Board adopted this new rate structure for Fiscal Year 2016, effective October 1, 2015.

The Authority undertakes a cost of service study every two years to ensure that its rates are appropriately capturing actual expenditures. The latest cost of service study was prepared by Raftelis Financial Consultants and results for fiscal years 2025 and 2026.] The cost of service study rate recommendations are intended to regularly rebalance retail rates and charges with the actual cost of providing services to customers. Tables 12 and 13 present historical and proposed rates and charges.

Customer Metering Fee. The Authority assesses a metering fee to recover costs associated with installing, operating and maintaining meters and the AMR system. The metering fee is charged as a separate line item on retail customer bills and varies by meter size. The metering fee was increased in Fiscal Year 2021 and in Fiscal Year 2022; it is assumed to remain unchanged in Fiscal Years 2024 through 2028, providing \$24.1 million in revenue per year each year.

Water System Replacement Fee. The Authority implemented the meter-based Water System Replacement Fee in Fiscal Year 2016 in order to recover the cost of the renewal and replacement program for water infrastructure. The Water System Replacement Fee is assumed to remain unchanged in Fiscal Years 2024 through 2028; generating \$40.7 million in revenue per year.

Clean Rivers Impervious Area Charge

Overview. In Fiscal Year 2009, the Authority approved the development and implementation of the CRIAC to recover the costs of the DC Clean Rivers Project, mandated by the EPA Region III pursuant to the 2005 LTCP Consent Decree. The DC Clean Rivers Project is being implemented over a 25-year period at a total cost of \$2.99 billion. See “THE SYSTEM – Wastewater Regulation and Permits – NPDES Permit.” Prior to the implementation of the CRIAC, the DC Clean Rivers Project cost was bundled in the wastewater rate based on the amount of water consumed.

The CRIAC is based on the amount of impervious area on a property, rather than on the amount of water consumption, which is a more equitable method of recovering the DC Clean Rivers Project costs. It allows the Authority to expand its customer base by charging all properties that generate stormwater, including those that may not use water (e.g., parking lots). An impervious area is a man-made surface that cannot be easily penetrated by water, such as a rooftop, a paved driveway, a patio, a swimming pool or a parking lot that impedes the percolation of water into the subsoil and plant growth. The Authority maintains a database in which it classifies each parcel located within the District as pervious or impervious. This database and the classifications therein provide the basis for the District’s billing of the CRIAC.

All residential customers are charged Equivalent Residential Units (“ERUs”) based upon six tiers that reflect the amount of impervious surface area on each residential lot. The tiers and the number of properties within each tier are shown as of September 30, 2023 in Table 11.

[update] Table 11. Equivalent Residential Unit Tiers

Tiers	Size of Impervious Area (square feet)		Equivalent Residential Unit	No. of Properties (as of September 30, 2021)
Tier 1	100	– 600	0.6	18,693
Tier 2	700	– 2,000	1.0	80,999
Tier 3	2,100	– 3,000	2.4	6,224
Tier 4	3,100	– 7,000	3.8	2,779
Tier 5	7,100	– 11,000	8.6	140
Tier 6	11,100 and more		13.5	63

Source: Authority records.

The CRIAC is applied to all lots, parcels, properties and private streets throughout the District that are greater than 100 square feet, except for District or federally owned rights-of-way. The CRIAC is added to the customer’s metered service bill and billed monthly unless the property is impervious only and has no other metered water or wastewater service. The CRIAC will be reviewed regularly and adjusted as appropriate by the Board.

CRIAC rates in Fiscal Year 2019 and each year thereafter through 2023 were lower than in 2018 and wastewater rates were higher due to both: a) increases in the cost of service, and b) an allocation of a portion of the costs of the LTCP to wastewater charges in lieu of the CRIAC. The allocation of a portion of LTCP costs to wastewater charges is based on an analysis prepared by the Authority which estimated the percentage of sanitary sewage in combined wastewater and stormwater. Amawalk reviewed the Authority’s analysis and found it to be reasonable and consistent with industry practice. As a result of the changes in LTCP cost allocation, the CRIAC rate in Fiscal Year 2021, Fiscal Year 2022 and Fiscal Year 2023 were \$19.52 per ERU, \$18.40 per ERU and \$18.14 per ERU, respectively.. In Fiscal Year 2024, the CRIAC rate is \$21.86 per ERU. In Fiscal Year 2025 and Fiscal Year 2026, the projected CRIAC rates are \$21.23 per ERU and \$24.23 per ERU, respectively. In Fiscal Year 2027 and Fiscal Year 2028, the projected CRIAC rates are \$26.99 per ERU and \$28.28 per ERU, respectively.

CRIAC Incentive Program. The Water and Sewer Authority Equitable Ratemaking Amendment Act of 2008 (the “2008 Amendment Act”) authorized the Authority’s CEO to restrict combined sewer flow into the District from Maryland and Virginia and required the Authority to, among other things, offer financial assistance programs to mitigate the impact of any increases in retail water and wastewater rates on low-income residents of the District, including a low-impact design incentive program. The 2008 Amendment Act also amended the District of Columbia Public Works Act of 1954 to broaden the bases for the determination of sanitary sewer service charges to include impervious surface area and to provide for an appeal process for the assessment of an impervious surface fee.

Pursuant to the 2008 Amendment Act, the Authority, together with the DOEE, established the CRIAC Incentive Program to incentive reducing the amount of stormwater runoff generated from a property. **[Confirm]** The CRIAC Incentive Program provides a [20% maximum] incentive credit to property owners, with the actual credit amount calculated based upon a formula provided by the DOEE.

CRIAC Credit. In Fiscal Year 2016, the Board adopted the expansion of the CAP for eligible single-family residential accounts and individually metered accounts to include a fifty percent (50%) or seventy-five percent (75%) credit of the monthly billed CRIAC depending on whether the customer qualifies under CAP, CAP2 or CAP3. Non-profit organizations may qualify for a credit of up to 90% of the CRIAC portion of the water bill. The CRIAC credit was first implemented in Fiscal Year 2017. See “– Customer Assistance Programs” below.

PILOT/Right of Way Occupancy Fee

These fees recover the cost of the PILOT and Right of Way fees (collectively, the “PILOT/ROW Fee”), which are charges levied by the District for payments in lieu of taxes and occupancy or use of public spaces or rights of way including that used by the Authority for its underground infrastructure. The Authority passes the PILOT/ROW Fee

through to retail customers based on metered water consumption as a separate line item on the bills. Effective October 1, 2023 (i.e., for Fiscal Year 2024), the Authority’s PILOT/ROW Fee is \$0.80 per Ccf. The PILOT/ROW Fee is expected to increase gradually each year through Fiscal Year 2028.

Stormwater Fee

The Authority’s retail water and wastewater bills also include a stormwater fee levied on behalf of the District government, which the Authority transfers to DOEE on a pass-through basis. The stormwater fee is charged as a separate line item on retail customer bills. The DOEE has rate-setting authority for stormwater services provided by the District and the Authority expects to work collaboratively with the DOEE to set future rates. See “THE AUTHORITY – Authority’s Relationship to the District.” The stormwater fee charged to retail customers is currently \$2.67 per ERU, which rate has been in effect since October 1, 2016. The stormwater fee is assumed to remain the same for Fiscal Years 2025 through 2028.

Although the Authority no longer administers the program, pursuant to the July 25, 2008 MOU with DOEE, the Authority retains a portion of the stormwater fee revenues to cover its share of District stormwater expenditures. See “THE AUTHORITY – Authority’s Relationship to the District – *Memoranda of Understanding*” and “FINANCIAL OPERATIONS – System Revenues – *Stormwater Revenues*.” The stormwater fees that are transferred to the District do not constitute Revenues under the Indenture, however, the stormwater fee revenues that are retained by the Authority to cover its share of stormwater expenditures are considered non-operating revenues of the Authority and do constitute Revenues under the Indenture.

Historical and Projected Retail Rates

The Board approves the Authority’s retail water and wastewater rates as part of the ten-year financial plan, which includes annual rate increases, in line with the Board’s policy of implementing rate increases in a gradual and predictable manner.

Table 12 sets forth historical water and wastewater rates and the CRIAC of the Authority. Table 13 sets forth the adopted water consumption and wastewater usage rates as well as the CRIAC of the Authority for Fiscal Year 2024 and the projected rates and CRIAC for Fiscal Years 2025 and 2026 and for Fiscal Years 2027 and 2028. Revenue resulting from the CRIAC will recover the majority of the cost of the LTCP for the period of Fiscal Year 2024 through Fiscal Year 2028. The Authority conducted a public hearing on May 8, 2024 for its proposed rates and charges for Fiscal Year 2025 and Fiscal Year 2026.

Federal government customers in Virginia pay the Arlington County retail rate, which was \$5.27 per 1,000 gallons for water in 2024 plus a base charge. Federal government customers in Maryland pay according to the WSSC rates, which include a fixed charge and a consumption-based charge that increases with higher levels of usage.

Table 12. Historical Water and Wastewater Retail Rates and Charges¹
 (\$ per Ccf for Water and Wastewater, Other Charges are \$ Per Unit as Noted)

Fiscal Year	Water Rate	Wastewater Rate	Combined Rate	Percent Increase ²	CRIAC Rate (Per ERU)	Meter Charge (Per 5/8" Meter) ³	Water System Replacement Fee (Per 5/8" Meter) ³
2019							
Residential – 0-4 Ccf	2.91	7.75	10.66	13.0%	23.00	3.86	6.30
Residential - >4 Ccf	3.90	7.75	11.65				
Multi-Family	3.37	7.75	11.12				
Non-Residential	4.05	7.75	11.80				
2020							
Residential – 0-4 Ccf	3.06	8.89	11.95	11.5%	20.94	3.86	6.30
Residential - >4 Ccf	4.10	8.89	12.99				
Multi-Family	3.54	8.89	12.43				
Non-Residential	4.25	8.89	13.14				
2021							
Residential – 0-4 Ccf	3.49	9.77	13.26	9.9%	19.52	4.96	6.30
Residential - >4 Ccf	4.50	9.77	14.27				
Multi-Family	3.96	9.77	13.73				
Non-Residential	4.65	9.77	14.42				
2022							
Residential – 0-4 Ccf	3.63	10.64	14.27	7.8%	18.40	7.75	6.30
Residential - >4 Ccf	4.74	10.64	15.38				
Multi-Family	4.15	10.64	14.79				
Non-Residential	4.91	10.64	15.55				
2023							
Residential – 0-4 Ccf	4.28	11.26	15.54	9.5%	18.14	7.75	6.30
Residential - >4 Ccf	5.58	11.26	16.84				
Multi-Family	4.90	11.26	16.16				
Non-Residential	5.78	11.26	17.04				

¹ Rates and charges are billed monthly.

² Percent increase reflects the overall average increase in water and wastewater charges for all customers; the increases for individual customers vary by customer class and consumption.

³ The Meter Charge and the Water System Replacement Fee as shown reflect a customer with a 5/8" meter. The Charge and the Fee vary by the size of the meter.

Source: Authority records.

Table 13. Current and Projected Retail Rates and Charges¹
 (\$ per Ccf for Water and Wastewater, Other Charges are \$ Per Unit as Noted)

	<u>Units</u>	<u>Current</u>	<u>Projected²</u>		<u>Projected²</u>	
		<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Water Rates						
Residential - 0-4 Ccf	Ccf	4.38	5.21	5.78	6.24	6.80
Residential - >4 Ccf	Ccf	5.70	6.81	7.60	8.21	8.95
Multi-Family	Ccf	5.00	5.82	6.47	6.99	7.92
Non-Residential	Ccf	5.89	7.03	7.84	8.47	9.23
Wastewater Rates	Ccf	11.70	12.07	12.52	13.52	14.74
Water & Sewer % Change ^{3,4}	%	3.25%	8.00%	6.00%	8.00%	9.00%
CRIAC	ERU	21.86	21.23	24.23	26.99	28.28
Meter Charge ⁵	5/8" Meter	7.75	7.75	7.75	7.75	7.75
Water System Replacement Fee ⁴	5/8" Meter	6.30	6.30	6.30	6.30	6.30

¹ Rates and charges are billed monthly.

² Rates for Fiscal Years 2025 through 2028 are projected and subject to change.

³ Percent increase reflects the overall average increase for all customers; the increases for individual customers vary by customer class and consumption.

⁴ As illustrated in Fiscal Year 2025, an increased percentage of the cost of the LTCP is recovered through sewer rates, resulting in higher wastewater rates and a decrease in the CRIAC compared to prior years.

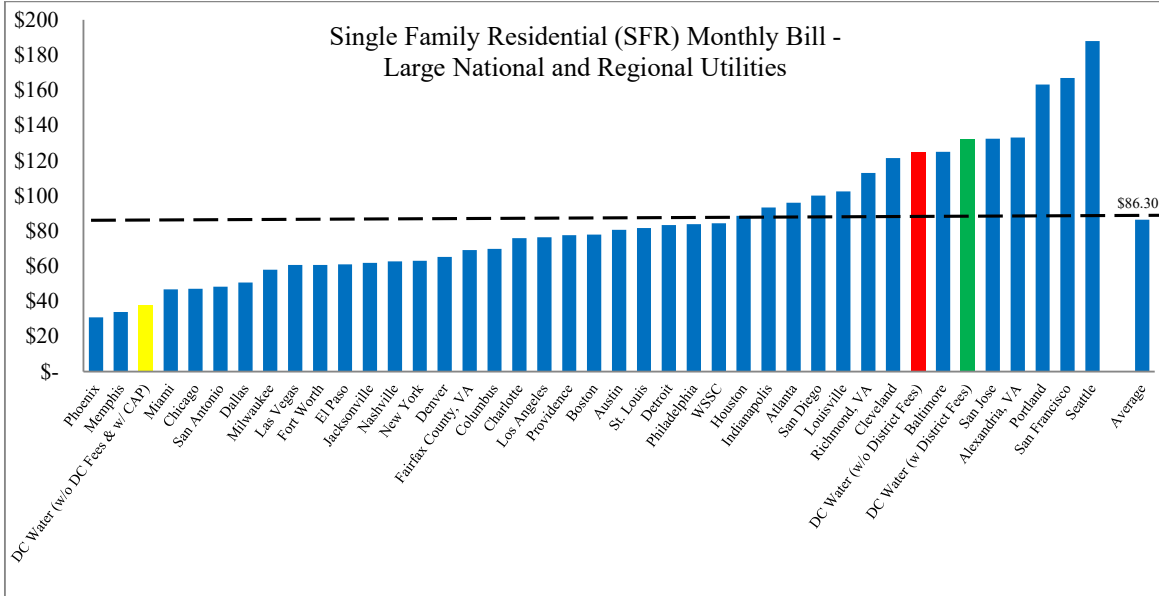
⁵ The Meter Charge and the Water System Replacement Fee as shown reflect a customer with a 5/8" meter. The Charge and the Fee vary by the size of the meter.

Retail Rate Comparison

The Authority’s retail rates are comparable to those of other utilities in the metropolitan Washington, D.C., region and other similar utilities in the eastern United States and nationally. Table 14 compares the Authority’s combined water, wastewater and impervious area residential charges to these utilities. The table reflects the Authority’s Fiscal Year 2024 rate and fee charges; rates for other utilities are as of November 1, 2023. The Authority’s Fiscal Year 2024 rate and fee charges are shown both with and without the pass-through of the District’s PILOT/ROW Fee in the amount of \$0.80 per Ccf, and the DOEE residential stormwater rate of \$2.67 per ERU per month.

The Authority offers robust assistance to qualifying low income ratepayers through its Customer Assistance Program (CAP). Table 14 also illustrates the monthly bill for a CAP customer with average Single Family Residential characteristics; CAP customer bills are significantly lower than the average Single Family Residential bill.

Table 14. Comparison of Average Authority Water and Wastewater Bill to Bills of Other Utilities^{1,2,3}



¹ Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month.

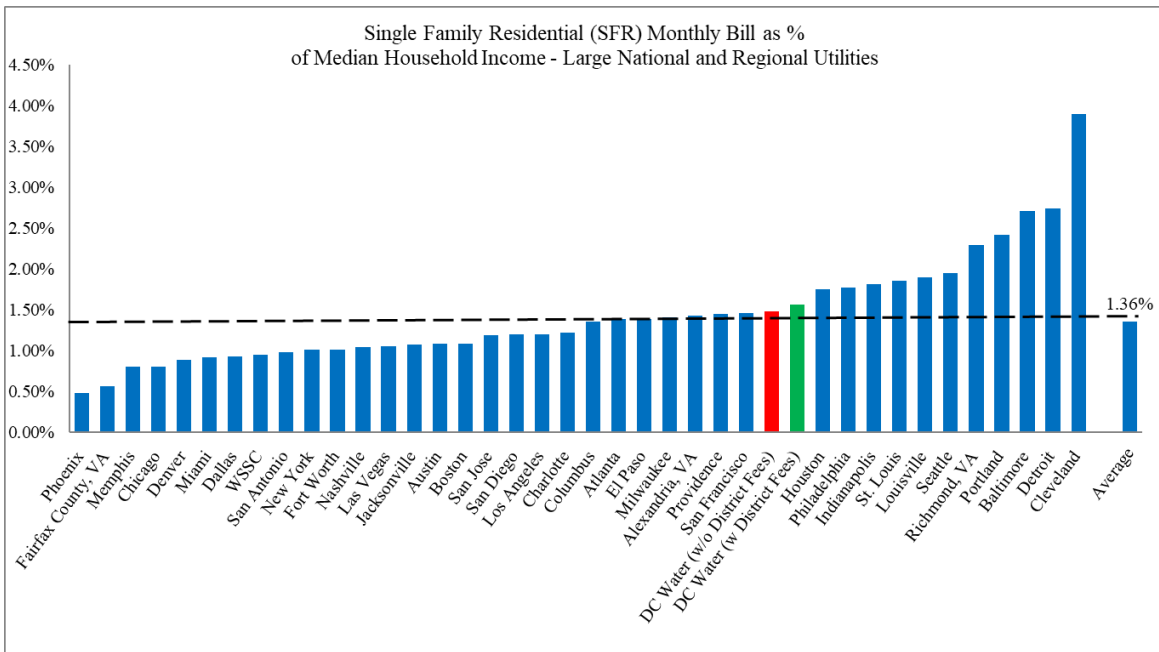
² User charges are based upon information provided by the identified cities and standardized assumptions regarding water consumption, wastewater discharge, stormwater drainage area and other factors. Actual charges in each city will vary in accordance with local usage patterns. There may be significant differences in typical single family residential usage among cities which results in charges that are different than shown above. Some cities bill for sewer use on the basis of winter water consumption which could affect sewer billings if a customer's use was not uniform throughout the year. Sewer charges include stormwater charges in those cities where separate stormwater fees are assessed. Some cities use property tax revenue or other revenues to pay for part of the cost of water, wastewater or stormwater services. In such situations, the user charges will not reflect the full cost of water, wastewater or stormwater services. Some cities impose charges that become part of the cost of water/sewer services. Water/sewer bills in some cities are subject to sales taxes, gross receipts taxes and/or other fees. Affordability programs are used by many cities to reduce the annual charges to eligible customers.

³ Charges for all utilities reflect rate schedules in effect on November 1, 2023. The Authority's charges with District fees include the PILOT/ROW fee totaling \$0.80 per Ccf and the DDOE residential stormwater rate of \$2.67 per ERU per month.

Source: Amawalk

The median income in the District is competitive with the median income in many other jurisdictions. Table 15 illustrates the Authority's charges for a single family residential customer as a percentage of median income compared to similar data for other water and wastewater utilities.

Table 15. Comparison of Average Authority Water and Wastewater Bill (As Percentage of Median Income) to Bills of Other Utilities^{1,2,3,4}



¹ Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month.

² User charges are based upon information provided by the identified cities and standardized assumptions regarding water consumption, wastewater discharge, stormwater drainage area and other factors. Actual charges in each city will vary in accordance with local usage patterns. There may be significant differences in typical single family residential usage among cities which results in charges that are different than shown above. Some cities bill for sewer use on the basis of winter water consumption which could affect sewer billings if a customer's use was not uniform throughout the year. Sewer charges include stormwater charges in those cities where separate stormwater fees are assessed. Some cities use property tax revenue or other revenues to pay for part of the cost of water, wastewater or stormwater services. In such situations, the user charges will not reflect the full cost of water, wastewater or stormwater services. Some cities impose charges that become part of the cost of water/sewer services. Water/sewer bills in some cities are subject to sales taxes, gross receipts taxes and/or other fees. Affordability programs are used by many cities to reduce the annual charges to eligible customers.

³ Charges for all utilities reflect rate schedules in effect on November 1, 2023. The Authority's charges with District fees include the PILOT/ROW fee totaling \$0.80 per Ccf and the DDOE residential stormwater rate of \$2.67 per ERU per month.

Source: Amawalk

Collections

The Authority has implemented policies and business practices intended to optimize the collection of customer billings. Measures are taken, including cross checks with property records, to ensure that all users of the Authority's system are being billed. With the implementation of the AMR system, the Authority can access customer usage data at any time and can alert customers to apparent leaks promptly. In September 2013, the Authority achieved the lowest 90-day receivable balance in the Authority's history at \$4.9 million. The Authority typically maintains a 90-day receivable balance of less than 2.0% of Operating Reserves. This is the result of a comprehensive strategy that integrates several consumer services functions along with an aggressive customer contact process that addresses collections issues early when outstanding balances are within the range of customers' ability to pay, improved lien processing for delinquent accounts, and enhanced coordination efforts with other District agencies.

The Authority's collection program includes: (i) assessing customers a 10% late fee if their bill is not paid by day 31 after the date of billing, and sending customers a friendly reminder notice; (ii) placing a call to the customer using an automatic notification call program on day 34; (iii) sending the customer notice of intent to disconnect service on day 39 (which, in accordance with District laws and regulations gives customer 15 days to pay the delinquent bill and maintain service); (iv) mailing to the owner of the property an intent to place a lien on the property on day 65 (which gives the owner 10 additional days to pay the bill before a lien is placed on their property) and imposing an additional 1% penalty per month on all delinquent balances after 60 days; (v) placing a call to the customer on day 67 to inform him/her of the Authority's intent to place a lien on the property if the delinquent bill is not paid; and (vi) placing a lien on the property on day 80. The lien becomes a part of the public record and appears on the owner's credit report and adversely affects their

FICO score. The Authority will remove a lien only if the delinquent account balance is paid in full, and/or if the lien was placed in error. Once paid, the lien is removed and reflected as “satisfied” on the credit report but the customer’s FICO score is not changed unless the customer contacts the credit bureau. The Authority’s liens are continuous, which entitles the Authority to collect the current outstanding balance owed by a customer regardless of the balance at the time the lien was placed.

The Authority utilizes collection analysts who make calls to owners of delinquent accounts with a focus on the top 250 delinquent accounts. The Authority also takes legal action to have delinquent multi-family apartment building owners placed in receivership. This may result in the Authority receiving a percentage of the tenants’ rent that is collected by a court-appointed Receiver before the owner can collect any rent. The account stays in receivership until paid in full.

After all efforts to collect have been exhausted, and as a last resort, the Authority will disconnect service for non-payment and not restore it until the delinquent bill is paid. The AMR system allows the Authority to know if water is being used after service has been disconnected due to non-payment. If this occurs, the meter will be removed or locked and service will not be restored until the delinquent amount, plus any applicable fees, are paid in full.

Table 16 shows the cumulative retail (including commercial) customer balances that were delinquent more than 90 days.

[update] Table 16. Retail Customer Cumulative Delinquent Balances
(\$ in millions)

<u>As of September 30,</u>	<u>Amount¹</u>	<u>Percent of Operating Revenue</u>
2019	10.6	1.5
2020	17.9	2.5
2021	26.3	3.7
2022	29.1	3.5
2023	28.0	3.1

¹ Amounts shown are as of the end of each Fiscal Year for amounts delinquent more than 90 days and do not include previously disputed amounts for Howard University (now resolved) and the Soldiers’ Home discussed below.

Source: Authority records.

Special Accounts

The Authority has historically provided some Armed Forces Retirement Home (AFRH) accounts with free water service in exchange for the use of certain parcels of AFRH property to maintain a reservoir that provides water to the District. In 2018, the Authority filed a lawsuit to resolve its claims against the AFRH regarding water and sewer service charges including retrospective charges for the period of 2012 to 2018 under the 1954 Public Works Act. On September 10, 2021, the court affirmed the Authority’s entitlement to \$1,747,090.49 for fiscal year 2021 sanitary sewer services, but denied the Authority’s claims of \$707,097.77 for stormwater charges and \$7,487,138.27 for retrospective charges. **[update]**[As of the date of this Official Statement, less than \$200,000 remains in dispute and settlement negotiations are on-going.]

Other than ARFH, there are no exempt accounts, nor does the Authority anticipate the addition of any new exempted accounts.

Customer Assistance Programs

The Authority has several programs to assist low-income customers in paying their water bills: Customer Assistance Program (CAP, CAP II, and CAP III, a District funded program), Serving People by Lending A Supporting Hand (“S.P.L.A.S.H.”) funded by voluntary contributions, and programs launched to assist customers negatively impacted by COVID. The Authority also works with the District to implement the District of Columbia Low-Income Household Water Assistance Program (LIHWAP) that provides bill payment assistance benefits to DC Water customers.

Customer Assistance Program. The Authority implemented the CAP in 2001 providing a discount of up to 4 Ccf per month of water service for single family residential homeowners that meet annual household income eligibility guidelines below sixty percent (60%) of the State Median Income (SMI) for the District of Columbia. The CAP has been enhanced in subsequent years, as summarized below. Enhancements were effective either on the first day of the Fiscal year or during the year shown.

<u>Fiscal Year</u>	<u>CAP Enhancement</u>
2004	Include tenants who meet the financial eligibility requirements and whose primary residence is separately metered by the Authority
2009	Provide a discount of 4 Ccf per month of water and sewer services
2011	Provide a discount of the first 4 Ccf of PILOT/ROW Fee
2016	Provide a 100% discount of the new Water System Replacement Fee (WSRF)
2017	Provide a 50% credit on the billed Clean Rivers Impervious Area Charge (CRIAC)
2018	Provide a discount of 3 Ccf per month of water and sewer services (excluding PILOT/ROW) for expanded income guidelines
2018	Provide a 50% credit on the billed Clean Rivers Impervious Area Charge (CRIAC) for expanded income guidelines
2018	Provide a 75% credit on the billed Clean Rivers Impervious Area Charge (CRIAC) for eligible customers under expanded income guidelines (excludes water and sewer services credits)
2018	Provide up to 90% credit on the billed Clean Rivers Impervious Area Charge (CRIAC) for eligible non-profit organizations, (CRIAC Non-Profit Relief Program, funded by the District)
2019	Enacted CAP II and CAP III program for customers not eligible for the CAP program
2020	Enacted Emergency Residential Relief Program for residential customers who have delinquent bills during the pandemic. In Fiscal Year 2020, the Authority’s Board adopted an increase in the CAP program maximum credit from 50% to 75%, effective October 1, 2020.
2021	Enacted Multi-Family Assistance and Residential Assistance programs to assist tenants during the pandemic.

Table 17A sets forth the number of customers assisted and the total discount provided through the CAP discount since Fiscal Year 2017. The projected revenues of the Authority take into consideration the discounts provided to low-income customers under the CAP and CAP II. CAP III and the CRIAC Non-Profit Relief Program are funded by the District.

CAP II expanded CAP in fiscal year 2019 for low-income residential customers who do not qualify for CAP with a household income up to 80% of the Area Median Income (AMI). Eligible customers receive a discount of up to 3 Ccf per month for water and sewer services and a 50% discount for the CRIAC. CAP III is a District-funded program that provides benefits to DC Water customers with household income greater than 80% and up to 100% Area Median Income (AMI) who do not qualify for CAP or CAP II. An eligible customer under CAP III receives a 75% discount for the CRIAC.

[update] Table 17A. Customer Assistance Program Discount

<u>Fiscal Year</u>	<u>Customers Assisted</u>	<u>Water/Wastewater PILOT/ROW (\$)</u>	<u>WSRF Discount (\$)¹</u>	<u>CRIAC Credit (\$)¹</u>	<u>Total Amount</u>
2017	4,244	810,295	195,328	129,674	1,135,297
2018	4,324	737,199	176,403	274,972	1,188,574
2019	4,436	841,325	180,277	269,196	1,290,797
2020	4,818	1,101,041	206,852	276,915	1,584,808
2021	5,630	1,603,620	272,823	501,884	2,378,326

¹ The CAP data for 2017 reflect partial-year benefits for the WSRF discount and CRIAC credit, as they became effective on May 1, 2017. Benefits provided after Fiscal Year 2017 will include the full effect of the WSRF discount and the CRIAC credit.

Source: Authority records.

Table 17B sets for the number of customers assisted and the total discount provided through the CAP II and CAP III discount Fiscal Year 2019 to Fiscal Year 2023. The District also funded the CRIAC Nonprofit Relief Program, which is designed to provide CRIAC credits to nonprofit organizations as determined by the DOEE. An eligible customer under the Nonprofit Relief Program receives up to a 90% discount for CRIAC.

[update] Table 17B. Customer Assistance Program II and III Discount

Fiscal Year	Customers Assisted	Water/Wastewater PILOT/ROW (\$)	WSRF Discount (\$)	CRIAC Credit (\$)	Total Amount
2019 – CAP II	191	33,344	-	14,147	47,490
2019 – CAP III	48	-	-	9,436	9,436
2020 – CAP II	681	127,319	-	46,517	173,837
2020 – CAP III	133	-	-	25,863	25,863
2021 – CAP II	835	172,555	-	73,082	245,637
2021 – CAP III	191	-	-	36,059	36,059
2022 – CAP II					
2022 – CAP III					
2023 – CAP II					
2023 – CAP III					

Source: Authority records

S.P.L.A.S.H. Through the S.P.L.A.S.H. program, the Authority offers assistance to families in need so that they can receive critical water services. S.P.L.A.S.H. is funded solely by contributions from the community, customers and from the Authority employees. The Authority has redesigned its water and sewer bills to make it easier for its customers to make contributions to S.P.L.A.S.H. The Authority pays all administrative costs of this program, which is administered directly by the Greater Washington Urban League (GWUL). All contributions are deposited in a bank account from which the (GWUL) makes payments on behalf of eligible customers with annual household incomes below sixty percent (60%) of the State Median Income (SMI) for the District of Columbia. Every dollar received by the Authority is distributed to eligible customers. Table 18 shows the number of customers assisted by the Authority and the total amount distributed through the S.P.L.A.S.H. program since Fiscal Year 2019.

Table 18. S.P.L.A.S.H Program Distribution

Fiscal Year	Participating Customers	S.P.L.A.S.H Value
2019	276	84,427
2020	133	74,323
2021	96	71,765
2022		
2023		

Source: Authority records.

[Program on-going?] [The Authority joined the District government in assisting customers who were impacted by the COVID-19 pandemic. Using funds from a budget surplus in fiscal year 2020, in 2021 the DC Water Board approved the Residential Assistance Program (RAP) and the Multi-Family Assistance Program (MAP), which supplement existing assistance programs for eligible households in single family homes and multi-family buildings respectively who are negatively impacted by the pandemic. Each program provides a maximum of \$2,000 to assist customers, provided they are income eligible. In 2021, the District government funded an additional emergency assistance program whereby income eligible households were eligible for an additional \$2,000 in assistance. The District’s StayDC program also provided assistance to renters.]

[Program on-going?] [On October 1, 2021, the District implemented the District of Columbia Low-Income Household Water Assistance Program (LIHWAP) to provide bill payment assistance to DC Water customers that meet certain annual household income eligibility requirements below sixty percent (60%) of the State Median Income (SMI) for the District of Columbia. The LIHWAP is a program funded through the U.S. Department of Health and Human Services, authorized by Section 2912 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2, 135 Stat. 4 (Mar. 11, 2021), and Section 533 of the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260, 134 Stat. 1182 (December 27, 2020). Federal funds awarded under this grant are used to provide funds to eligible customers to cover or reduce arrearages, rates and fees associated with reconnection or preventions of disconnection of service, and rate reductions.]

Customer Service Operations

The Department of Customer Services reports to the Chief Operating Officer and is responsible for meter installations, meter reading, meter testing, billing and collections. The Authority continuously evaluates its customer service offerings to ensure that customers receive the best possible service.

FINANCIAL OPERATIONS

COVID-19: Impact and Recovery

In response to the COVID-19 pandemic, the Authority implemented policies to prioritize customers, such as suspending disconnections for non-payment, reconnecting previously disconnected customers, providing payment plans and working with the District government to expand financial assistance for customers. The Authority took proactive steps to curtail spending, prioritize critical and COVID-related expenditures and achieve budget savings in response to a projected impact on revenue from increased customer delinquencies and reduced water consumption. The Authority reduced reliance on consultants, prioritized critical repair and maintenance work for sewer and water infrastructure and limited Authority-wide travel and training.

[TO BE UPDATED]:

Budget. The Authority took several actions through the first two years of the COVID-19 pandemic to align expenditures with anticipated revenues. The Authority is only hiring for positions deemed critical for the duration of the pandemic and instituted spending restrictions and reduced contract costs to only necessary work.

At the end of fiscal year 2021, total operating expenditures were \$51.1 million below budget. As a result of a decline in revenue from the growth in customer delinquencies and an overall reduction in water consumption, fiscal year 2021 revenues (through September 30, 2021), on a cash basis, were \$709.6 million, \$24.2 million below the budget of \$733.7 million. Revenues are improving in fiscal year 2022, which began on October 1, 2021. In the first quarter, revenues were \$240.6 million as compared to the budget of \$228.1 million.

In April 2020, the Authority entered into a purchase agreement to refinance approximately \$300 million in outstanding indebtedness. The anticipated impact of this refinancing is approximately \$4.2 million per year in debt service savings through 2036. Overall, \$61.4 million in gross cashflow savings is expected to be achieved.

Capital Improvement Program. The Authority temporarily delayed approximately \$170 million in capital projects through the first two years of the COVID-19 pandemic. *[update]* The Authority anticipates it will receive approximately \$30 million from the District for lead service line removal as a result of federal assistance. The CIP includes a corresponding increase in expenditures to reflect this assistance.

Collections. The Authority measures “90-Day delinquencies” as amounts not paid 90 days after the billing date. As a result of the pandemic, delinquencies of 90 days or longer increased from \$12.0 million in February 2020 to \$27.6 million as of December 31, 2021.

At the end of September 30, 2021 the Authority reported an allowance for doubtful accounts of \$29.0 million, an increase over the \$24.4 million at the end of September 30, 2020. The allowance is calculated by applying historical collection rates against balances. For residential, non-residential (commercial) and multi-family accounts it is estimated that 0% of balances 731 days and older than the bill date will be collected, 31% of balances between 365 and 730 days will be collected, and 93% of balances between 0 and 364 days from the bill date will be collected. The Authority assumes that 99% of municipal and housing authority bills will be collected and 100% of federal bills will be collected.

As of December 31, 2021, 2,788 customers had active payment plans. There are 2,382 residential, 167 non-residential (commercial) and 239 multi-family customer payment plans. For further information regarding collections, see “CUSTOMER BASE, RATES AND CHARGES – Collections.”]

Historical Financial Operations [to be updated]

The Authority derives its revenues primarily from retail customer payments for water, wastewater and stormwater services, which account for 82.0% of total revenues, and wholesale customer payments for wastewater treatment services, which account for 10.8% of total revenues (excluding the PILOT/ROW Fee for Fiscal Years 2022 through 2026). The Authority’s operating revenues have steadily increased since its creation, due largely to rate and fee increases approved by the Board, which are discussed in more detail in the section entitled “RATES AND CHARGES – Historical and Projected Water and Wastewater Retail Rates.”

The Authority is committed to optimizing the cost of service it offers and as a result places emphasis on managing its expenses. The Authority’s Budget Department closely monitors spending to ensure compliance with approved operating and capital budgets. This includes preparation of daily and monthly management reports for each operating unit and financial system controls that prevent overspending. The Authority’s Finance Department provides detailed monthly reports on cash and investments, revenues, operating budget and capital spending to the Board’s Finance and Budget Committee. In addition, the Authority’s Department of Engineering and Technical Services provides quarterly

updates on the CIP status to the Board's Environmental Quality and Sewerage Services and Water Quality and Water Services Committees, as well as to the Finance and Budget Committee.

Table 19 presents historical revenues, expenses and changes in net position using information contained in the audited financial statements for Fiscal Years 2019 through 2023. The Authority's complete financial statements for the Fiscal Years ended September 30, 2022 and 2023, are attached hereto as APPENDIX B.

Table 19. Historical Revenues, Expenses and Change in Net Position
(\$ in thousands)

	Fiscal Year Ended September 30				
	2023	2022	2021	2020	2019
Operating revenues					
Residential, commercial and multi-family customers	\$ 562,351	\$ 522,057	\$ 474,380	\$ 459,572	\$ 443,481
Federal government	85,716	76,680	86,422	80,122	73,393
District government and DC Housing Authority	53,737	51,407	50,020	46,781	45,816
Charges for wholesale wastewater treatment	152,755	135,285	127,410	117,166	114,766
Other	44,204	46,781	32,325	33,187	27,691
Total Operating Revenues	898,763	832,210	770,557	736,828	705,147
Operating expenses					
Personnel services	156,336	149,655	142,352	135,005	141,040
Contractual services	81,150	69,308	73,227	74,064	75,818
Chemicals, supplies and small equipment	55,562	40,974	35,411	30,602	36,579
Utilities and rent	37,365	38,158	27,331	24,708	25,813
Depreciation and amortization	149,478	146,375	138,074	135,590	127,501
Water purchases	33,609	33,345	33,135	31,696	32,430
Payment in lieu of taxes and right of way fee	23,070	22,718	22,372	22,034	21,702
Total operating expenses	536,570	500,533	471,902	453,699	460,883
Operating income	362,193	331,677	298,655	283,129	244,264
Nonoperating revenue (expenses)					
Interest income	20,878	4,458	2,760	8,846	9,307
Interest expense and fiscal charges	(146,391)	(162,868)	(155,672)	(91,724)	(104,630)
Total nonoperating revenue (expenses)	(125,513)	(158,410)	(152,912)	(82,878)	(95,323)
Change in net position before Federal grants and contributions	236,680	173,267	145,743	200,251	148,941
Contributions of capital from Federal government	29,519	31,434	42,093	22,727	16,313
Change in net position	266,199	204,701	187,836	222,978	165,254
Net position, beginning of year	2,866,305	2,661,604	2,473,433	2,250,455	2,085,201
Net position, end of year	\$3,132,504	\$2,866,305	\$2,661,269	\$2,473,433	\$2,250,455

Source: Authority records.

[Balance of page intentionally left blank]

Historical Debt Service Coverage

The Authority has exceeded the Rate Covenant requirement of 1.20x Senior Debt service coverage set forth in the Indenture and the Authority’s policy goal of 1.40x Senior Debt service coverage in each of the last five Fiscal Years, as shown in Table 20. On October 7, 2021, the Board adopted a revised statement of financial policies that strengthens the Authority’s debt service coverage policy goal to 1.60x on a combined debt service coverage basis.

Table 20. Historical Debt Service Coverage¹
(\$ in thousands)

	Fiscal Year ended September 30				
	2023	2022	2021	2020	2019
Net Revenues (A)	\$853,333	\$833,595	\$709,568	\$681,303	\$694,437
Operating expenses (B)	389,376	348,402	332,830	300,187	314,529
Net Revenues available for debt service (C=A-B)	\$463,957	\$485,193	\$376,738	\$381,116	\$379,908
Debt Service:					
Senior debt service (D)	\$ 74,114	\$ 73,474	\$ 75,085	\$ 72,202	\$ 75,282
Subordinate debt service (E)	151,739	136,293	129,793	126,854	117,753
Total outstanding debt service (F=D+E)	\$225,852	\$209,767	\$204,878	\$199,056	\$193,035
Senior Debt Service Coverage (C/D)	6.31	6.53	5.08	5.24	4.82
Net revenue available for subordinate debt service (C-E)	\$393,661	\$406,308	\$306,199	\$306,156	\$287,933
Subordinate debt service coverage ((C-D)/E)	2.59	2.98	2.36	2.41	2.45
Combined debt service coverage (C/F)	2.07	2.29	1.86	1.90	1.88

¹ Prepared in accordance with the Indenture, which closely corresponds to cash basis accounting. Debt service on the Series 2010A Bonds (which is included in Subordinate Debt Service above) reflects the Direct Payments the Authority receives from the U.S. Treasury. The Authority has agreed to deposit the Direct Payments related to the Series 2010A Bonds directly into the Series 2010A Interest Account of the Subordinate Lien Bond Fund to pay interest when due on the Series 2010A Bonds. With respect to the effect of Sequestration on the receipt by the Authority of Direct Payments on its Series 2010A Bonds, see “SECURITY FOR THE SERIES 2024A BONDS – Direct Payments – Sequestration.”

Source: Authority records.

Annual Budget

Annual Budget Process

The Authority’s budgetary process is based on an integrated approach that links its operating and capital requirements to its ten-year financial plan. Preparation of the Authority’s budget begins with the preparation of the ten-year financial plan in the spring of each year. The Authority’s operating budgets and the CIP are developed based on the financial parameters laid out in the financial plan and in Board policy. Management presents its proposed operating budgets, the CIP and the ten-year financial plan to the Board’s Environmental Quality and Sewerage Services, Water Quality and Water Services, and Finance and Budget Committees for their review, with final action by the full Board typically scheduled for January of each year. Upon final approval by the Board, the Authority’s budget is forwarded to the District for inclusion in its submission to the President as described below.

Under the Act and the Federal Act, the Authority is required to prepare and annually submit to the Mayor of the District for inclusion in the annual budget of the District estimates of the expenditures and appropriations necessary for the operation of the Authority for each Fiscal Year. All such estimates are required to be forwarded by the Mayor to the Council for its action without revision. The Council may comment or make recommendations concerning such annual estimates but has no authority to revise such estimates. Such annual estimates constitute a part of the annual budget of the District required to be submitted by the Mayor to the President of the United States for transmission by the President to the U.S. Congress. In accordance with the District’s Home Rule Act, except as noted below, no amount may be obligated or expended by any officer or employee of the District, including the Authority, unless such amount has been approved by act of Congress and then only according to such act. Pursuant to the Federal Act, the limitation described in the preceding sentence is not applicable to expenditures by the Authority for any of the following purposes: (i) any amount obligated or expended from the proceeds of any revenue bonds of the Authority; (ii) any amount obligated or expended for debt service on such revenue bonds; (iii) any amount obligated or expended to secure any revenue bonds of the Authority; or (iv) any amount obligated or expended for repair, maintenance, or capital improvement to the System facilities financed by any revenue bonds of the Authority. In addition, pursuant to Public Law 105-33 (D.C. Code Section 1-204.45a(b)), if the Authority has excess revenues, such excess revenues may be obligated or expended for capital projects.

The Approved Fiscal Year 2023 and Fiscal Year 2024 Budgets

The Board adopted the Fiscal Year 2023 operating budget (the “Fiscal Year 2023 Budget”) on March 3, 2022 and the Fiscal Year 2024 operating budget (the “Fiscal Year 2024 Budget”) on March 2, 2023.

[update] The Fiscal Year 2021 Budget for operating expenditures totals \$642.7 million, which is \$28.2 million or 4.6% higher than the Approved Fiscal Year 2020 Budget, primarily due to the increases in: debt service costs associated with the Authority's CIP, personnel services, contractual services and chemicals and supplies. The Fiscal Year 2022 Budget for operating expenditures totals \$658.4 million, which is \$15.7 million or 2.4% higher than the Approved Fiscal Year 2021 Budget, primarily due to increases in debt service costs associated with the Authority's CIP and an increase to the budgeted amount for cash-financed construction.

The Authority anticipates that the difference between actual and budgeted operating expenses will be less than in previous years due to budget planning that focuses on having actual expenses more closely aligned with budgeted expenses. Beginning in Fiscal Year 2015, the Authority includes a separate line item in its operating budget to provide funds for additional cash-financed capital construction, the defeasance of debt, or other uses at the discretion of the Authority. The amounts in this line item could alternatively be used by the Authority to help address potential shortfalls in cash receipts or increases in expenses, should the need arise. In addition, the Authority has the ability to adjust its rates, as necessary, to provide the required revenues in each year.

Projected Financial Operations

Table 21 was prepared by Amawalk in its capacity as the financial feasibility consultant to the Authority, and it shows (i) the actual (preliminary, unaudited) cash flows, cash reserves and debt service coverage for Fiscal Year 2023 and (ii) projected cash flows, cash reserves and debt service coverage for Fiscal Years 2024 through 2028. The projected revenues reflect the increases in rates and charges adopted by the Authority for Fiscal Year 2024 and the anticipated increases in rates and charges for Fiscal Years 2025 through 2028.

The projected financial results for Fiscal Years 2024 through 2028 incorporate assumptions as of the date of this Official Statement. The projected debt service requirements do not include the potential impacts on debt service of the Series 2024A Bonds. The Authority anticipates issuing approximately \$1.6 billion of new money bonds from Fiscal Year 2024 through and including Fiscal Year 2028. There are no deposits to the debt service reserve fund assumed for the Series 2024A Bonds, and any anticipated future bonds; the Authority may decide to make contributions to the debt service reserve fund in the future at its discretion.

The Authority has the option to issue future bonds as either Senior Debt or Subordinate Debt. The combined debt service coverage would remain the same if the Authority were to elect to issue Senior Debt in lieu of Subordinate Debt or vice versa in a given year. Decisions regarding the issuance of future debt as Senior Debt will be made by the Authority at the time of debt issuance.

For more information in respect of Amawalk's analysis, see "FINANCIAL FEASIBILITY OPINION LETTER" in Appendix A.

Table 21. Analysis of Actual and Projected Financial Results
 Fiscal Years ended/ending September 30
 (\$ in thousands)¹

	Actual			Projected		
	2021 ²	2022	2023	2024	2025	2026
Revenues and Payment Obligations						
Revenues						
Retail Revenues ²	\$678,467	\$705,362	\$731,643	\$775,094	\$830,052	\$886,720
Wholesale Revenues	105,250	106,519	114,248	120,905	125,741	130,771
Other Non-Operating Revenues	69,616	76,678	78,370	81,457	86,916	92,862
Transfer from RSF	0	2,000	2,000	0	0	0
(Contributions to RSF)	0	0	0	0	0	0
Total Revenues	\$853,333	\$890,560	\$926,261	\$977,455	\$1,042,708	\$1,110,352
(Refund to)/Payment from IMA	4,742	(9,000)	(7,700)	(8,100)	0	0
Projected Billing Refunds	0	(2,000)	(2,000)	0	0	0
Prior Year Federal Billing Reconciliation	(4,188)	(6,256)	(13,813)	(7,000)	0	0
ACH Return for Previous Years	3,264	0	0	0	0	0
Net Revenues (A)	\$857,151	\$873,304	\$902,748	\$962,355	\$1,042,708	\$1,110,352
Operating Expenses (B)	389,376	401,954	420,411	440,777	458,408	476,744
Net Revenues Available for Debt Service (C=A-B)	467,775	471,350	482,337	521,579	584,301	633,608
Total Senior Debt Service (D) ^{4,5}	74,114	57,649	64,059	80,181	96,309	99,754
Total Subordinate Debt Service (E) ^{4,5,6,7,8,9}	151,739	163,986	185,436	196,819	210,980	240,426
Total Outstanding & Projected Debt Service (F=D+E)	\$225,852	\$221,635	\$249,495	\$277,000	\$307,289	\$340,180
Debt Service Coverage						
Calculation of Net Revenues Available for Senior Debt Service						
Senior Debt Service Coverage (C/D)	6.31x	8.18x	7.53x	6.51x	6.07x	6.35x
Calculation of Subordinate Debt Service Coverage						
Net Revenue Available for Senior Debt Service (C)	467,775	471,350	482,337	521,579	584,301	633,608
Less Senior Debt Service (D)	(74,114)	(57,649)	(64,059)	(80,181)	(96,309)	(99,754)
Net Revenue Available for Subordinate Debt Service (C-D)	393,661	413,701	418,278	441,398	487,992	533,855
Subordinate Debt Service Coverage [(C-D)/E]	2.59x	2.52x	2.26x	2.24x	2.31x	2.22x
Combined Debt Service Coverage (C/F)	2.07x	2.13x	1.93x	1.88x	1.90x	1.86x
Subordinated Payment Obligations						
Payment in Lieu of Taxes/Right of Way Fee (G)	23,070	23,430	23,796	24,170	24,552	24,941
Defeasance/Cash Financed Capital Construction (H) ¹⁰	35,730	58,575	60,436	71,932	76,914	82,049
Revenues Less Disbursements (I=A-B-F-G-H)	183,123	167,710	148,609	148,476	175,546	186,439
Reserve Balances						
Beginning Cash Reserve Balance (J)	257,374	286,889	296,600	309,600	324,600	337,600
Cash Reserve Balance Breakdown						
Beginning Undesignated Reserve Balance	166,902	193,822	196,704	207,608	219,532	229,137
Additions to/(Transfers from) Undesignated Reserve						
Annual Balance from Operations	179,304	184,967	172,123	163,576	175,546	186,439
(Refund to)/Payment from IMA	4,742	(9,000)	(7,700)	(8,100)	0	0
Projected Billing Refunds	0	(2,000)	(2,000)	0	0	0
Prior Year Federal Billing Reconciliation	(4,188)	(6,256)	(13,813)	(7,000)	0	0
Transfer to CAP Fund	3,264	0	0	0	0	0
Curing Pad + ERP	0	0	0	0	0	0
Pay-Go Capital Financing	(153,607)	(158,000)	(135,609)	(133,476)	(162,546)	(172,439)
(Transfers to)/Transfers from 60-Day Reserve	(2,595)	(6,829)	(2,096)	(3,076)	(3,394)	(2,939)
Additions to/(Transfers from) Renewal & Replacement Reserve	0	0	0	0	0	0
Ending Undesignated Reserve Balance	193,822	196,704	207,608	219,532	229,137	240,199
Beginning 60-Day Operating Reserve Balance						
Beginning 60-Day Operating Reserve Balance	55,472	58,067	64,896	66,992	70,068	73,463
Additions to/(Transfers from) 60-Day Reserve	2,595	6,829	2,096	3,076	3,394	2,939
60-Day Operating Reserve Balance	58,067	64,896	66,992	70,068	73,463	76,401
Beginning Renewal & Replacement Balance						
Beginning Renewal & Replacement Balance	35,000	35,000	35,000	35,000	35,000	35,000
Additions to/(Transfers from) Renewal & Replacement Reserve	0	0	0	0	0	0
Renewal & Replacement Balance	35,000	35,000	35,000	35,000	35,000	35,000
Ending Balance Cash Reserve	286,889	296,600	309,600	324,600	337,600	351,600
Cash Reserve Requirement Per Board Policy						
(250 Days of Cash on Hand Beginning in Fiscal Year 2022) ¹⁰	193,822	275,311	287,952	301,902	313,978	326,537
Beginning Rate Stabilization Fund Balance						
Beginning Rate Stabilization Fund Balance	35,644	35,644	33,644	31,644	31,644	31,644
Transfers from Operations (Additions to Rate Stabilization Fund)	0	0	0	0	0	0
Additions to Operations/(Transfers from) Rate Stabilization Fund	0	(2,000)	(2,000)	0	0	0
Rate Stabilization Fund Balance	35,644	33,644	31,644	31,644	31,644	31,644

¹ Totals may not add due to rounding.

² Includes retail revenue from water and wastewater charges as well as the Clean Rivers Impervious Area Charge.

³ Preliminary results, unaudited.

⁴ Debt service is shown on a cash basis, and may differ from the CAFR.

⁵ The Authority has received a loan to finance a portion of its CIP pursuant to the Water Infrastructure Finance and Innovation Act of 2014 (WIFIA), a federal credit program administered by EPA for eligible water and wastewater infrastructure projects. The loan amount is up to \$156 million to be disbursed over multiple years.

The projected debt service includes repayment of the WIFIA loan as a senior obligation; the effective interest rate is 1.87% annually which is lower than the projected rate that would be required if the Authority issued bonds in lieu of accepting the loan proceeds.

- ⁶ Anticipated future bonds in Fiscal Year 2026 are currently assumed to be issued on a Senior lien basis. Anticipated future bonds in all other years of the Reporting Period are currently assumed to be issued on a subordinate lien basis. The Authority may decide in the future to issue bonds on a senior or subordinate basis. Debt service for anticipated future bonds beginning in Fiscal Year 2025 is calculated based on a term of 35 years and level annual debt service and assumed annual interest rates of 6.00%. The sizing of each anticipated bond issue includes an allowance of 1.5% of the proceeds for the cost of issuance. No deposits to the debt service reserve fund are assumed for the issuance of anticipated future bonds.
- ⁷ The proceeds of the Fiscal Year 2024 Series A Bonds are expected to be issued on a subordinate and basis and will be used to purchase the Tender Offer Bonds and refund all or certain of the Series 2014C Bonds; the projected debt service does not reflect the anticipated debt service after the effects of the purchase and refunding.
- ⁸ The Total Subordinate Debt Service is net of the Build America Bonds (BABs) subsidies the Authority expects to receive from the United States Treasury equal to 32% of the interest payable on the Series 2010A Bonds. It reflects the reduction in BABs subsidy payments due to expected continuing effects of sequestration. See "SECURITY FOR THE SERIES 2024A BONDS - Direct Payments – Sequestration."
- ⁹ Subordinated debt service includes an allowance in each year for the interest costs of both Commercial Paper and Extendible Maturity Commercial Paper. In FY 2024 through FY 2028, subordinated debt service includes an allowance of \$2.15 million per year for interest on Taxable Commercial Paper plus \$2.89 million per year for interest on Tax-Exempt EMCP. See "DEBT SERVICE REQUIREMENTS."
- ¹⁰ The Authority includes funds in its annual budget that are intended to be used to defease outstanding debt or pay for construction on a cash basis. These funds are separate from the Pay-Go Capital Financing amounts referenced under Reserve Funds above and are presently assumed to be added to the Pay-Go amounts and deposited in total as a source of funds for the CIP. Alternatively, these funds could be used to cover unexpected declines in revenues or increases in expenses. The Authority reserves the right to modify the amount of the funds and the usage of funds during each year.

Source: *Amawalk* (Totals may not add due to rounding).

[Balance of page intentionally left blank]

System Revenues

The Authority collects revenues from retail and wholesale customers as well as other sources that include fees paid by developers and interest earnings on available funds. Authority revenues also include transfers from the Rate Stabilization Fund. Table 22 shows historical revenues of the Authority for Fiscal Year 2023, and the projected revenues for Fiscal Years 2024 through 2028.

Table 22. Historical and Projected Revenue on a Cash Basis

Fiscal Years ended/ending September 30

(\$ in thousands)^{1,2}

	Actual ³	Projected ⁴				
	2023	2024	2025	2026	2027	2028
Retail Revenue						
Residential, Commercial, Multi-Family	\$422,877	\$431,206	\$458,360	\$482,502	\$516,237	\$557,467
D.C. Municipal Government	13,984	14,529	15,624	16,492	17,633	19,028
Federal Government	65,986	69,935	70,254	72,788	77,824	83,980
D.C. Housing Authority	14,763	14,713	15,600	16,388	17,522	18,908
Groundwater ⁵	0	5	5	5	5	5
Metering Fee	24,104	24,083	24,083	24,083	24,083	24,083
Water System Replacement Fee	42,407	40,717	40,717	40,717	40,717	40,717
CRIAC	94,346	110,174	106,999	122,119	136,030	142,531
Total Retail Revenue	\$678,467	\$705,362	\$731,643	\$775,094	\$830,052	\$886,720
Wholesale Revenue						
Loudoun County & Potomac Interceptor	\$13,537	\$13,085	\$13,997	\$14,592	\$15,175	\$15,782
WSSC	73,648	74,959	79,591	84,441	87,818	91,331
Fairfax County	18,066	18,475	20,660	21,873	22,747	23,657
Total Wholesale Revenue	\$105,250	\$106,519	\$114,248	\$120,905	\$125,741	\$130,771
Other Revenues						
District Stormwater Revenues – Authority’s Share	1,038	1,107	1,107	1,107	1,107	1,107
Transfer from Rate Stabilization Fund	0	2,000	2,000	0	0	0
Miscellaneous Revenues	38,244	43,416	43,764	46,784	47,355	50,670
Aqueduct Debt Service Revenue from Falls Church and Arlington	193	193	193	193	193	193
Interest Income	6,381	8,533	9,493	9,217	13,709	15,951
PILOT/D.C. Right of Way Occupancy Fee	23,760	23,430	23,813	24,156	24,552	24,941
Total Other Revenue	\$69,616	\$78,678	\$80,370	\$81,457	\$86,916	\$92,862
Total Operating Cash Receipts	\$853,333	\$890,560	\$926,261	\$977,455	\$1,042,708	\$1,110,352
Less: Contributions to Rate Stabilization Fund	0	0	0	0	0	0
Total Operating Cash Receipts with RSF Transfers	\$853,333	\$890,560	\$926,261	\$977,455	\$1,042,708	\$1,110,352

¹ Totals may not add due to rounding.

² All figures are presented on a cash receipt basis.

³ Preliminary results, unaudited.

⁴ Fiscal Year 2024 - 2028 revenue projections are based on the Authority's financial plan. Revenues in each year are dependent upon several factors including: the rates as adopted by the Board, water consumption by customers, rates of bill collection and other matters.

⁵ Groundwater revenue refers to receipts from customers that pump groundwater into the sewer system.

Source: Amawalk.

An overview of the revenue components on a cash basis is provided below.

Retail Water and Wastewater Revenues

Retail revenues comprise the vast majority of all System revenues. In Fiscal Years 2021 through 2023, retail revenues accounted for approximately 82.2% of total revenue (excluding the PILOT/ROW Fee and the effects of withdrawals from the Rate Stabilization Fund), wholesale customer payments represented about 12.0% of total revenues, with the remaining 5.8% coming from a variety of sources, such as interest income, the District fire protection fee, IMA contributions for indirect costs and fees from service installations. Retail revenues are derived primarily from water and wastewater service charges of the Authority that are based on water consumption as described earlier in this Official Statement. Other sources of retail revenue include the customer metering fee, CRIAC, and Water System Replacement Fee. See “CUSTOMER BASE, RATES AND CHARGES – Components of Retail Rates and Charges.”

The Authority has projected that revenues from retail customers, excluding the PILOT/ROW Fees, will be \$705.4 million in Fiscal Year 2024, or 81.5% of the Authority’s total revenues (excluding the PILOT/ROW Fee and transfers from the Rate Stabilization Fund). This amount includes approximately \$110.2 million from the CRIAC and \$40.7 million from the Water System Replacement Fee. Excluding CRIAC and the Water System Replacement Fee, Fiscal Year 2024 projected revenue is expected to be \$12.8 million, or 2.4%, higher than the Fiscal Year 2023 revenues from retail customers. The projected increase in retail revenue assumes the consumption of retail customers will be lower in Fiscal Year 2024 compared to Fiscal Year 2023.

Revenues from retail customers are projected to be \$731.6 million in Fiscal Year 2025. This amount includes approximately \$107.0 million from the CRIAC and \$40.7 million from the Water System Replacement Fee and excludes the PILOT/ROW Fee. Without the effects of the CRIAC and the Water System Replacement Fee, the Fiscal Year 2025 projected revenue represents an increase of \$29.5 million or 5.3% compared to the projected Fiscal Year 2024 revenues.

Retail revenues in Fiscal Years 2026 through 2028 are anticipated to increase in each year reflecting both the effects of anticipated changes in rates (as illustrated in Table 13) as well as the expectation that water demand will decrease by 1% annually.

Clean Rivers Impervious Area Charge Revenues

The revenues from the CRIAC were \$94.3 million in Fiscal Year 2023. CRIAC revenues have increased or decreased in recent years due to rate adjustments to better reflect the cost of service. When rates and revenues from the CRIAC are expected to be lower, rates and revenues from wastewater charges are expected to be higher due to both: a) increases in the cost of service, and b) an allocation of a portion of the costs of the LTCP to wastewater charges in lieu of the CRIAC. The allocation of a portion of LTCP costs to wastewater charges is based on an analysis prepared by the Authority which estimates that sanitary sewage portion of combined wastewater and stormwater. Amawalk previously reviewed the Authority’s analysis and found it to be reasonable and consistent with industry practice. The revenues from the CRIAC in Fiscal Year 2024 and subsequent years are expected to change reflecting the effects of projected rate increases. Revenues from CRIAC are expected to be \$110.2 million in Fiscal Year 2024, \$107.0 million in Fiscal Year 2025, \$112.1 million in Fiscal Year 2026, \$136.0 million in Fiscal Year 2027 and \$142.5 million in Fiscal Year 2028.

Water System Replacement Fee

The revenues from Water System Replacement Fee were \$42.4 million in Fiscal Year 2023. It is assumed for projection purposes that the Water System Replacement Fee will generate \$40.7 million per year from Fiscal Year 2024 and through 2028.

Stormwater Revenues

In Fiscal Year 2023, the Authority collected \$1.04 million in stormwater fees from its retail accounts to cover its share of District stormwater expenditures, and it anticipates that it will collect \$1.11 million in each Fiscal Year from 2024 to 2028. The District Council has stormwater rate-setting authority for stormwater services provided by the District. The projected revenue from stormwater fees that are payable to the District are based on the current stormwater rate which is assumed to be constant during the projection period. For more information regarding the stormwater fee, see “CUSTOMER BASE, RATES AND CHARGES – Components of Retail Rates and Charges – Stormwater Fee.”

Wholesale Revenues

The Authority’s wholesale revenues for wastewater operations are stable and reflect modest increases in the cost of service and changes in the volumes of wastewater flow from suburban customers. In Fiscal Year 2023, the Authority received \$105.3 million in revenue from its wholesale customers pursuant to the IMA. Revenues from wholesale customers are expected to increase to \$106.5 million in Fiscal Year 2024, \$114.2 million in Fiscal Year 2025, \$120.9 million in Fiscal Year 2026, \$125.7 million in Fiscal Year 2027 and \$130.8 million in Fiscal Year 2028. The revenues from the wholesale customers in Fiscal Years 2024 through 2028 are projected to increase reflecting the effects of projected cost increases for such customers as well as the expectation that water demand will decrease by 1% annually.

The preceding figures do not include the effects of prior year billing reconciliations in each year. Such figures also do not include the annual capital contributions of wholesale customers; the anticipated capital contributions are shown in the Sources of Funds section of Table 5 – Fiscal Year 2024-33 Capital Improvement Program.

Loan Repayment from Arlington County and Falls Church

The Authority provided a loan to the Aqueduct to finance certain improvements at the Aqueduct. This loan is repaid to the Authority by Arlington County, Virginia, and Falls Church, Virginia, as Aqueduct Customers, in the form of a credit that is issued to the Authority on the monthly water bills generated by the Aqueduct. The amount of the credit is determined by the Aqueduct in accordance with the Water Sales Agreement, and the annual amount is expected to be \$193,246 from Fiscal Year 2024 through Fiscal Year 2028.

Interest Income on Reserve Funds

Interest income is earned on the available funds of the Authority and a portion of the interest earnings may be used to pay operating and maintenance expenses or capital costs of the Authority.

Interest earnings will fluctuate from year to year based on changes in cash flow, reserve requirements, fund balances and market conditions affecting interest rates and other investment terms. In Fiscal Year 2023, the Authority received \$6.4 million in revenue from interest earnings. The Authority has projected interest earnings of \$8.5 million in Fiscal Year 2024, \$9.5 million in Fiscal Year 2025, \$9.2 million in Fiscal Year 2026, \$13.7 million in Fiscal Year 2027 and \$16.0 million in Fiscal Year 2028, including interest earned from the bond reserves. The assumed annual interest earnings rates for the funds are: 2.0% in Fiscal Years 2024 and 2025, 2.5% in Fiscal Year 2026, 2.75% in Fiscal Year 2027 and 3.0% in Fiscal Year 2028. Projected fund balances and interest rate assumptions are reviewed annually as part of the Authority's budget process. The Authority assumes for forecasting purposes that interest earnings rates will increase gradually over time while simultaneously assuming that borrowing rates for future Authority fixed rate debt in Fiscal Years 2025 through 2028 will be 0.50% higher than the assumed rates for Fiscal Year 2024.

Miscellaneous Revenue

The Authority realizes revenue from several sources classified as miscellaneous, such as charges for late payments by customers, service installation charges, service line repairs, engineering reviews, the sale of manuals, the conveyance and treatment of backwash water from the Washington Aqueduct, and fees charged to commercial waste haulers. Miscellaneous revenues in Fiscal Year 2023 were \$38.2 million. Revenues from these sources are expected to increase to \$43.45 million in Fiscal Year 2024. Miscellaneous revenues are expected to total \$43.8 million per year in Fiscal Year 2025, \$46.8 million in Fiscal Year 2026, \$47.4 million in Fiscal Year 2027, and \$50.7 million in Fiscal Year 2028.

These amounts also include payments for various development-related services provided by the Authority and charges to the District for fire protection services. The System Availability Fee and Fire Protection Fee are the largest sources of miscellaneous revenue at \$7.7 million and \$11.5 million, respectively, in Fiscal Year 2024. The Authority's annual investments (operating and capital) in fire protection assets and services increased significantly following the execution of the Memorandum of Understanding between the Authority and the District of Columbia Fire and EMS Department (FEMS) on October 25, 2007. The fees charged by the Authority are intended to recover the costs incurred by the Authority related to fire protection services provided by the water system including, but not limited to, the ability to deliver water for firefighting as well as maintaining and upgrading fire hydrants. The Authority's investments will continue in future years but at a pace that is much lower than the peak years of Fiscal Year 2008 and Fiscal Year 2009. The projected miscellaneous revenues assume that the District will make such payments in each year or that a combination of payments and credits against Authority payments to the District will result in the Authority receiving the full amounts expected from the District.

PILOT/ROW Fee

The total combined revenues from the PILOT/ROW Fee are assumed in the financial forecast to total \$23.4 million in Fiscal Year 2024, and increase gradually each year to \$24.9 million in Fiscal Year 2028. The Authority and the District have negotiated MOUs for both the PILOT and the ROW (see "THE AUTHORITY – Authority's Relationship to the District").

System Expenditures*Operating Expenses*

Table 23 presents the historical Operating and Maintenance ("O&M") expenses of the Authority for Fiscal Year 2023, approved (projected) O&M expense for Fiscal Year 2024, and the projected O&M expenses for Fiscal Years 2025 through 2028 on a cash disbursement basis.

The approved expenses for Fiscal Year 2024 represents a 3.2% increase over the expenses for Fiscal Year 2023, excluding the PILOT/ROW Fee payments to the District. The anticipated expenses for Fiscal Year 2025 reflect an annual increase of 4.6% over the projected expenses for Fiscal Year 2024, excluding the PILOT/ROW Fee payments to the District.

Table 23. Historical and Projected Operation and Maintenance Costs on a Cash Disbursement Basis
 Fiscal Years ended/ending September 30
 (\$ in thousands)^{1, 2}

	Actual ³	Approved		Projected ⁴		
	2023	2024	2025	2026	2027	2028
Personnel Services	\$161,261	\$169,607	\$175,530	\$182,551	\$189,853	\$197,447
Contractual Services	97,456	93,070	102,284	105,937	110,175	114,582
Water Purchases	32,765	44,039	45,330	48,556	50,498	52,518
Chemical & Supplies	61,931	54,568	55,585	60,698	63,126	65,651
Utilities & Rent	34,728	39,233	40,318	41,760	43,430	45,167
Small Equipment	1,236	1,437	1,364	1,274	1,325	1,378
Total O&M Expenses	\$389,376	\$401,954	\$420,411	\$440,777	\$458,408	\$476,744
PILOT & D.C. ROW Occupancy Fee	\$23,070	\$23,430	\$23,796	\$24,170	\$24,552	\$24,941
Total Expenses	\$412,447	\$425,383	\$444,207	\$464,947	\$482,959	\$501,685

¹ Totals may not add due to rounding.

² All figures are presented on a cash disbursement basis.

³ Preliminary results; unaudited.

⁴ Fiscal Year 2024 – 2028 cost projections are based on the Authority’s Financial Plan.

Source: Amawalk

Table 24 provides a comparison of the budgeted versus actual costs for Fiscal Years 2021, 2022 and 2023 on an accrual basis. As illustrated in Table 24, the Authority has historically under-spent its annual budget for O&M expenses as one component of the budget. Individual line items of expense may be higher or lower in a given year but aggregate expenses are historically less than budgeted.

Table 24. Budget to Actual Expense Comparison
 Fiscal Years Ended September 30
 (\$ in thousands)^{1,2}

Category	2021			2022			2023		
	Approved Budget	Actual Cost	Variance	Approved Budget	Actual Cost	Variance	Revised Budget ³	Actual Cost ²	Variance
Personnel Service	\$177,863	\$165,032	\$12,831	\$180,353	\$173,229	\$7,124	\$186,223	\$183,316	\$2,907
Contractual Service	88,532	73,575	14,957	88,504	75,878	12,626	88,504	88,309	195
Water Purchase	36,250	33,135	3,115	35,217	33,345	1,872	40,334	33,609	6,725
Chemical & Supplies	36,081	34,244	1,837	34,201	39,189	-4,988	54,628	53,082	1,546
Utilities & Rent	27,911	27,329	582	27,329	37,820	-10,491	37,799	37,361	438
Small Equipment	1,030	617	413	1108	862	246	1,108	1244	-136
Debt Service	222,268	204,878	17,390	231,164	209,768	21,396	231,232	225,852	5,380
Cash Financed Capital Improvements	30,355	30,355	0	37,830	37,830	0	23,505	35,730	-12225
PILOT/ROW	22,373	22,372	1	22,718	22,718	0	23,070	23,070	0
Total Budgetary Basis Expenditures	\$642,663	\$591,537	\$51,126	\$658,423	\$630,638	\$27,785	\$686,403	\$681,574	\$4,829

¹ All figures are presented on an accrual basis. Fiscal Year 2023 figures are subject to change pending final audit results.

² These figures include estimated incurred but unpaid invoices and are subject to revision during year-end closeout and final audit.

³ Indicates approved budget, as amended.

Source: Authority records.

Several factors affecting future expenses are described herein. The Authority has undertaken long-term initiatives to optimize the cost of service. Management’s forecast of operations and maintenance expenses reflects continued emphasis on managing such expenses. Examples of historical and ongoing initiatives are outlined in the description of the major categories of expense. Management continually monitors expenditures and reports the results monthly to the Board’s Finance and Budget Committee. The Authority also has the option, in any given year, to defer certain expenses in order to stay within its budget and conform to Board policy requirements.

Labor-Related Expenses

Personnel costs are directly affected by staffing levels, salaries and wages, fringe benefits including retirement contributions, overtime expenditures and other factors.

Certain individuals at the Authority are responsible for planning and implementing the CIP. The salaries, wages and fringe benefits of such personnel are charged to capital projects and are paid for through the sources of funds for the CIP.

Salaries and Fringe Benefits. The Authority provides its employees with a comprehensive fringe benefit package, including coverage for health insurance, group term life insurance, dental care, vision care, disability coverage and retirement plans. The fringe benefit component of total labor costs in recent years has been impacted by the increasing cost of health care coverage. Fringe benefits are budgeted to be 23% of the total personnel services budget in Fiscal Year 2021 and 22% of the total personnel services budget in Fiscal Year 2022.

While employed by the Authority, employees contribute to a retirement fund and the Authority contributes a proportional match. Once an employee retires, the Authority has no further financial obligations relating to those employees. Some retired employees may be eligible to receive a federal pension. In addition, the federal government also may assume the employer portion of the healthcare coverage for eligible employees. The Authority is and expects to continue to remain current with its benefit payments.

See “THE AUTHORITY – Employees and Labor Relations” herein for further information regarding the Authority’s labor force and the status of collective bargaining agreements.

Overtime Expenses. The Authority uses overtime work by its employees to address unplanned repairs and service needs (e.g., to repair water main breaks that occur outside of normal business hours) as well as to provide resources to offset unfilled positions and to reduce the need for contractual labor. Overtime expenses in Fiscal Year 2021, including an allowance for fringe benefits, totaled \$8.2 million, or about 4.6% of total personnel services costs.

Total Personnel Expenses. On a cash basis, the Authority’s personnel costs increased at an annual average of 3.1% per year from Fiscal Year 2017 through Fiscal Year 2021. In Fiscal Years 2022 and 2023, personnel expenses are expected to increase by 6.5% and 0.3%, respectively, from the prior year. Beginning in Fiscal Year 2024, personnel expenses are projected to increase at an average annual rate of 3.0%. The projected rate of increase is supported by the Authority’s demonstrated ability to maintain adequate staffing levels and reduce overtime costs through improvements in its facilities and business practices, as well as the expectation that new employees in the upcoming years will have lower salaries and benefits compared to the employees who will retire during that same period.

Non-Labor Operating Expenses

There are four major categories of non-labor related operating expenses: contractual services (which includes the processing and disposal of biosolids), water purchases, chemicals and supplies, and utilities and rent (which includes electricity needed to operate the Authority facilities). A brief overview of the four major categories of non-labor expenses is provided below.

Contractual Services. Contractual services include the outside services necessary for the Authority to operate and maintain facilities, including the hauling of biosolids from the Blue Plains treatment facility to the disposal location, building maintenance and repair, the maintenance of certain machinery, equipment and vehicles, and other contractual or professional services.

The actual cash basis costs for contractual services in FY 2021 were \$82.5 million. The budgeted amounts for contractual services in Fiscal Year 2022 and Fiscal Year 2023 are similar at \$88.5 million and \$88.5 million, respectively. Contractual services expenses are assumed to increase at the average annual rate of 3.1% for Fiscal Year 2024 and 3.0% in Fiscal Years 2025 and 2026.

Also included within contractual services is the Authority’s purchase of annual insurance policies. The policies cover property, equipment, worker’s compensation, umbrella and excess liability, crime and fidelity, public officials’ liability, and fiduciary liability.

Water Purchases. The Authority purchases all of its treated drinking water from the Aqueduct on the basis of a 1997 agreement between the Authority and the Corps of Engineers, the operator of the Aqueduct. Under the terms of the agreement and based on its usage in relation to the other Aqueduct Customers, the Authority pays an average of approximately 75% of the Aqueduct’s operating costs. The Authority’s share of Aqueduct capital costs is reflected in the Authority’s CIP.

The actual operating costs for water purchases in Fiscal Year 2021 were \$34.8 million on a cash basis. The budgeted amount for water purchases in Fiscal Year 2022 and the projected amount for Fiscal Year 2023 is \$35.2 million and \$40.3 million, respectively. An average annual increase in water supply costs of 3.0% is assumed in Fiscal Years 2024 through 2026.

Chemicals and Supplies. The chemicals and supplies component of the Authority’s operating and maintenance expenses includes, but is not limited to, office, laboratory, custodial and maintenance supplies, automotive supplies, uniforms, and chemicals. Chemicals are the largest portion of this component. The Authority continues to implement a QA/QC program for managing dry polymer selection, procurement, and use. The most cost effective dry polymer products, for different process applications at Blue Plains, are selected based on laboratory and full scale tests. The selected products are “fingerprinted” to verify the consistency in the quality of future deliveries.

The actual expenses for chemicals and supplies in Fiscal Year 2021 on a cash basis were \$38.4 million. The budgeted expenses for chemicals and supplies in Fiscal Year 2022 and the projected amount for Fiscal Year 2023 are \$34.2 million and \$37.0 million, respectively. An average annual increase in costs for chemicals and supplies of 3.5%, 4.0% and 3.0% is assumed in Fiscal Years 2024, 2025 and 2026, respectively.

Utilities and Rent. The Authority is a major user of energy, primarily for the operation of the Blue Plains Wastewater Treatment Facilities. In Fiscal Year 2021, approximately 67% of the expenses associated with utilities and rent were attributable to the cost of power. The combined heat and power facility provides over 23% of the plant's energy needs. See "CAPITAL IMPROVEMENT PROGRAM – Categories of CIP Projects – Blue Plains – Wastewater Treatment Projects." The Authority has taken a proactive approach to the procurement of power and its pricing. On October 1, 2014, the Authority entered into a five-year full service electricity contract, with five optional years, to purchase power from Constellation New Energy, Inc., previously ConEdison Solutions. As part of its power purchasing strategy in the deregulated environment, this contract allows the Authority to lock in blocks of power at a fixed price when futures pricing meets budget targets. To the extent that the Authority has power needs that exceed the locked in fixed price blocks, the price of the additional power would be established each day at market rates with direct pass-through of all costs. This contract includes an enhanced process for block power purchases that gives the Authority access to the wholesale market. The Authority's Department of Finance, Accounting and Budget monitors the energy market on a continuous basis. The contract was modified and extended through September 30, 2022.

In June 2018, the Authority entered into a Solar Power Purchase Agreement ("Solar PPA") with Marbury Point Solar LLC, which is controlled by Ameresco, Inc., a renewable energy asset development company ("Ameresco"). Under this agreement, Ameresco now owns, operates, and maintains the solar photovoltaic distributed generation system at Blue Plains to provide a portion of the electricity necessary for its operation. The Solar PPA has an initial term of 20 years, renewable at the discretion of the Authority for a one-time 5-year term addition. The Authority is committed to purchasing all of the energy output from the Solar PPA installation. Ameresco is committed to providing a specified minimum annual energy production obligation per the Solar PPA contract. The Authority may terminate the Solar PPA at any time at a specified value from \$24,972,127 through the twentieth year valued at \$1,048,575 by year. Upon expiration of the Solar PPA, the Authority may purchase the subject solar system from Ameresco at fair market value. The Blue Plains Phase I Solar Project began generating power in June 2021. The Authority, as dictated by the Solar PPA and adjusted by the 2017 Contract Administration Memorandum, pays a graduated price starting from the first year at \$0.0186/kWh to the twenty-fifth year at \$0.0317/kWh for the power and has avoided paying grid power costs, which were approximately \$0.10/kWh in December 2021. Based on current generation, the estimated savings is \$450,000/year and is expected to increase as energy costs increase.

Reserve Funds

The Authority maintains various reserve funds as previously described herein. See "SECURITY FOR THE SERIES 2024A BONDS – Certain Reserve Funds – Discretionary Reserves; – Operating Reserve Fund; – Rate Stabilization Fund; and – Renewal and Replacement Reserve Fund."

Financial Policies

The Authority has developed a ten-year financial plan to ensure compliance with certain Indenture requirements and the Board's financial policies. This plan is updated at least annually, taking into account revisions to the CIP, current and prior year financial performance and other changes. The Board adopted a series of financial policies in 1997 that the Authority utilizes to develop its ten-year financial plan, operating budgets and rate proposals. The policies summarized below reflect revisions adopted by the Board and effective October 7, 2021.

Financial Policies, Debt Policy and Guidelines

The policies are designed to promote sound financial management, achieve high quality investment grade bond ratings to help ensure the lowest cost of debt necessary to finance the Authority's long-term capital program, guide day-to-day financial and management decisions by the Authority, and reduce financial risk associated with events that could interrupt customer payments or financial markets, or require a large unanticipated outlay of cash (major repairs).

- i. The Authority will maintain strong levels of Operating Cash Reserves that exceed the Master Indenture requirements. In the Financial Plan that is proposed by the CEO and General Manager and approved by the Board, 250 days of cash will be maintained in each fiscal year based on projected Operating Expenses. Days of Cash on Hand will be calculated on an average daily balance basis for the projections in the Financial Plan.
- ii. It is the policy of the Board that the Financial Plan developed by the CEO and General Manager and adopted by the Board will contain a minimum combined debt service coverage of 1.60x for the budget and all years of the Financial Plan. Debt service coverage will be calculated in accordance with the Master Indenture.
- iii. The Authority will, whenever possible, use the least costly type of financing for capital projects, based on a careful evaluation of the Authority's capital and operating requirements and financial position for each year. The Authority will attempt to match the period of debt repayment, in total, with the lives of the assets financed by any such debt.
- iv. The Authority will use operating cash in excess of the Board's Operating Cash Reserve requirement and any other significant one-time cash infusions for capital financing, repayment of higher cost debt (debt defeasance), or non-

recurring expenses that reduce ongoing costs. The budget and the financial plan will be structurally balanced; the Authority will use onetime revenues for one-time expenses.

Rate-Setting Policies

The Authority's rate-setting policies are based on the following principles:

- i. Rates and fees will be based on the actual cost to deliver each service.
- ii. Current rates must be sufficient to cover current costs and to meet all bond covenants.
- iii. The Authority will achieve a positive net income and cash flow each year.
- iv. Rates will be based on an annually updated ten-year financial plan (both operating and capital).
- v. Rate increases will be implemented in a gradual and predictable manner, avoiding large one-time rate increases.
- vi. Contributions to and usage of the Rate Stabilization Fund as needed to avoid "rate shock." Each year, after reviewing financing improvements from cash and any other non-recurring financing uses of excess operating cash, the annual Rate Stabilization Fund deposit, if any, is determined.

Cash Management and Investment Policies

In January 2022, the Board amended its comprehensive Statement of Investment Policy. The statement outlines broad investment policies to include delegation of certain authority to the CEO, investment objectives, collateralization of deposits, selection of financial institutions, protection of funds, permitted investments, limits on maturities, investment of bond proceeds and investment reporting.

The Office of Treasury and Debt produces daily and monthly internal reports on all cash management and investment activities, with significant peer oversight within the Chief Financial Officer's office, monthly reports to the CEO and quarterly reports to the Board's Finance and Budget Committee that enables them to monitor compliance with Board policies.

Extendable Municipal Commercial Paper Policy

On October 1, 2015, the Board adopted a formal policy relating to the Authority's EMCP Notes. The goal of this policy is to ensure that the Authority is able to pay (either from its own funds, the proceeds of a new issuance of Series A Notes, or a new issue of bonds or Commercial Paper Notes) the principal of and interest on any outstanding EMCP Notes on the original maturity date or extended maturity date thereof, as the case may be.

Green Bond Framework

On October 7, 2021 the Board adopted a Green Bond Framework to formalize the process and commitments that govern the Authority's issuance of Green Bonds. The Green Bond Framework governs the use of Green Bond proceeds, project selection and evaluation processes, management of Green Bond proceeds and disclosure. At the time of issuance of a Green Bond, the Authority's policy is to seek an independent Second Party Opinion on the sustainability of the Green Bond to be issued.

ENGINEERING FEASIBILITY REPORT

The Authority retained PEER Consultants, P.C. ("PEER") to prepare the Independent Engineering Assessment of the DC Water Wastewater and Water Systems dated September 30, 2023 (the "Independent Engineering Assessment"), a copy of which is available on the Authority's website at www.dcwater.com. Pursuant to the Indenture requirement for an inspection of the System at least once every five years, an independent engineering inspection reviews the Authority's progress in implementing capital projects and its plans to initiate additional capital improvements. The inspection evaluates the adequacy of the Authority's CIP to maintain its water and wastewater infrastructure and to continue providing reliable service of a high quality to its customers. The Independent Engineering Assessment should be read in its entirety for a complete understanding of the assumptions, considerations, estimates and calculations upon which these conclusions are based.

FINANCIAL FEASIBILITY OPINION LETTER

[To be reviewed by Amawalk] The Authority retained Amawalk Consulting Group LLC as its financial feasibility consultant, in which capacity Amawalk prepared the Financial Feasibility Opinion Letter dated [_____, 2024], which is attached hereto as APPENDIX A. Amawalk provides financial and management consulting services to water and wastewater utilities, local governments and other organizations. Examples of the consulting services offered by the firm include: cost of service and rate studies; financial modeling; feasibility studies to support the issuance of debt; competitive assessments, including benchmarking and implementation of best practices; analyses supporting the consolidation of services; and the formation/start-up of public authorities including transition planning.

The conclusions set forth in the Financial Feasibility Opinion Letter reflect Amawalk's analysis of the Authority's anticipated financial results for Fiscal Years 2024 to 2028. Amawalk has assisted the Authority in preparing certain portions of this Official Statement relating to historical and projected financial performance of the Authority. The Financial Feasibility Opinion Letter has not been updated to reflect any changes occurring after the date of the Financial Feasibility Opinion Letter. The Financial Feasibility Opinion Letter presents findings and conclusions based upon the analysis of financial statements and reports prepared by

or for the Authority and other information provided by the Authority or others which is summarized or referred to therein, including conclusions, assumptions, considerations and recommendations regarding the operation of the System, the necessary improvements and betterments thereto and the steps that should be taken to assure adequate reliable bulk power supply at reasonable cost. Set forth below are Amawalk's principal conclusions. The Financial Feasibility Opinion Letter and this Official Statement should be read in its entirety for a complete understanding of the assumptions, considerations, estimates and calculations upon which these conclusions are based.

Amawalk concluded that the Authority has the ability to effectively execute its mission, operate its System to provide uninterrupted service, maintain regulatory compliance, and finance and implement its CIP within the parameters set forth in the Indenture and the applicable Board policies. In addition, Amawalk makes the following observations:

- The Authority's financial forecast is viable, consistent with industry standards, and its projections are expected to meet the Board's debt service coverage and reserve requirements and targets.
- Revenues of the Authority (including projected revenue increases resulting from anticipated future rate increases to be implemented by the Authority) in the Reporting Period will be sufficient to pay: (i) the actual Operating Expenses; (ii) Annual Debt Service on Senior Debt; (iii) any amount necessary to be deposited in any Account in the Debt Service Reserve Fund relating to a Series of Bonds to restore the amount on deposit therein to the Series Debt Service Reserve Requirement; (iv) the amount required to pay Annual Debt Service on the Subordinate Debt (including any reserves in connection therewith and the restoration thereof); (v) any amount necessary to be deposited in the Operating Reserve Fund and the Renewal and Replacement Reserve Fund to maintain the required balances therein; and (vi) any amount necessary to make any payments in lieu of taxes in such Fiscal Years. Sufficient funds are projected to be on deposit in each of the required reserve funds during the Reporting Period.
- On October 7, 2021, the Board approved a Statement of Financial Policies which established a minimum cash balance of 250 days of projected operating expenses and senior debt service coverage of 160%. On October 5, 2023 the Board approved a revised Statement of Financial Policies that set a cash target of 350 days of projected operating expenses to be achieved gradually by 2032 through the use of year-end surplus. Both the prior policy and the revised policy requirement significantly exceed the minimum Operating Reserve fund requirements set forth in the Indenture. As of September 30, 2023, the reserve funds of the Authority had a total balance of \$286.9 million, excluding the amount in the Rate Stabilization Fund ("RSF"). Actual cash on hand has exceeded the levels required by Board policy in recent years, including the amount on hand at the end of FY 2023. Amawalk reviewed the operating reserve policies of the Authority in 2023 and concluded that the current Board policy provides for an appropriate level of reserves.
- The water and wastewater rates, fees and charges of the Authority, including projected increases for FY 2025 through FY 2028, are somewhat higher than the average of other utilities. Relative to median household income, the single family residential charges of the Authority are reasonable and affordable compared to the charges of other major cities as well as utilities in the region. In addition, the Authority utilizes its well-established and robust affordability programs to assist low income customers in paying their bills.

In the analysis of the forecast of future operations summarized in this Official Statement, Amawalk has reviewed certain assumptions with respect to conditions, events and circumstances which may occur in the future. These assumptions are reasonable and attainable as of the date of the Financial Feasibility Opinion Letter, although actual results may differ from those forecast as influenced by the conditions, events and circumstances which actually occur.

TAX MATTERS

Series 2024A Bonds

In the opinion of Squire Patton Boggs (US) LLP and Bellamy Penn LLC, Co-Bond Counsel, under existing law: (i) interest on the Series 2024A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; and (ii) the Series 2024A Bonds and the interest thereon are exempt from District taxation, except estate, inheritance and gift taxes. Co-Bond Counsel expresses no opinion as to any other tax consequences regarding the Series 2024A Bonds.

The opinion on federal tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Authority contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2024A Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Co-Bond Counsel will not independently verify the accuracy of the Authority's representations and certifications or the continuing compliance with the Authority's covenants.

The opinion of Co-Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Co-Bond Counsel's legal judgment as to exclusion of interest on the Series 2024A Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (the "IRS") or any court. Co-Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the Authority may cause loss of such status and result in the interest on the Series 2024A Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2024A Bonds. The Authority has covenanted to take the actions required of it for the interest on the Series 2024A Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Series 2024A Bonds, Co-Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Co-Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2024A Bonds or the market value of the Series 2024A Bonds.

Interest on the Series 2024A Bonds may be subject: (1) to a federal branch profits tax imposed on certain foreign corporations doing business in the United States; (2) to a federal tax imposed on excess net passive income of certain S corporations; and (3) to the alternative minimum tax imposed under Section 55(b) of the Code on "applicable corporations" (within the meaning of Section 59(k) of the Code). Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Series 2024A Bonds. Co-Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Series 2024A Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel's engagement with respect to the Series 2024A Bonds ends with the issuance of the Series 2024A Bonds, and, unless separately engaged, Co-Bond Counsel is not obligated to defend the Authority or the owners of the Series 2024A Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2024A Bonds, under current IRS procedures, the IRS will treat the Authority as the taxpayer and the beneficial owners of the Series 2024A Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Series 2024A Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Series 2024A Bonds.

Prospective purchasers of the Series 2024A Bonds upon their original issuance at prices other than the respective prices indicated on the inside cover of this Official Statement, and prospective purchasers of the Series 2024A Bonds at other than their original issuance, should consult their own tax advisors regarding other tax considerations such as the consequences of market discount, as to all of which Co-Bond Counsel expresses no opinion.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the Council and State legislatures. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Series 2024A Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2024A Bonds will not have an adverse effect on the tax status of interest on the Series 2024A Bonds or the market value or marketability of the Series 2024A Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Series 2024A Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, federal tax legislation that was enacted on December 22, 2017 reduced corporate tax rates, modified individual tax rates, eliminated many deductions, repealed the corporate alternative minimum tax that was in effect at that time, and eliminated the tax-exempt advance refunding of tax-exempt bonds and tax-advantaged bonds, among other things. Additionally, investors in the Series 2024A Bonds should be aware that future legislative actions might increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Series 2024A Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Series 2024A Bonds may be affected and the ability of holders to sell their Bonds in the secondary market may be reduced.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

Original Issue Discount and Original Issue Premium

Certain of the Series 2024A Bonds ("Discount Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond. The issue price of a Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Bond over the

period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excluded from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2024A Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, sale or other disposition of that Discount Bond. A purchaser of a Discount Bond in the initial public offering at the issue price (described above) for that Discount Bond who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond.

Certain of the Series 2024A Bonds ("Premium Bonds") may be offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

Owners of Discount and Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the existence of OID or bond premium, the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount or Premium Bonds, other federal tax consequences in respect of OID and bond premium, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

COVENANT BY THE DISTRICT OF COLUMBIA

Under the Act, the District pledges to the Authority and any holders of the bonds that, except as provided under the Act, the District will not limit or alter rights vested in the Authority to fulfill agreements made with holders of the bonds, or in any way impair the rights and remedies of the holders of the bonds until the bonds, together with interest thereon, with interest on any unpaid installments of interest and all costs and expenses in connection with any action or proceedings by or on behalf of the holders of the bonds, are fully met and discharged.

LITIGATION

There is not now pending or, to the best of the Authority's knowledge, threatened any litigation restraining or enjoining the issuance or delivery of the Series 2024A Bonds or questioning or affecting the validity of the Series 2024A Bonds, the proceedings and authority under which they are to be issued, nor is the creation, organization, or existence of the Authority being contested. Nor is there any litigation pending or, to the best of the Authority's knowledge, threatened which (i) in any manner questions the right of the Authority to operate the System or its right to conduct its activities in accordance with the provisions of the Act and of the Indenture or (ii) if determined adversely to the Authority, would have a material adverse impact on the financial condition of the Authority.

The Authority is subject to a variety of suits and proceedings arising out of its ordinary course of operations, some of which may be adjudicated adversely to the Authority. Any such litigation is of a routine nature which does not affect the right of the Authority to conduct its business or the validity of its obligations.

LEGAL MATTERS

Certain legal matters relating to the issuance of the Series 2024A Bonds are subject to the approving opinions of Squire Patton Boggs (US) LLP and Bellamy Penn LLC, Co-Bond Counsel, which will be furnished upon delivery of the Series 2024A Bonds, substantially in the form set forth as APPENDIX F. Squire Patton Boggs (US) LLP and Bellamy Penn LLC also serve as Co-Disclosure Counsel to the Authority in connection with the preparation of this Official Statement. Certain legal matters will be passed upon for the Authority by its Chief Legal Officer and Executive Vice President, Government & Legal Affairs, and for the Underwriters by their co-counsel, Orrick, Herrington & Sutcliffe LLP and McKenzie & Associates.

INDEPENDENT AUDITORS

The financial statements of the Authority for Fiscal Years ended September 30, 2019 and 2020 included in this Official Statement have been audited by KPMG LLP ("KPMG"). KPMG has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. KPMG also has not performed any procedures relating to this Official Statement.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

[placeholder]

THE TRUSTEE

The Authority has appointed Computershare Trust Company, N.A., a national banking association organized under the laws of the United States, to serve as Trustee. The Trustee is to carry out those duties assignable to it under the Master Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the nature, contents, accuracy or completeness of the information set forth in this Official Statement or for the recitals contained in the Indenture or the Series 2024A Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application of the proceeds of such Series 2024A Bonds by the Authority. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Series 2024A Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Series 2024A Bonds, the technical or financial feasibility of the Project, or the investment quality of the Series 2024A Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

RATINGS

Standard & Poor's Global Ratings Services ("S&P"), Moody's Investors Service ("Moody's") and Fitch Ratings ("Fitch") have assigned long-term municipal bond ratings of "_____" (Stable), "_____" (Stable) and "_____" (Stable) respectively, to the Series 2024A Bonds. A securities rating is not a recommendation to buy, sell or hold the Series 2024A Bonds and may be subject to revision or withdrawal at any time. A rating reflects only the view of the rating agency giving such rating. An explanation of the significance of the ratings may be obtained from: S&P at 55 Water Street, New York, New York 10041; from Moody's at 7 World Trade Center, New York, New York 10007; and from Fitch Ratings at 300 West 57th Street New York, New York 10019. There is no assurance that a rating will apply for any given period of time, or that a rating will not be revised or withdrawn. A revision or withdrawal of a rating may have an effect on the market price of or the market for the Series 2024A Bonds.

CONTINUING DISCLOSURE

In accordance with the requirements of the Rule promulgated by the SEC, the Authority will enter into the Continuing Disclosure Agreement dated the date of delivery of the Series 2024A Bonds, which will constitute a written undertaking for the benefit of the Owners of the Series 2024A Bonds, solely to assist the Underwriters in complying with subsection (b)(5) of the Rule. Pursuant to the Continuing Disclosure Agreement, the Authority has covenanted to provide certain financial information on an annual basis and to provide notice of certain enumerated events. See APPENDIX D – "Form of the Continuing Disclosure Agreement" for detailed provisions of the Continuing Disclosure Agreement.

FINANCIAL ADVISORS

PFM Financial Advisors LLC and Sustainable Capital Advisors have served as co-financial advisors to the Authority with respect to the issuance of the Series 2024A Bonds.

UNDERWRITING

Morgan Stanley & Co. LLC, on behalf of itself and as representative (the "Representative") of the underwriters identified on the front cover of this Official Statement (collectively, the "Underwriters"), has agreed to purchase from the Authority the Series 2024A Bonds at an aggregate purchase price equal to \$[] (which amount constitutes the aggregate principal amount of the Series 2024A Bonds of \$[], plus original issue premium of \$[], less the Underwriters' discount of \$[]).

A Bond Purchase Agreement by and among the Authority and the Representative, on behalf of itself and as representative of the Underwriters dated [], 2024 (the "Series 2024A Bond Purchase Agreement"), provides that the Underwriters will purchase all of the Series 2024A Bonds if any are purchased, and the obligation to make such purchases is subject to certain terms and conditions set forth in the Series 2024A Bond Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions.

The Series 2024A Bonds may be offered and sold to certain dealers (including dealers depositing the Series 2024A Bonds into investment trusts) at prices lower than the public offering prices and such public offering prices may be changed from time to time by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the Authority and to persons and entities with relationships with the Authority, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Authority (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Authority. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading

ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

In addition, certain of the Underwriters have entered into distribution agreements with other broker-dealers (that have not been designated by the Authority as Underwriters) for the distribution of the Series 2024A Bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

LEGALITY FOR INVESTMENT

The Act provides that the bonds of the Authority are legal instruments in which public officers and public bodies of the District, insurance companies, insurance company associations and other persons carrying on an insurance business, banks, bankers, banking institutions, including savings and loan associations, building and loan associations, trust companies, savings banks, savings associations, investment companies and other persons carrying on a banking business, administrators, guardians, executors, trustees and other fiduciaries and other persons authorized to invest in bonds or in other obligations of the District, may legally invest funds, including capital, in their control.

The bonds are also, by the Act, securities which legally may be deposited with, and received by, public officers and public bodies of the District or any agency of the District for any purpose for which the deposit of bonds or other obligations of the District is authorized by law.

RELATIONSHIP OF PARTIES

In addition to representing the Authority as Co-Bond Counsel and Co-Disclosure Counsel, Squire Patton Boggs (US) LLP from time to time represents the Authority in other matters, including environmental, regulatory and personnel matters. From time to time, Squire Patton Boggs (US) LLP also represents one or more members of the underwriting group as its or their counsel in municipal bond transactions and other matters, but not in any matters related to the Authority.

MISCELLANEOUS

All estimates, assumptions, statistical information and other statements contained herein, while taken from sources considered reliable, are not guaranteed. To the extent that any statements herein include matters of opinion, or estimates of future expenses and income, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

The agreement of the Authority with the holders of the Series 2024A Bonds is fully set forth in the Indenture. Neither any advertisement of the Series 2024A Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers of the Series 2024A Bonds.

The information contained herein should not be construed as representing all conditions affecting the Authority or the Series 2024A Bonds. The foregoing statements relating to the Act, the Federal Act, the Indenture and other documents are summaries of certain provisions thereof, and in all respects are subject to and qualified in their entirety by express reference to the provisions of such documents in their complete forms.

The attached Appendices A through G are integral parts of this Official Statement and should be read in their entirety, together with all of the foregoing statements.

**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

By: _____
Matthew T. Brown
Chief Financial Officer and Executive Vice President,
Finance Procurement and Compliance

APPENDIX A

**FINANCIAL FEASIBILITY OPINION LETTER OF
AMAWALK CONSULTING GROUP LLC
DATED [REDACTED], 2024]**

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY
FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2023**

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C

GLOSSARY AND SUMMARY OF THE INDENTURE

[THIS PAGE INTENTIONALLY LEFT BLANK]

GLOSSARY

In addition to the terms defined elsewhere in this Official Statement, the following are definitions of certain terms used in this Official Statement, and the Indenture. Terms used but not defined herein shall have the meanings set forth in the Master Indenture, as previously amended and supplemented and as further amended and supplemented by the Thirty-Third Supplemental Indenture.

“**Account**” shall mean any of the various Accounts, sometimes created within a fund, under the Indenture.

“**Annual Budget**” shall mean the budget by that name referred to in the Indenture.

“**Annual Debt Service**” shall mean the amount of payments required to be made for principal of and interest on any specified Indebtedness, including mandatory sinking fund redemptions and payments pursuant to agreements with providers of credit enhancement or liquidity support with respect to such Indebtedness, to reimburse such providers for debt service payments made, with respect to such Indebtedness, scheduled to come due within a specified Fiscal Year, but excluding any capitalized interest funded from proceeds of Bonds. For purposes of calculating Annual Debt Service, the following assumptions are to be used to calculate the principal and interest due in such specified Fiscal Year:

(a) In determining the principal amount due in the Fiscal Year, payment shall be assumed to be made in accordance with any amortization schedule established for such Indebtedness (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization), including any scheduled redemption of such specified Indebtedness on the basis of accreted value and, for such purpose, the redemption payment shall be deemed a principal payment;

(b) If any of the specified Indebtedness constitutes Tender Indebtedness, then Annual Debt Service on the options or obligations of the holders of such Indebtedness to tender the same for purchase or payment prior to their stated maturity or maturities shall be treated as a principal maturity occurring on the first date on which owners of such Indebtedness may or are required to tender such Indebtedness, except that any such option or obligation to tender Indebtedness shall be ignored and not treated as a principal maturity if (1) such Indebtedness is rated at least in the “A” rating category (without regard to any rating refinement or gradation by numerical modifier or otherwise) by a Rating Agency, or such Indebtedness is rated in the two highest short-term note or commercial paper rating categories by a Rating Agency, and (2) any obligation the Authority may have, other than its obligation on such Indebtedness, to reimburse any provider of a credit or liquidity facility or a bond insurance policy, or similar arrangement, shall either be subordinate to the obligation of the Authority on such Indebtedness, or shall have been incurred under and shall have met the tests and conditions for the issuance of such specified indebtedness set forth in the Indenture;

(c) If any of the specified Indebtedness constitutes Variable Rate Indebtedness, the interest rate on such Indebtedness shall be assumed to be 100% of the greater of (1) the daily average interest rate on such Indebtedness during the 12 months ending with the month preceding the date of calculation, or such shorter period that such Indebtedness shall have been Outstanding or (2) the rate of interest on such indebtedness on the date of calculation; provided that, with respect to any Variable Rate Indebtedness which is being issued on the date of computation, the initial rate of such indebtedness upon such issuance shall be used;

(d) If any of the specified Indebtedness constitutes Balloon Indebtedness, then, for purposes of determining the annual amount payable on account of principal of and interest on such Indebtedness, such Indebtedness that is or would be Balloon Indebtedness shall be amortized on a level debt service basis over the lesser of a term of 30 years or the actual term of the Indebtedness; and the interest rate used for such computation shall be the rate quoted in the 30-year revenue bond index, or revenue bond index related to the actual term of the Indebtedness, as applicable, published by The Bond Buyer no more than two weeks prior to the date of calculation, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to select a replacement index, an interest rate equal to 80% of the yield for outstanding United States Treasury bonds having an equivalent maturity as the Indebtedness on the date of issuance, or if there are no such Treasury bonds having equivalent maturities, 80% of the lowest prevailing prime rate of any of the five largest commercial banks in the United States of America ranked by assets;

(e) If any of the specified Indebtedness constitutes Short-Term Obligations, then for purposes of determining the Annual Debt Service on such Indebtedness, the Authority shall include the amount of any interest payments due on such Indebtedness if such interest is payable from Net Revenues during such Fiscal Year, and ignore any principal payments due on such Indebtedness if (1) such Indebtedness is rated at least in the “A” rating category (without regard to any rating refinement or gradation by numerical modifier or otherwise) by a Rating Agency, or such Indebtedness is rated in the two highest short-term note or commercial paper rating categories by a Rating Agency, (2) there is in place a letter of credit, liquidity facility, a bond insurance policy, or similar arrangement (a “Credit Facility”), and the Authority’s obligation to reimburse the provider of such Credit Facility is subordinate to the Authority’s obligation to pay debt service on Bonds, and (3) there are no unreimbursed draws under any Credit Facility securing any Short-Term Obligations. If there are any unreimbursed draws under a Credit Facility related to such Indebtedness, the principal payment obligation due on such Indebtedness shall be determined to be the principal due under such Credit Facility and shall be calculated in accordance with the amortization schedule set forth with respect to such Credit Facility.

(f) If any of the specified Indebtedness constitutes Bond Anticipation Notes, then for purposes of determining the annual amount payable on account of principal of and interest on such Indebtedness, such Indebtedness shall be amortized on a level debt service basis over a term of 30 years. Interest on such Indebtedness shall equal the actual fixed rate of interest payable during the Fiscal Year. If such Indebtedness is Variable Rate Indebtedness, interest payable during such Fiscal Year shall be calculated in accordance with subsection (c) above.

(g) For any Indebtedness for which a binding commitment, letter of credit or other credit arrangement providing for the extension of such Indebtedness beyond its original maturity date exists, the computation of the annual amount payable on account of principal and interest on such Indebtedness shall, at the option of the Authority, be made on the assumption that such Indebtedness will be amortized in accordance with such credit arrangement; and

(h) Except for Hedge Agreements, Interest Rate Swaps are to be disregarded in calculating the Series Debt Service Reserve Requirement. Upon incurrence of a Hedge Agreement, all calculations, including for the annual amount on account of principal and interest on Indebtedness subject to the Hedge Agreement, shall be made using the Hedge Fixed Rate for the applicable period and such Indebtedness shall not be considered as Variable Rate Indebtedness for such period.

“Authority” shall mean the District of Columbia Water and Sewer Authority, an independent authority of the District.

“Authorized Representative of the Authority” shall mean such person or persons as may be designated to act on behalf of the Authority by a certificate executed by the Chair of the Board of Directors and on file with the Trustee.

“Balloon Indebtedness” shall mean indebtedness having a term of longer than 60 months and 25% or more of the principal of which matures on the same date and which portion of the principal of such indebtedness is not required to be amortized by payment or redemption prior to such date. If any indebtedness consists partially of Variable Rate Indebtedness and partially of indebtedness bearing interest at a fixed rate, the portion constituting Variable Rate Indebtedness and the portion bearing interest at a fixed rate shall be treated as separate issues for purposes of determining whether any such indebtedness constitutes Balloon indebtedness.

“Board of Directors” shall mean the board of directors that was established to govern the Authority pursuant to Section 204 of the WASA Act, codified, as amended, at D.C. Code Section 34-2202.04.

“Bond Anticipation Notes” shall mean any notes issued in anticipation of the issuance of Bonds.

“Bond Counsel” shall mean an attorney or firm of attorneys nationally recognized on the subject of municipal bonds.

“Bond Fund” shall mean the Bond Fund established in the Indenture.

“Bondholders” or **“holders”** of Bonds shall mean the registered owners of Bonds.

“Bonds” shall mean any bonds, notes or other obligations issued from time to time pursuant to Article III, including Bond Anticipation Notes, but not including Other System Indebtedness and Subordinate Debt.

“Business Day” shall mean a day on which banking business is transacted, but not including a Saturday, Sunday or legal holiday, or any day on which banking institutions are authorized by law to close in the city in which the Trustee has its principal corporate trust office or in the District of Columbia.

“Cash Reserve Requirement” shall mean those certain balances required to be maintained by the Authority pursuant to the annual credit policies established by the Authority.

“Code” shall mean the Internal Revenue Code of 1986, as amended, including applicable regulations, rulings and revenue procedures promulgated or applicable thereunder.

“Connection Fees” shall mean all nonrecurring fees that the Authority collects from developers, builders or others (1) to compensate the Authority for providing System capacity, and (2) to connect facilities related to installation of and expansion to the System.

“Contracted Services” shall mean (a) services rendered or facilities provided to the Authority in respect to the System or (b) the performance of functions for or on behalf of the Authority that are similar to those performed by the System, from a specific project or system, pursuant to a contract, lease, service agreement or another similar arrangement. No designation or characterization of payments pursuant to the terms of a particular Service Contract will affect the Authority’s right to make designations as to the Debt Service Component, Operating Component, and Remaining Component of the Cost of Contracted Services thereunder.

“Construction Fund” shall mean the Construction Fund established in the Indenture.

“Consulting Engineer” shall mean (a) an Independent Consulting Engineer or (b) the designated person(s) within the Authority or of any successor department who is (1) an engineer experienced in the field of water or wastewater or stormwater (as appropriate), and (2) licensed and registered as a professional engineer in the District.

“Cost” shall mean Cost as set forth in the Indenture.

“Cost of Contracted Services” shall mean the payments to be made by the Authority for Contracted Services under service contracts as set forth in the Indenture, which may consist of any of the following three components: a Debt Service Component, an Operating Component, and a Remaining Component, as designated by the CEO and General Manager or his designee for each Service Contract.

“Debt Service Component” shall mean the portion of the Cost of Contracted Services that an Authorized Representative of the Authority determines, in a certificate delivered to the Trustee, to be for the purpose of paying a fixed charge or the principal of or interest on the obligations, directly or indirectly associated with rendering the Contracted Services, of the person providing the Contracted Services.

“Debt Service Reserve Fund” shall mean the Debt Service Reserve Fund established in the Indenture.

“Depository” shall mean any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of book-entry interests in the Series 2024A Bonds, and to effect transfers of book-entry interests in the Series 2024A Bonds, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

“Direct Payment” means a credit payment allowed pursuant to Section 54AA(g) of the Code with respect to Direct Payment BABs that is payable to the Authority by the U.S. Treasury, as provided in Section 6431 of the Code, or any other payment by the U.S. Treasury to the Authority to subsidize or reimburse the Authority for all or a portion of the interest cost that the Authority may incur on Indebtedness that qualifies for such payment under any successor or substantially similar program to Direct Payment BABs.

“Direct Payment BABs” means Indebtedness that constitutes “Build America Bonds” within the meaning of Section 54AA(d) of the Code and that are qualified bonds within the meaning of Section 54AA(g), the interest on which is includible in gross income for federal income tax purposes and with respect to which the Authority shall have made an irrevocable election to receive one or more Direct Payments.

“District General Obligation Bonds” shall mean the District general obligation bonds issued to finance capital projects of the System and the Aqueduct.

“District MOU relating to the Payment of General Obligation Debt” shall mean the Memorandum of Understanding between the Office of the Chief Financial Officer of the District of Columbia and the Authority dated as of March 13, 1998.

“District MOU relating to the PILOT” shall mean the Memorandum of Understanding between the Office of the Chief Financial Officer of the District of Columbia and the Authority dated as of January 29, 1998, as amended, including, without limitation, pursuant to a September 4, 2014 Memorandum of Understanding, as further amended and restated on December 15, 2014.

“EPA Grants” shall mean grants provided by the Environmental Protection Agency for the construction of water and wastewater projects.

“EPA Grant Account” shall mean the EPA Grant Account established in the Indenture.

“Event of Default” shall mean any of the events enumerated in Section 901 of the Master Indenture or otherwise in the Indenture.

“Fiscal Year” shall mean the twelve-month period, beginning on October 1 of one year and ending on September 30 of the following year, or such other fiscal year of 12 months as may be selected by the Authority.

“Fitch” shall mean Fitch Ratings, Inc. or its successors.

“Government Certificates” shall mean certificates representing proportionate ownership of Government Obligations, which Government Obligations are held by a bank or trust company organized under the laws of the United States of America or any of its states in the capacity of custodian of such certificates.

“Government Obligation” shall mean (a) bonds, notes and other direct obligations of the United States of America, (b) securities unconditionally guaranteed as to the timely payment of principal, if applicable, and interest by the United States of America, or (c) bonds, notes and other obligations of any agency of the United States of America unconditionally guaranteed as to the timely payment of principal and interest by the United States of America.

“Hedge Agreement” shall mean an Interest Rate Swap, cap, collar, floor, forward or other hedging agreement, arrangement or security however denominated, expressly identified pursuant to its terms as being entered into in connection with and in order to hedge interest rate fluctuations on all or a portion of any Indebtedness where (a) interest on such Indebtedness or such portion of such Indebtedness is payable at a variable rate of interest for any future period of time or is calculated at a varying rate per annum, and (b) a fixed rate is specified by the Authority in such agreement, or such Indebtedness, taken together with such agreement, results in a net fixed rate payable by the Authority for such period of time (the “Hedge Fixed Rate”), assuming the Authority and the party(ies) with whom the Authority has entered into the agreement make all payments required to be made by the terms of the agreement, provided that no such agreement may

be entered into by the Authority unless any termination or similar payment which may be payable by the Authority thereunder is expressly subordinate to the obligation of the Authority on the Indebtedness.

“**Holder**” shall mean the owner of Bonds, Other System Indebtedness or the Subordinate Debt, as the case may be.

“**Home Rule Act**” shall mean the District of Columbia Home Rule Act, approved December 24, 1973 (P.L.93-198; 87 Stat. 774; D.C. Official Code §§ 1-201.01 et. seq.), as amended.

“**IMA Capital Payments**” shall mean the payments made to the Authority for shared capital costs of the wastewater portion of the System by the signatories to the Blue Plains Intermunicipal Agreement of 1985.

“**Indebtedness**” shall mean Senior Debt and Subordinate Debt.

“**Indenture**” shall mean the Master Indenture, as supplemented or amended by one or more Supplemental Indentures, including the Thirty-Third Supplemental Indenture.

“**Independent Consulting Engineer**” shall mean an independent engineer, who is not an employee of the Authority, but is experienced in the field of water, wastewater or stormwater (as appropriate) and licensed and registered as a professional engineer in the District.

“**Interest Account**” shall mean the Interest Account in the Bond Fund established in the Indenture.

“**Interest Payment Dates**” for the Series 2024A Bonds shall mean each April 1 and October 1, commencing April 1, 2025*, and thereafter during the time the Series 2024A Bonds are outstanding.

“**Interest Rate Swap**” shall mean a contract pursuant to which a party (the “Counterparty”) has agreed to make payments to the Authority during a particular period equal to the interest payable on specified Indebtedness or on a specified nominal amount at the actual rate or rates or, if on a nominal amount at a stated rate or rates, payable thereon and, in consideration therefor, the party obligated on the Indebtedness or otherwise executing the agreement agrees to make payments to the Counterparty equal to the interest required to be paid on the specified Indebtedness or stated to be due on the nominal amount during the period calculated as if the specified Indebtedness or nominal amount bore an assumed rate of interest specified in the contract.

“**Master Indenture**” shall mean the Master Indenture of Trust dated as of April 1, 1998, by and between the Authority and the Trustee.

“**Moody’s**” shall mean Moody’s Investors Service, Inc., New York, New York, or its successors.

“**Net Proceeds**” shall mean the gross proceeds from any insurance recovery or recovery in any condemnation proceeding remaining after payment of attorneys’ fees, fees and all other expenses incurred in collection of such gross proceeds.

“**Net Revenues**” shall mean Revenues less Operating Expenses.

“**Operating Component**” shall mean the portion of the Cost of Contracted Services (excluding any Debt Service Component) reasonably determined by an Authorized Representative of the Authority, in a certificate delivered to the Trustee from time to time, to be directly or indirectly attributable to the portion of the Costs of Contracted Services that represents operating expense for the provision of the Contracted Services; provided, however, if no such determination is made, all of the Cost of Contracted Services (excluding any Debt Service Component) will be treated as Operating Component.

“**Operating Expenses**” shall mean all current expenses directly or indirectly attributable to the ownership or operation of the System, including reasonable and necessary usual expenses of administration, operation, maintenance and repair, costs for billing and collecting the rates, fees and other charges for the use of or the services furnished by the System, the cost of purchased water, amounts to reimburse the Authority for administrative expenses incurred in connection with the System, insurance and surety bond premiums, credit enhancement and liquidity support fees, legal, engineering, auditing and financial advisory expenses, expenses and compensation of the Trustee, and deposits into a self-insurance program as described in the Indenture. Operating Expenses shall not include any payments in lieu of taxes, allowance for depreciation and amortization. Operating Expenses shall also exclude expenses which constitute extraordinary, nonrecurring and non-continuing expenses of the System in the written opinion of the Qualified Independent Consultant.

“**Operating Fund**” shall mean the Operating Fund established in the Indenture.

“**Operating Reserve Fund**” shall mean the Operating Reserve Fund established in the Indenture.

“**Operating Reserve Requirement**” shall mean an amount equal to 60 days of Operating Expenses based on the Operating Expenses relating to the Fiscal Year prior to such calculation, or an amount determined by a Qualified Independent Consultant.

* Preliminary, subject to change.

“Opinion of Counsel” shall mean an opinion of any attorney or firm of attorneys acceptable to the Trustee, who may be counsel for the Authority, but who shall not be an employee of either the Authority or the Trustee.

“Other System Indebtedness” shall mean (a) any Debt Service Component that the Authority is required, or has elected, to treat as payable on a parity with the Bonds with respect to the pledge of Net Revenues, and (b) any other Indebtedness incurred by the Authority pursuant to the Indenture that the Authority is required, or has elected, to treat as payable on a parity with the Bonds with respect to the pledge of Net Revenues, including, but not limited to, the Treasury Loans.

“Outstanding” shall mean, when used as descriptive of obligations, that such obligations have been authorized, issued, authenticated and delivered under the Indenture or a different document and have not been canceled or surrendered to the Trustee or a comparable trustee for cancellation, deemed to have been paid as provided in the Indenture, have had other obligations issued in exchange therefor or had their principal become due and moneys sufficient for their payment deposited with the Trustee as provided in the Indenture or, for Indebtedness other than Bonds or Subordinate Debt issued under the Indenture, otherwise so treated under comparable issuance documents. In determining whether holders of a requisite aggregate principal amount of the Outstanding Indebtedness have concurred in any request, demand, authorization, direction, notice, consent or waiver under the Indenture or other documents, words referring to or connoting “principal of” or “principal amount of” Outstanding Indebtedness shall be deemed also to be references to, to connote and to include the accreted value of Indebtedness of any Series as of the immediately preceding interest compounding date for such Indebtedness. Indebtedness that is owned by the Authority shall be disregarded and deemed not to be Outstanding for the purpose of any such determination.

“Permitted Investments” shall mean: (i) direct obligations of the United States of America (including obligations issued or held, in book-entry only form on the books of the Department of the Treasury of the United States of America and including certificates or other instruments evidencing ownership interests in such direct obligations of the United States of America) or obligations the timely payment of the principal of and interest on which are fully guaranteed by the United States of America; (ii) obligations issued or guaranteed by Federal Home Loan Bank System, Export-Import Bank of the United States, Federal Financing Banks, Government National Mortgage Association, Federal National Mortgage Association, Farmer’s Home Administration, Federal Home Loan Mortgage Corporation or Federal Housing Administration; or by any agency, department or instrumentality of the United States if such obligations are rated in one of the two highest rating categories by Fitch, S&P and Moody’s if in any such case the timely payment of principal and interest on such obligations is backed by the full faith and credit of the United States of America; (iii) investment agreements meeting the investment criteria issued by a credit enhancer; (iv) interest-bearing bankers acceptances or certificates of deposit of, or time deposits in any bank (including the Trustee), lead bank of a parent holding company, or any savings and loan associations whose unsecured obligations are rated in one of the two highest rating categories by Fitch, S&P and Moody’s, provided such deposits are either (a) secured at all times, in the manner and to the extent provided by law, by collateral security (described in clause (i) or (ii) of this definition) of a market value of no less than the amount of moneys so invested or (b) fully insured by the Federal Deposit Insurance Corporation; (v) repurchase agreements which satisfy the following criteria: (a) repurchase agreement which provides for the transfer of securities from dealer banks or securities firms to the Trustee or its agents, and the transfer of cash from the Trustee to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash, plus a yield to the Trustee, in exchange for the securities at a specified date; (b) repurchase agreement must be between the Trustee and a dealer bank or securities firm which are either a primary dealer on the Federal Reserve reporting dealer list or a bank rated “A” or above by Fitch, S&P and Moody’s; (c) the written repurchase agreement must include the following terms: (1) securities which are acceptable for transfer are (A) direct United States government obligations, or (B) obligations of federal agencies backed by the full faith and credit of the United States government; (2) with respect to control of the collateral, if the dealer bank or securities firm supplied the collateral pursuant to the repurchase agreement, it may not retain possession of such collateral and the collateral must be delivered to the Trustee (unless the Trustee is supplying the collateral) or a third party acting as agent for the Trustee before or simultaneous with payment; and (3) the securities must be valued weekly, marked-to-market at current market price plus accrued interest, the value of collateral must be equal to 102% of the amount of cash transferred by the Trustee to the dealer bank or securities firm under the repurchase agreement, plus accrued interest, and if the value of securities held as collateral is less than 102% of the value of the cash transferred by Trustee, then additional cash and/or acceptable securities must be transferred; and (d) to the extent required by a credit enhancer, an opinion of Bond Counsel, to the effect that such repurchase agreements are obligations in which public funds are permitted to be invested under District law, shall be delivered to the Trustee, with a copy to the Series 1998 Bond Insurer; (vi) commercial paper of “prime” quality of the highest ranking or the highest rating category as provided by Fitch, S&P and Moody’s; (vii) obligations, the interest on which is exempt from federal income taxation, and which, if rated by the Rating Agencies, are rated by Fitch, Moody’s and S&P in one of the two highest rating categories of such rating agencies; (viii) a time deposit account drawn on the Trustee for amounts whose aggregation is less than \$5,000; (ix) mutual funds, including any such fund of the Trustee or any affiliate of the Trustee, which invest exclusively in any investment described in clauses (i) through (viii) otherwise left uninvested in the funds; and (x) Federally tax-exempt bonds which are not subject to the AMT for individuals and subject to a put option at par at least semi-annually and rated at least “double-A” by Moody’s, S&P or Fitch, and in the highest short-term rating category by such rating agency.

“Principal Account” shall mean the Principal Account in the Bond Fund established in the Indenture.

“Qualified Independent Consultant” shall mean an independent professional consultant having the skill and experience necessary to provide the particular certificate, report or approval required by the Indenture or any Supplemental Indenture in which such requirement appears, including an Independent Consulting Engineer and an independent certified public accountant.

“Rate Covenant” shall mean the obligation of the Authority to fix, charge, collect and revise rates, fees and other charges for the use of, and the services furnished by, the System sufficient to meet the requirements of the Indenture.

“Rate Stabilization Fund” shall mean the fund so designated which is established pursuant to the Indenture.

“Rating Agency” or **“Rating Agencies”** shall mean Fitch, Moody’s or Standard & Poor’s, or any of them, and their successors. The Authority may seek a rating from any other nationally recognized securities rating agency.

“Remaining Component” shall mean the portion of the Cost of Contracted Services which is not embraced in the definition of Debt Service Component or Operating Component.

“Renewal and Replacement Reserve Fund” shall mean the Renewal and Replacement Reserve Fund established in the Indenture.

“Renewal and Replacement Reserve Requirement” shall mean \$35,000,000 or such other amount as may be determined by a Qualified Independent Consultant, subject to approval by the Board of Directors.

“Reserve Determination Date” shall mean (a) each interest payment date for the Bonds, or (b) any other date established in writing by an Authorized Representative of the Authority for the valuation of obligations on deposit in any Series Debt Service Reserve Account.

“Revenues” shall mean all moneys received as income, rates, fees, charges, receipts, profits and other moneys derived by the Authority from its ownership and operation of the System, and for the use of and for the services furnished by the System, including Connection Fees, transfers from the Rate Stabilization Fund to the Revenue Fund, proceeds of any business interruption insurance, and investment earnings on all of the funds held by the Trustee under the Indenture and the Authority, except any rebate fund that may be created under the Indenture. Revenues shall not include refundable customer deposits, the IMA Capital Payments or other payments solely in aid of construction, the EPA Grants or similar payments, or the proceeds resulting from the sale of all or a portion of the System. For purposes of determining the total amount of Revenues in any year, there shall be deducted an amount equal to the amount transferred from the System Fund to the Rate Stabilization Fund pursuant to the Indenture.

“Senior Debt” shall mean Bonds, including the Series 1998 Bonds, the Series 2014A Bonds, the Series 2017A Bonds, the Series 2017B Bonds, the Series 2018A Bonds, and the Series 2018B Bonds and Other System Indebtedness.

“Series” or **“Series of Bonds”** shall mean a separate series of Bonds issued under the Indenture and a Supplemental Indenture.

“Series Debt Service Reserve Requirement” for any Series of Bonds shall have the meaning set forth in the Supplemental Indenture authorizing such Series of Bonds.

“Series 2024A Bonds” shall mean the Authority’s Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024A, issued pursuant to the Thirty-Third Supplemental Indenture.

[placeholder: **“Series 2024A Construction Account”** shall mean the Series 2024A Construction Account established by the Thirty-Third Supplemental Indenture in the Construction Fund.]

“Series 2024A Costs of Issuance Subaccount” shall mean the Series 2024A Costs of Issuance Subaccount established by the Thirty-Third Supplemental Indenture in the Series 2024A Construction Account of the Construction Fund.

“Series 2024A Rebate Fund” shall mean the Series 2024A Rebate Fund established by the Thirty-Third Supplemental Indenture.

“Series 2024A Resolution” shall mean the Resolution adopted by the Authority’s Board on [_____, 2024] authorizing the Series 2024A Bonds.

“Series 2024A Subordinate Bonds Interest Subaccount” shall mean the Series 2024A Subordinate Bonds Interest Subaccount established by the Thirty-Third Supplemental Indenture in the Interest Account in the Bond Fund.

“Series 2024A Subordinate Bonds Principal Subaccount” shall mean the Series 2024A Subordinate Bonds Principal Subaccount established by the Thirty-Third Supplemental Indenture in the Principal Account in the Bond Fund.

[placeholder: **“Series 2024A Escrow Account”** shall mean the Series 2024A Escrow Account established by this Thirty-Third Supplemental Indenture.]

“Service Contracts” shall mean any contracts or agreements for Contacted Services entered into by the Authority from time to time.

“Short-Term Obligations” shall mean Subordinate Debt issued pursuant to the Indenture, the payment of principal of which is scheduled to be payable within one year from the date of issuance and is contemplated to be refinanced either (a) through the issuance of additional Short-Term Obligations pursuant to a commercial paper or other similar program, or (b) through the issuance of Indebtedness.

“Sinking Fund Account” shall mean the Sinking Fund Account in the Bond Fund created in the Indenture.

“Standard and Poor’s” shall mean Standard & Poor’s Global Ratings Services, New York, New York, or its successors.

“Subordinate Bond Fund” shall mean the Subordinate Bond Fund created in the Indenture.

“Subordinate Debt” shall mean the Series 2010A Bonds, the Series 2014B Bonds, [the Series 2014C Bonds], the Series 2015A Bonds, the Series 2015B Bonds, the Series 2016A Bonds, the Series 2019A Bonds, the Series 2019B Bonds, [the Series 2019C Bonds], [the Series 2019D Bonds], the Series 2022A Bonds, the Series 2022B Bonds, the Series 2022C-1 Bonds, the Series 2022C-2 Bonds, the [Series 2022D Bonds], the Series 2022E Bonds and the Series A EMCP Notes, and any other bonds, notes or other obligations issued in connection with the System (a) which are expected to be paid from Net Revenues and designated by the Authority as Subordinate Debt, and (b) which have pledged to their payment Net Revenues as a subordinate lien pledge after the pledge of Net Revenues to Senior Debt, including but not limited to any Debt Service Component and Remaining Component that the Authority is required, or has elected, to treat as Subordinate Debt, and the District General Obligation Bonds.

“Subordinate Debt Service Reserve Fund” shall mean the Subordinate Debt Service Reserve Fund created in the Indenture.

“Supplemental Indenture” shall mean any Supplemental Indenture supplementing or modifying the provisions of the Indenture entered into by the Authority and the Trustee pursuant to the Indenture.

“System” shall mean all plants, systems, facilities, equipment, real and personal property and tangible and intangible property, together with all future extensions, improvements, enlargements and additions thereto, and all replacements thereof, used, or to be used, in connection with the collection, transmission, treatment and disposal of wastewater and stormwater flow, and the supply, treatment, storage and distribution of water.

“Tender Indebtedness” shall mean any indebtedness a feature of which is an option or obligation on the part of the holders of such indebtedness to tender all or a portion of such indebtedness to a fiduciary for purchase or redemption prior to the stated maturity date of such indebtedness, which may include Variable Rate Indebtedness with such a feature.

“Term Bonds” shall mean any Bonds stated to mature on a specified date and required to be redeemed in part prior to maturity according to a sinking fund schedule.

“Treasury Loans” shall mean those certain obligations of the Authority to make payments related to debt service on certain promissory notes from the Secretary of the Army to the United States Treasury set forth in the Water Sales Agreement and any future obligations of the Authority to the United States of America consistent therewith.

“Trustee” shall mean Computershare Trust Company, National Association, as successor to Norwest Bank Minnesota, National Association, or its successors serving as such under the Indenture.

“Trustee’s Fees and Expenses” shall mean an initial acceptance fee and an annual administrative fee plus expenses in accordance with the fee schedule set forth in an agreement between the Trustee and the Authority, as the same may be renegotiated from time to time.

“Thirty-Third Supplemental Indenture” shall mean the Thirty-Third Supplemental Indenture of Trust, dated [_____], 2024 by and between the Authority and the Trustee.

“Variable Rate Indebtedness” shall mean any indebtedness the interest rate on which is not established at the time of incurrence at a fixed or constant rate, provided that (a) the maximum interest rate on such indebtedness and the maximum rate payable to any liquidity provider with respect to such indebtedness shall be specified at the time of issuance of such indebtedness; (b) any liquidity facility of any liquidity provider shall cause such indebtedness to be rated by a Rating Agency in one of the two highest short-term rating categories of such Rating Agency; (c) any accelerated principal payments or any interest in excess of the bond interest rate payable to such liquidity provider shall be subordinate to the payment of debt service on Bonds, and (d) any two or more series of Bonds that are issued on the same date, the interest on which when such series are considered in the aggregate shall be a fixed or constant rate, shall not be considered Variable Rate Indebtedness.

“WASA Act” shall mean the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996, as amended, D.C. Code Sections 34-2201.01 et seq.

“Water Sales Agreement” shall mean the Water Sales Agreement dated as of July 31, 1997, by and between the United States of America, acting through the Secretary of the Army, and the Authority.

SUMMARY OF INDENTURE

The following is a summary of certain provisions of the Indenture. It is not a complete recital of the terms of the Indenture. Unless otherwise noted, section numbers shown parenthetically refer to the Master Indenture; those preceded by the prefix "TSI" refer to the Thirty-Third Supplemental Indenture.

Security (Granting Clauses)

The Authority, to provide for the payment of each Series of Bonds and Subordinate Debt issued under the Indenture and to secure the performance and observance of all the covenants, agreements and conditions in such Bonds, Subordinate Debt, Other System Indebtedness or credit enhancement agreements, does grant a security interest in, assign, transfer, pledge and grant and convey unto the Trustee and its successors and assigns forever, for the benefit of the holders of the Indebtedness and credit enhancers, if any, until the applicable credit enhancement is no longer outstanding and no amounts are due under the related documents, the following property: (A) amounts on deposit from time to time, and any investment earnings thereon, in the Bond Fund and Debt Service Reserve Fund (with respect to related Senior Debt), in the Subordinate Bond Fund and the Subordinate Debt Service Reserve Fund (with respect to related Subordinate Debt) and any other funds and accounts created pursuant to the Indenture, including the earnings thereon, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein; provided, however, that there expressly is excluded from any pledge, assignment, lien or security interest created by the Indenture any amount on deposit in the Operating Fund; (B) amounts constituting Net Revenues pledged pursuant to the Indenture; (C) any and all other property of any kind from time to time thereafter by delivery or by writing of any kind specifically conveyed, pledged, assigned or transferred, as and for additional security under the Indenture for the Bonds, by the Authority or by anyone on its behalf or with its written consent in favor of the Trustee, which is authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture; and (D) all right, title and interest of the Authority owned or hereafter acquired in and to proceeds from the sale of Bonds or Subordinate Debt issued under the Indenture required to be deposited in the Construction Account pursuant to the provisions of the Indenture (except as limited by the following provisos) and all right, title, and interest in and to the investments held in the Construction Account (except as limited by the following provisos) pursuant to the provisions of the Indenture; provided, however, that the Authority may establish one or more separate accounts in the Construction Account to be funded with proceeds of any particular Series of Bonds or Subordinate Debt issue, which accounts and the proceeds of the particular Series of Bonds deposited therein (together with all investments thereof and investment income earned thereon) may be pledged solely to the payment of one or more designated Series of Bonds or Subordinate Debt issue for any designated periods, or otherwise, all as permitted in the Indenture, including any Supplemental Indenture.

To have and to hold all properties pledged, assigned and conveyed by the Authority under the Indenture including all additional property which by the terms thereof has or may become subject to the encumbrance thereof, unto the Trustee and its successors in trust and its assigns forever, subject, however, to the rights reserved under the Indenture.

To have and to hold in trust upon the terms and trusts set forth in the Indenture for the equal and proportionate benefit, security and protection of all Holders from time to time of all Senior Debt issued thereunder or under other documents and secured by the Indenture, without privilege, priority or distinction as to lien or otherwise of any of the Senior Debt over any of the others except as otherwise provided in the Indenture, and on a basis subordinate and junior thereto, upon the terms and trusts therein set forth for the equal and proportionate benefit, security and protection of all Holders and related credit enhancers from time to time of all Subordinate Debt issued under the Indenture or under other documents and secured by the Indenture, without privilege, priority or distinction as to lien or otherwise of any of the Subordinate Debt over any of the others, except as otherwise provided in the Indenture.

However, if the Authority shall pay fully and promptly when due all liabilities, obligations and sums at any time secured thereby or provide for the payment thereof in accordance with the Indenture, and shall promptly, faithfully and strictly keep, perform and observe, or cause to be kept, performed and observed, all of the covenants, warranties and agreements of the Indenture and related documents, then the Indenture shall be and become void and of no further force and effect; otherwise, the same shall remain in full force and effect, and upon the trusts and subject to the covenants and conditions set forth in the Indenture.

Purposes of Bonds (Section 301)

Bonds may be issued (a) to pay Costs, (b) to refund any Indebtedness secured by or payable from Net Revenues, including any Bonds, or (c) for a combination of such purposes.

Parity Senior Debt (Section 302)

The Indenture constitutes a continuing irrevocable pledge of Net Revenues to secure payment of the principal of, premium, if any, and interest on all Senior Debt that may from time to time be issued and Outstanding. Each Senior Debt issue shall be issued pursuant to a Supplemental Indenture or evidenced by other documents and shall be equally and ratably secured by the pledge of Net Revenues under the Indenture, without preference, priority or distinction; provided, however, that the moneys in any Series Debt Service Reserve Account shall only secure the applicable Series of Senior Debt, and provided further that any Senior Debt may have additional revenues or other security pledged to its payment. Nothing in the Indenture shall be construed, as (a) requiring that any Senior Debt bear interest at the same rate or in the

same manner as any other Senior Debt, have the same, or an earlier or later, maturity, or be subject to mandatory, optional or extraordinary redemption prior to maturity on the same basis as any other Senior Debt, (b) prohibiting the Authority from entering into financial arrangements designed to assure that moneys will be available for the payment of certain Senior Debt at its maturity, or (c) prohibiting the Authority from pledging moneys or assets of the Authority other than those pledged in the Indenture for the benefit of certain Senior Debt.

Conditions for Issuing Bonds (Section 303)

The Indenture requires that certain documents be filed with the Trustee prior to the issuance and authentication of any Series of Bonds. These requirements include a requirement that if the Bonds are issued to pay Costs, except in the case of the initial Series of Bonds issued under the Indenture, the Authority provide the Trustee with (1) evidence that upon issuance of such Bonds, each Series Debt Service Reserve Account within the Debt Service Reserve Fund will contain the applicable Series Debt Service Reserve Requirement, and (2) either (A) a certificate of the CEO and General Manager, the Chief Financial Officer or Authorized Representative of the Authority, stating that based on the Authority's financial records for any 12 consecutive months of the last 18 months prior to the issuance of such Bonds, the Authority would have been able to meet the Rate Covenant, taking into account (i) the maximum Annual Debt Service on the proposed additional Series of Bonds in the current or any future Fiscal Year, and (ii) the rates, fees and other charges which are in effect and any future changes therein as have been approved by the Board of Directors at the time of the delivery of the proposed additional Series of Bonds, or (B) a written statement of a Qualified Independent Consultant that projects Operating Expenses, Revenues and Net Revenues for five full Fiscal Years following the date of issuance of such proposed additional Series of Bonds and that demonstrates that, on the basis of such projection, the Authority can comply with the Rate Covenant, taking into account those rates, fees and other charges which are in effect at the time of the delivery of the proposed additional Series of Bonds and any future changes therein as have been approved by the Board of Directors of the Authority at the time of the delivery of the proposed additional Series of Bonds.

The Indenture also requires as a condition of issuance where Bonds are issued to refund any Indebtedness, the following: (1) evidence that the Authority has made provision as required by the Indenture for the payment or redemption of all indebtedness to be refunded; (2) either (A) a written determination by the CEO and General Manager, the Chief Financial Officer, or Authorized Representative of the Authority, or other evidence satisfactory to the Trustee that after the issuance of such Bonds and the provision for payment or redemption of all Indebtedness to be refunded, the Annual Debt Service requirements for each Fiscal Year in which there will be Outstanding Indebtedness not to be refunded will not increase more than 5% over what the Annual Debt Service requirements for such Fiscal Year would have been on all Senior Debt immediately prior to the issuance of such Bonds, including the Indebtedness to be refunded (if such Indebtedness was Senior Debt), and that the final maturity of Indebtedness being refunded has not been extended, or (B) a certificate of the CEO and General Manager, the Chief Financial Officer or Authorized Representative of the Authority, stating that based on the Authority's financial records for any 12 consecutive months of the last 18 months prior to the issuance of such Bonds, the Authority would have been able to meet the Rate Covenant, taking into account (i) the maximum Annual Debt Service on the proposed additional Series of Bonds in the current or any future Fiscal Year, but not the actual debt service on the Indebtedness to be refunded, and (ii) the rates, fees and other charges which are in effect and any future changes therein as have been approved by the Board of Directors at the time of the delivery of the proposed additional Series of Bonds, or (C) a written statement of a Qualified Independent Consultant that projects Operating Expenses, Revenues and Net Revenues for five full Fiscal Years following the date of issuance of such proposed additional Series of Bonds, which such projection does not include the actual debt service for any Indebtedness to be refunded, and demonstrates, on the basis of such projection, that the Authority can comply with the Rate Covenant, taking into account those rates, fees and other charges which are in effect at the time of the delivery of the proposed additional Series of Bonds and any future changes therein as have been approved by the Board of Directors at the time of the delivery of the proposed additional Series of Bonds.

Other System Indebtedness (Section 304)

The Authority may incur or refinance Other System Indebtedness provided that (1) the documents relating to the Other System Indebtedness acknowledge that such debt constitutes Other System Indebtedness under the Indenture and is subject to the applicable terms and conditions thereof, specify the amounts and due dates of Annual Debt Service with respect to the Other System Indebtedness, (2) certain requirements of the Indenture for issuing Bonds described under "Conditions for Issuing Bonds (Section 303)" have been met as if the Other System Indebtedness was an additional Series of Bonds, (3) the Trustee receives written notice of the issuance of the Other System Indebtedness and the material terms and conditions thereof, and the Trustee shall register the holder as owner thereof as such on its books and records, and (4) the Trustee receives an opinion of Counsel that the documents creating the Other System Indebtedness have been duly authorized, executed and delivered on behalf of the Authority and constitute valid, binding and enforceable obligations. In connection with the incurrence of any Other System Indebtedness, the Trustee shall enter into an intercreditor arrangement with the holder of such Other System Indebtedness, the terms of which shall be determined at the time of incurrence of such Other System Indebtedness. The Authority shall fulfill its obligations under all contracts or agreements creating Other System Indebtedness as they may exist from time to time.

Parity Subordinate Debt (Section 305)

Notwithstanding anything in the Indenture to the contrary, the Authority may at any time issue additional Subordinate Debt on a parity with the Outstanding Subordinate Debt and pledge Net Revenues thereto so long as rates, fees and charges are in effect or scheduled to go into effect to meet the Rate Covenant immediately after the issuance of such Subordinate Debt. Subordinate Debt may not be accelerated if any Senior Debt is outstanding.

Treatment of Direct Payments in Connection with Additional Indebtedness (Section 306)

For the purposes of computing Annual Debt Service on any Direct Payment BABs or other Indebtedness as to which Direct Payments are expected to be made (whether previously issued or proposed to be issued by the Authority) in connection with any proposed issuance of additional Subordinate Debt, the amount of any Direct Payment expected to be received by the Authority or the Trustee in the then current or any future Fiscal Year shall be credited against the Annual Debt Service on such Direct Payment BABs.

Custody and Application of Bond Proceeds (Section 501; TSI Section 501)

The proceeds of Bonds which are issued to pay Costs of the System shall be held in trust by the Trustee and used solely to pay Costs of the System. The proceeds of Bonds which are issued to refund any Indebtedness secured by or payable from Net Revenues, shall be held by the Trustee, an escrow agent or other party, as specifically provided in the Supplemental Indenture related to such refunding. The Indenture establishes a Construction Fund, to be held by the Authority. Amounts on deposit in the Construction Fund shall be used to pay Costs. The Trustee established a Construction Account, for the benefit of the holders of the Bonds which shall be considered part of the Construction Fund. The Authority established an EPA Grant Account and a Payments in Aid of the Construction Account in the Construction Fund to be held by the Authority. The proceeds of a Series of Bonds shall be deposited in the related Series Construction Subaccount. Reimbursements from EPA Grants and similar payments shall be deposited in the EPA Grant Account, IMA Capital Payments and other payments in aid of construction shall be deposited in the Payments in Aid of Construction Account. The Authority may establish additional Accounts and subaccounts within the Construction Fund as may be provided in a Supplemental Indenture. The Thirty-Third Supplemental Indenture establishes the Series 2024A Construction Account in the Construction Fund, which shall be used for payment of the Costs of the System, and within the Series 2024A Construction Account, a Series 2024A Cost of Issuance Subaccount, which shall be used for the payment of costs of issuance of the Series 2024A Bonds. (TSI Section 501).

Deposits shall be made to the credit of the Construction Fund and any Accounts and subaccounts as provided in the applicable Supplemental Indenture. All earnings on moneys in each Account and subaccount shall be credited to such Account and subaccount. Payments from the Construction Account may be made upon submittal by the Chief Financial Officer of an appropriate requisition form to the Trustee on a bi-weekly, or less often basis. The Trustee shall pay the costs listed in the requisition within 2 days of receipt thereof. The Trustee shall retain copies of all such requisitions and shall pay the obligations set forth in the requisition out of money in the applicable Series Subaccount in the Construction Account. When all items of Costs have been paid or moneys have been reserved to pay all remaining unpaid Costs, the balance of any Bond proceeds remaining in excess of the amount to be reserved for payment of unpaid Costs shall be (a) transferred to the Bond Fund to be used solely to pay principal of and interest on the Series of Bonds which provided such proceeds to the extent approved by Bond Counsel, or (b) used to pay all or any portion of the Costs designated by the Authority and approved by Bond Counsel, but the balance of any Series 2024A Bond proceeds remaining in excess of the amount to be reserved for payment of unpaid Costs shall be deposited in the Bond Fund to be used solely to pay principal of and interest on the Series 2024A Bonds, to the extent approved by Bond Counsel.

Costs of the System (Section 502)

Costs shall mean any and all reasonable expenses related to the purposes or activities of the Authority including expenses for operating and maintenance activities; expenses for preconstruction and construction, acquisition, alteration, improvement, enlargement of furnishing, fixturing and equipping, reconstruction and rehabilitation of the water distribution and wastewater and stormwater collection, treatment, and disposal systems of the Authority, including without limitation, the purchase or lease expense for all lands, structures, real or personal property, rights, rights-of-way, roads, franchises, easements, and interest acquired or used for, or in connection with the Authority; the expenses of demolishing or removing buildings or structures on land acquired by the Authority, including the expenses incurred for acquiring any lands to which the buildings may be moved or located; the expenses incurred for all utility lines, structures or equipment charges, and interest on financial obligations incurred for a period as the Authority may reasonably determine to be necessary for the effective functioning of the water distribution and wastewater and stormwater collection, treatment, and disposal systems; provisions for reserves, enlargements, additions, and improvements; expenses incurred for architecture, engineering, energy efficiency technology, design and consulting, financial and legal services, letters of credit, bond insurance, debt service or debt service reserve insurance, surety bonds or similar credit enhancement instruments, plans, specification studies, surveys, and estimates of expenses and of revenues; expenses necessary or incident to determining the feasibility of improvements to the water distribution and wastewater and stormwater collection, treatment, and disposal systems, the financing of such improvements, including a proper allowance for contingencies, and the provision of reasonable initial working capital for operating the improved systems and expenses for obtaining potable water for distribution.

Rate Covenant (Section 601)

The Authority shall fix, charge and collect such rates, fees and other charges for the use of and the services furnished by the System and shall, from time to time and as often as shall appear necessary, revise such rates, fees and other charges so as to meet the following two independent requirements:

(1) Revenues, shall be sufficient in each Fiscal Year to pay (A) the actual Operating Expenses for such Fiscal Year, (B) the amount required to pay Annual Debt Service on Senior Debt in such Fiscal Year, (C) any amount necessary to be deposited in any Series Debt Service Reserve Account to restore the amount on deposit therein to the amount of the Series Debt Service Reserve Requirement, (D) the amount required to pay Annual Debt Service on Subordinate Debt in such Fiscal Year (including reserves in connection therewith and the restoration thereof), (E) any amount necessary to be deposited in the Operating Reserve Fund and the Renewal and Replacement Reserve Fund to maintain the required balances therein, and (F) any amount necessary to make any payments in lieu of taxes in such Fiscal Year.

(2) Net Revenues shall be sufficient in each Fiscal Year to be at least equal to the sum of (A) 120% of the Annual Debt Service with respect to Senior Debt for such Fiscal Year, and (B) 100% of Annual Debt Service with respect to Subordinate Debt for such Fiscal Year.

From and after the date of the Twelfth Supplemental Indenture, for purposes of determining the Authority's compliance with the Rate Covenant (but not for the purposes of determining compliance with the Indenture's restrictions on the Authority's issuance of additional Senior Debt or additional Subordinate Debt), the amount of any Direct Payment received by the Authority or the Trustee in any Fiscal Year shall be credited against (i) Annual Debt Service on Senior Debt in such Fiscal Year if such Direct Payment related to Senior Debt or (ii) Annual Debt Service on Subordinate Debt in such Fiscal Year if such Direct Payment related to Subordinate Debt.

If at the end of any Fiscal Year the Authority is not in compliance with the Rate Covenant, or if the Authority fails for three consecutive months to make the deposits required under "Disposition of Revenues" to the Interest Account and the Principal Account (or the Sinking Fund Account, as applicable) or there is a deficiency in a Series Debt Service Reserve Account for longer than three consecutive months, the Authority shall immediately request a Qualified Independent Consultant to submit a written report and recommendations with respect to increases in the Authority's rates, fees and other charges and improvements in the operations of and the services rendered by the System and the Authority's accounting and billing procedures necessary to bring the Authority into compliance with the Rate Covenant. The report and recommendations shall be filed with the Trustee and the Authority within 120 days from the date of discovery of noncompliance with the Rate Covenant. The Authority shall promptly revise its rates, fees and charges, and alter its operations and services to conform with the report and recommendations of the Qualified Independent Consultant to the extent permitted by law. If the Authority promptly revises its rates, fees, charges, operations, services and procedures in conformity with the report and recommendations of the Qualified Independent Consultant and otherwise follows such recommendations to the extent permitted by law so that the Authority is expected to be, when its actions become fully effective, in compliance with the Rate Covenant, then any failure to meet the Rate Covenant will not constitute an Event of Default under the Indenture so long as no other Event of Default has occurred and is continuing.

Annual Budget (Section 602)

Before the beginning of each Fiscal Year, the Authority shall adopt a budget for the operation of the System for the ensuing Fiscal Year, which shall be called the Annual Budget. The Annual Budget shall be prepared in such manner as to show in reasonable detail (1) Revenues estimated to be received during such Fiscal Year, (2) Operating Expenses expected to be incurred during such Fiscal Year, (3) the amount of principal of, premium, if any, and interest on the Bonds that will become due during such Fiscal Year, (4) the amount of principal of, premium, if any, and interest on Other System Indebtedness that will become due during such Fiscal Year, (5) any amount necessary to be deposited in the Debt Service Reserve Fund to restore the amount on deposit in each Account therein to the amount of the applicable Series Debt Service Reserve Requirement, (6) any amount necessary to be deposited in the Operating Reserve Fund to restore the amount on deposit therein to the amount of the Operating Reserve Requirement, (7) any amount necessary to be deposited in the Renewal and Replacement Reserve Fund to restore the amount on deposit therein to the amount of the Renewal and Replacement Reserve Requirement, (8) the amount of principal of, premium, if any, and interest on the Subordinate Debt that will become due during such Fiscal Year, (9) any amount necessary to be deposited in the Subordinate Debt Service Reserve Fund to restore the amount on deposit therein to the amount of the Subordinate Debt Service Reserve Requirement, and (10) the amount of Net Revenues available during such Fiscal Year to meet the Rate Covenant. The Annual Budget shall be prepared in sufficient detail to show the amounts to be deposited in the various funds, Accounts and subaccounts created by or under the Indenture or funds and accounts otherwise required to be maintained on behalf of the System. The Authority may amend the Annual Budget at any time during the Fiscal Year. If for any reason an Annual Budget has not been adopted within the time required in the Indenture, the last previously adopted Annual Budget shall be deemed to provide for and regulate and control expenditures during such Fiscal Year until an Annual Budget for such Fiscal Year has been adopted. A copy of the Annual Budget and any amendments thereto shall be filed promptly with the Trustee.

Funds and Accounts (Section 603)

The Indenture establishes the following funds and Accounts to be held by the Authority or Trustee, as applicable: (a) Revenue Fund to be held by the Authority, subject to the lien of the Indenture (the Water and Sewer Authority Enterprise Fund created pursuant to Section 207 of the WASA Act, codified, as amended, at D.C. Code Section 34-2202.07, constitutes the Revenue Fund); (b) Operating Fund to be held by the Authority not subject to the lien of the Indenture (the Operating and Maintenance Account created pursuant to Section 154 of Public Law 104-134, codified at D.C. Code Section 34-2202.41, constitutes the Operating Fund); (c) Bond Fund, in which there shall be established an Interest Account, a Principal Account and a Sinking Fund Account, and a separate subaccount in each such Account with respect to each Series of Bonds or Other System Indebtedness issued under the Indenture, as applicable, to be held by the Trustee, subject to the lien of the Indenture; (d) Debt Service Reserve Fund, in which there shall be established a Series Debt Service Reserve Account for each Series of Bonds or Other System Indebtedness issue which has a Series Debt Service Reserve Requirement, to be held by the Trustee, subject to the lien of the Indenture; (e) Operating Reserve Fund to be held by the Authority, subject to the lien of the Indenture; (f) Renewal and Replacement Reserve Fund to be held by the Authority, subject to the lien of the Indenture; (g) Subordinate Bond Fund to be held by the Trustee, subject to the lien of the Indenture; (h) Subordinate Debt Service Reserve Fund to be held by the Trustee, subject to the lien of the Indenture; (i) Rate Stabilization Fund to be held by the Authority, subject to the lien of the Indenture; and (j) System Fund to be held by the Authority, subject to the Lien of the Indenture.

Disposition of Revenues (Section 604)

All Revenues shall be deposited in the Revenue Fund to be held by the Authority; provided, however, that upon an Event of Default, the Authority will transfer all amounts in all the Authority held funds to the Trustee, and the Trustee shall hold such moneys in trust for the beneficiaries under the Indenture. From and after the occurrence of such Event of Default, the Authority shall deliver all Revenues to the Trustee as and when received. Prior to any such Event of Default, throughout the month, but no later than the last Business Day of each month, the Authority shall transfer from the Revenue Fund to the Operating Fund an amount sufficient to pay Operating Expenses during such month. Thereafter, Net Revenues shall be disbursed on the last Business Day of each month in the following order (except that no distinction or preference shall exist in the use in an amount sufficient to make the following deposits of Net Revenues for payment into the Interest Account, the Principal Account or the Sinking Fund Account of the Bond Fund, such accounts being on a parity with each other as to payment from Net Revenues):

(a) To the Bond Fund:

(1) to the subaccounts established for each Series of Bonds or Other System Indebtedness in the Interest Account, the amounts, if any, set forth in the applicable Supplemental Indenture with respect to each Series of Bonds or Other System Indebtedness; provided, however, that if such Other System Indebtedness is evidenced by documents other than a Supplemental Indenture, to the related interest accounts set forth therein, as applicable; and such deposits shall be adjusted to give credit for any other available money then in such interest account or subaccount, or otherwise available and designated to be used for such purpose. Moneys in the Interest Account shall be used to pay interest required to be paid on any interest payment date related to such Series of Bonds or Other System Indebtedness, as applicable.

(2) to the subaccounts established for each Series of Bonds or Other System Indebtedness in the Principal Account and Sinking Fund Account, the amounts, if any, set forth in the applicable Supplemental Indentures with respect to each Series of Bonds or Other System Indebtedness; provided, however, that if such Other System Indebtedness is evidenced by documents other than a Supplemental Indenture, to the related principal account and sinking fund account set forth therein, as applicable; and such deposits shall be adjusted to give credit for any other available money then in the principal or sinking fund account or subaccount or otherwise available and designated to be used for such purpose. Moneys in the Principal Account shall be used to pay principal required to be paid on any principal payment date related to such Series of Bonds or Other System Indebtedness, as applicable. Moneys in the Sinking Fund Account shall be used to pay the amount required for mandatory sinking fund redemption on the applicable redemption date related to such Series of Bonds or Other System Indebtedness, as applicable,

(b) To the applicable Account in the Debt Service Reserve Fund with respect to each Series of Bonds, the amounts, if any, necessary to restore the amount on deposit therein to the related Series Debt Service Reserve Requirement; and to the extent applicable, amounts necessary to restore the amount on deposit in the debt service reserve fund related to Other System Indebtedness to the amounts required to be on deposit therein, and such amounts shall be transferred to such fund.

(c) To the Operating Reserve Fund, the amounts, if any, necessary to restore the amounts on deposit therein to the Operating Reserve Requirement. Such amounts shall be funded within 24 months of withdrawal by depositing in such fund 1/24 of the Operating Reserve Requirement on the last Business Day of each month after such withdrawal, if necessary. Moneys in the Operating Reserve Fund shall be used to pay, to the extent necessary, Operating Expenses of the Authority. In addition, to the extent that moneys on deposit in the Bond Fund are insufficient to make the required interest and principal payments, moneys in the Operating Reserve Fund shall be used prior to any withdrawal from the Debt Service Reserve Fund, to satisfy any such deficiencies.

(d) To the Renewal and Replacement Reserve Fund, an amount equal to the Renewal and Replacement Reserve Requirement. Such amounts shall be funded within 24 months of the applicable Closing Date to the extent not already deposited by depositing 1/24 of the Renewal and Replacement Reserve Requirement on the last Business Day of each month in such fund. In addition, to the extent that there has been a withdrawal from such fund, the Trustee shall deposit Net Revenues to the fund, in the amounts necessary to make the amounts on the deposit therein equal to the Renewal and Replacement Reserve Requirement. Such withdrawn amounts shall be funded within 24 months by depositing in such fund 1/24 of the Renewal and Replacement Reserve Requirement on the last Business Day of each month after such withdrawal. Moneys in the Renewal and Replacement Reserve Fund may be used to pay for any capital expenditures related to the System. In addition, to the extent that moneys on deposit in the Bond Fund and the Operating Reserve Fund are insufficient to make the required interest and principal payments, moneys in the Renewal and Replacement Reserve Fund shall be used prior to any withdrawal from the Debt Service Reserve Fund to satisfy any such deficiencies.

(e) To the Subordinate Bond Fund, the amount equal to the deposits to such funds and accounts required by the related Supplemental Indenture or other documents evidencing such debt. To the extent that Subordinate Debt is issued pursuant to Subordinate Debt documents, applicable amounts shall be transferred to the respective Subordinate Debt trustee.

(f) To the applicable Account, if any, in the Subordinate Debt Service Reserve Fund with respect to each Subordinate Debt issue, the amounts, if any, necessary to restore the amount on deposit therein to the related debt service reserve requirement or to reimburse the provider of any Qualified Reserve Credit Facility for amounts drawn thereunder and to pay related costs. To the extent that the Subordinate Debt is issued pursuant to Subordinate Debt Documents, applicable amounts shall be transferred to the respective Subordinate Debt trustee.

(g) To the System Fund, any moneys remaining in the Revenue Fund after all deposits and transfers required by subsections (a) through (f) of Section 604 have been made. Moneys in the System Fund may be used for any authorized purpose. On the following dates, moneys on deposit in the System Fund were required or are required be used to make the following payments:

(1) on each May 15 and quarterly thereafter, to the District to make the payment in lieu of taxes required by the District MOU relating to the PILOT;

(2) on September 1, 1998, an amount retained by the Authority in the System Fund necessary to satisfy the Cash Reserve Requirement;

(3) on each September 1, commencing September 1, 1999: (a) an amount to the District to make those certain principal and interest prepayments related to the District General Obligation Bonds pursuant to the District MOU relating to the Payment of General Obligation Debt; and (b) an amount retained by the Authority in the System Fund necessary to satisfy the Cash Reserve Requirement; and

(4) at any time to the Rate Stabilization Fund, the amount that the CEO and General Manager may determine, in his discretion, to transfer to the Rate Stabilization Fund.

With respect to prepayments made pursuant to section (g)(3)(a) above, if the Authority does not have Net Revenues sufficient to make such payment on September 1 of such fiscal year, the Authority must make such payment no later than November 1 of such fiscal year. Failure to make such payment prior to November 1 shall not constitute an Event of Default.

The Authority shall provide the Trustee with a monthly certificate which certifies that the transfers required by subsections (c), (d) and (g) have been made and sets forth the respective balances of such funds. If the Authority fails to make the transfers required by subsections (a) through (g) the Trustee shall give notice of such failure to the Authority within 10 days of such failure. Notwithstanding anything in the Indenture to the contrary, at any time that the Authority is required to make transfers pursuant to subsections (a) through (g), and there are insufficient Net Revenues to make all required transfers pursuant to such subsections, the Authority shall make the transfers in the order set forth above first from Net Revenues, then from any other legally available monies. In the event the balance on deposit in the Principal Account, Sinking Fund Account or the Interest Account is insufficient for the purposes thereof, the Authority shall transfer to the Trustee for deposit in such Accounts such amounts as may be necessary therefor first from the Operating Reserve Fund, second from the Renewal and Replacement Fund, and then from the applicable Series Debt Service Reserve Account pursuant to the section entitled "Debt Service Reserve Fund (Section 606)". The Trustee shall provide for a mandatory sinking fund redemption of any Term Bonds in accordance with the schedules set forth in the Supplemental Indenture for such Bonds; provided, however, that on or before the 70th day next preceding any such sinking fund payment date, the Authority may: (1) deliver to the Trustee for cancellation Term Bonds of the maturity required to be redeemed on such sinking fund payment date in any aggregate principal amount desired; or (2) instruct the Trustee to apply a credit against the Authority's next sinking fund redemption obligation for any such Term Bonds that previously have been redeemed (other than through the operation of the sinking fund) and canceled but not theretofore applied as a credit against any sinking fund redemption obligation. Upon the occurrence of any of the events described in the subsections (1) or (2) above, the Trustee shall credit against the Authority's sinking fund redemption obligation on the next sinking fund payment date the amount of such Term Bonds so delivered or previously redeemed. Any principal amount

of such Term Bonds in excess of the principal amount required to be redeemed on such sinking fund payment date shall be similarly credited in such order as may be determined by the Authority against future payments to the Sinking Fund Account and shall similarly reduce the principal amount of the Term Bonds of the applicable Series to be redeemed on the next sinking fund payment date. Within seven days of receipt of such Term Bonds or instructions to apply as a credit, any amounts remaining in the Sinking Fund Account in excess of the amount required to fulfill the remaining required sinking fund redemption obligation on the next sinking fund payment date shall be used in such manner as determined at the direction of the Authority. In the event the amount on deposit in the Interest Account on any interest payment date shall exceed the amount required to pay interest on the Senior Debt on the next interest payment date, the Authority shall, if the amount on deposit in any Series Debt Service Reserve Account is less than the applicable Series Debt Service Reserve Requirement, instruct the Trustee to transfer such excess to any Series Debt Service Reserve Account to the extent of such deficiency, and otherwise retain any remaining excess in the Interest Account or instruct the Trustee to transfer any remaining excess to the related Principal Account to be credited against subsequent required deposits thereto, as determined by the Authority.

If the amount on deposit in the Principal Account or Sinking Fund Account on any principal or mandatory redemption payment date exceeds the amount required on such date to pay Bonds at maturity or to redeem Term Bonds pursuant to mandatory sinking fund requirements, the Authority shall, if the amount on deposit in any Series Debt Service Reserve Account is less than the applicable Series Debt Service Reserve Requirement, instruct the Trustee to transfer such excess to the Series Debt Service Reserve Account to the extent of such deficiency, and otherwise retain such excess in the Principal Account or instruct the Trustee to transfer such excess to the Interest Account to be credited against subsequent required deposits thereto, as determined by the Authority.

With respect to the Direct Payments by providing that, upon receipt of any Direct Payment, the Authority or the Trustee shall cause it to be deposited (i) in the appropriate subaccounts in the Interest Account in the Bond Fund if such Direct Payment relates to Bonds or Other System Indebtedness, and (ii) in the appropriate subaccount in the Subordinate Interest Account in the Subordinate Bond Fund if such Direct Payment relates to Subordinate Debt, and shall cause it to be applied solely to the purposes to which the Indenture permits funds in such subaccount, account and fund to be applied.

Rate Stabilization Fund (Section 605)

The Rate Stabilization Fund authorized by the Indenture shall be held by the Authority in an Account separate and apart from all other funds and Accounts of the Authority and payments therefrom shall be made as provided in the Indenture. Moneys may be transferred by the Authority to the Rate Stabilization Fund from the System Fund as provided in the section captioned "Disposition of Revenues (Section 604)" as determined by the Authority. At any time the Authority may transfer from the Rate Stabilization Fund to the Revenue Fund the amount determined by the Authority to be transferred from the Rate Stabilization Fund.

Debt Service Reserve Fund (Section 606)

Each Supplemental Indenture under which a Series of Bonds is issued shall establish an Account in the Debt Service Reserve Fund related to such Series of Bonds that shall be funded pursuant to the terms of a Supplemental Indenture. The Series Debt Service Reserve Requirement shall be deposited in the Account related to such Series. Amounts in each Account in the Debt Service Reserve Fund shall be used to pay debt service on the related Series of Bonds on the date such debt service is due when insufficient funds for that purpose are available in the Bond Fund; provided, however, that all amounts in an Account in the Debt Service Reserve Fund shall be used, together with other amounts available for such purpose under the Indenture, to provide for payment of the related Series of Bonds when the aggregate of such amounts is sufficient for such purpose. Amounts in each Account of the Debt Service Reserve Fund shall be pledged to Holders of Bonds of the related Series. The Debt Service Reserve Fund has not been pledged as security for the payment of any Subordinate Debt.

In lieu of or in addition to cash or investments, at any time the Authority may cause to be deposited to the credit of any Series Debt Service Reserve Account any form of credit facility, including a surety bond, in the amount of all or a portion of the Series Debt Service Reserve Requirement, irrevocably payable to the Trustee as beneficiary for the Holders of the respective Series of Bonds, provided that the Trustee has received evidence satisfactory to it that (a) the provider of the credit facility has a credit rating in one of the two highest credit rating categories by two Rating Agencies, (b) the obligation of the Authority to pay the fees of and to reimburse the provider of the credit facility is subordinate to its obligation to pay debt service on the respective Series of Bonds, (c) the term of the credit facility is at least 36 months, (d) the only condition to a drawing under the credit facility is insufficient amounts in the applicable funds and Accounts held by the Trustee with respect to such Series of Bonds when needed to pay debt service on such Series or the expiration of the credit facility, and (e) the provider of the credit facility shall notify the Authority and the Trustee at least 24 months prior to the expiration of the credit facility. If (1) the Authority receives such expiration notice and the provider of such credit facility does not extend its expiration date, (2) the Authority receives notice of the termination of the credit facility, or (3) the Authority receives notice that the provider of such credit facility no longer has a credit rating in one of the two highest credit rating categories by two Rating Agencies, the Authority immediately shall (A) provide a substitute credit facility that meets the requirements set forth in the foregoing sentences, (B) deposit the Series Debt Service Reserve Requirement to the respective Series Debt Service Reserve Account (i) in equal monthly installments over the next succeeding 24 months in the case of receipt of an expiration notice, (ii) prior to the termination date in the case of receipt

of a termination notice, or (iii) immediately in the case of such reduction in credit rating, or (C) instruct the Trustee to draw on such credit facility in the amount of the Series Debt Service Reserve Requirement (i) 12 months prior to expiration of the credit facility in the case of receipt of an expiration notice, (ii) prior to the termination date in the case of receipt of a termination notice, or (iii) immediately in the case of such reduction in credit rating and deposit the amount drawn to the Series Debt Service Reserve Account.

If a disbursement is made pursuant to any credit facility, the Authority shall either (a) reinstate the maximum limits of such credit facility, or (b) deposit to the credit of the applicable Series Debt Service Reserve Account moneys in the amount of the disbursement made under such credit facility from available Net Revenues. To the extent such moneys are still insufficient, then the Authority shall transfer to the Trustee from any legally available moneys the amount of such deficiency as soon as practicable and in any event within 24 months by depositing one-twenty-fourth of the required amount each month.

Amounts, if any, released from any Series Debt Service Reserve Account, upon deposit to the credit of such Account of a credit facility, upon designation by an Authorized Representative of the Authority and accompanied by an Opinion of Bond Counsel that such use will not adversely affect the exclusion from gross income of interest on the respective Series of Bonds, shall be transferred (a) to the subaccount of the Principal Account with respect to such Series of Bonds and used to pay principal of or to redeem such Bonds, or (b) to the Authority to be used to pay all or any portion of the Costs designated by the Authority and approved by Bond Counsel.

On or within five days after each Reserve Determination Date, the Trustee shall determine if the balance on deposit in each Series Debt Service Reserve Account was, as of the Reserve Determination Date, at least equal to the applicable Series Debt Service Reserve Requirement. In making such determination, any obligations in the Series Debt Service Reserve Account shall be valued in accordance with the Indenture. In the event the amount on deposit in a Series Debt Service Reserve Account exceeds the applicable Series Debt Service Reserve Requirement, the Trustee shall (a) transfer such excess to the Bond Fund to be deposited in the related Series subaccount in the Interest Account and the related Series subaccount in the Principal Account to the extent amounts in such subaccounts are less than the amounts required to be paid on the next interest payment date and principal payment date, respectively, (b) thereafter transfer such excess to the Bond Fund to be deposited, as directed by an Authorized Representative of the Authority, in the Interest Account or the Principal Account to the extent amounts in such accounts are less than the amounts required to be paid on the next interest payment date and principal payment date, respectively, and (c) transfer such excess to the Authority to be used to pay all or any portion of Costs designated by the Authority and approved by Bond Counsel; provided, however, that if an Authorized Representative of the Authority calls for a Reserve Determination Date in connection with the refunding and/or defeasance of a Series of Bonds, then the Trustee is authorized to take such refunding and/or defeasance into account in valuing the Series Debt Service Reserve Account securing such Series of Bonds and is further authorized to apply the amount of any surplus arising from such valuation to reduce the amount of the refunding bonds and/or to provide for the defeasance of the Series of Bonds in such manner as the Authorized Representative of the Authority may direct.

Payments in Aid of Construction (Section 607)

The Authority shall use any payments made to the Authority by any persons as payment for constructing water, wastewater or stormwater facilities at the request of such persons, whether such payments are made prior to or after such construction, only to pay the cost of such construction. After completion of such construction, the Authority may use any moneys remaining after such construction is completed to pay all or any portion of Costs designated by the Authority and approved by Bond Counsel.

Other Funds and Accounts (Section 608)

The Authority may establish in each Supplemental Indenture such other funds and Accounts within funds as the Authority may determine to be desirable.

Pledge of Net Revenues and Certain Funds and Accounts (Section 609; TSI Section 601)

Net Revenues are pledged equally and ratably to the payment of principal of and interest on all Senior Debt, subject only to the right of the Authority to make application thereof to other purposes as provided in the Indenture. All funds created under the Indenture other than the Operating Fund shall be trust funds and are pledged (except as provided in the next sentence and as described in the next paragraph hereof) equally and ratably to the payment of the principal of and interest on all Senior Debt, subject only to the right of the Authority to make application thereof, or to direct the Trustee to make application thereof, to other purposes as provided in the Indenture. The lien and trust created under the Indenture are for the benefit of the Holders of Senior Debt and for their additional security until all the Senior Debt has been paid; provided, however, that the moneys in each Series Debt Service Reserve Account and each Series Construction Account or subaccount shall only secure the applicable Series of Bonds that provided such moneys, and moneys in any account of the Bond Fund relating to a particular Senior Debt shall only secure such Senior Debt. Notwithstanding the foregoing and anything else in the Indenture to the contrary, pursuant to the terms of the Water Sales Agreement, to the extent that the United States of America, acting through the Secretary of the Army, requires that the Authority establish a special fund consisting of separately identifiable fees, charges, rents and rates (the "Special Revenues") assessed by the Authority on its retail customers after the effective date of the Indenture in order to pay for the principal and interest due on the Treasury

Loans, the Department of the Treasury shall have a security interest in such Special Revenues only, and the Treasury Loans shall no longer be secured by the remaining Net Revenues, nor be considered Indebtedness for the purposes of the Indenture. The Treasury Loan holder shall have an interest senior to the interest of holders of Indebtedness in such Special Revenues. All further terms and conditions of such Special Fund shall be set forth in a Supplemental Indenture related thereto.

The Series 2024A Bonds are secured as Subordinate Debt under the Indenture and, as such, are secured by a pledge of (i) 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 Subordinate Debt, including, without limitation, any other Subordinate Debt that the Authority may issue in the future, without preference, priority or distinction of any Series 2024A Bond over any other Series 2024A Bond or of any Subordinate Debt over any other Subordinate Debt, as provided in the Indenture; and (ii) the moneys and Permitted Investments in the Subordinate Bond Fund on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, any other Subordinate Debt that the Authority may issue in the future, without preference, priority or distinction of any Series 2024A Bond over any other Series 2024A Bond or of any Subordinate Debt over any other Subordinate Debt, as provided in the Indenture. (TSI Section 601).

Covenant of the District of Columbia (TSI Section 601)

Under to the WASA Act, the District pledges to the Authority and any holders of its bonds that, except as provided in the WASA Act, the District will not limit or alter rights vested in the Authority to fulfill agreements made with holders of the bonds, or in any way impair the rights and remedies of the holders of the bonds until the bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of the holders of the bonds are fully met and discharged.

Payment of Indebtedness; Limited Obligations (Section 801)

The Authority shall promptly pay or cause to be paid when due the principal of (whether at maturity, by acceleration, call for redemption or otherwise), premium, if any, and interest on the Indebtedness at the places, on the dates and in the manner provided in the Indenture and in the Indebtedness according to the true intent and meaning thereof; provided, however, that such obligations are not general obligations of the Authority, but are limited obligations payable solely from Net Revenues, except to the extent payable from the proceeds of Indebtedness, the income, if any, derived from the investment thereof, certain reserves, proceeds of credit enhancement, income from investments pursuant to the Indenture or proceeds of Insurance, which Net Revenues and other moneys are specifically pledged to such purposes in the manner and to the extent provided in the Indenture. The Series 2024A Bonds are special and limited obligations of the District. The Series 2024A Bonds shall be without recourse to the District. The Series 2024A Bonds shall not be general obligations of the District, shall not be a pledge of or involve the faith and credit or the taxing power of the District, and shall not constitute lending of the public credit for private undertakings.

Limitations on Indebtedness (Section 802)

The Authority shall not issue any bonds, notes or other obligations that shall be secured by a pledge of Net Revenues (a) senior to the pledge of Net Revenues securing the Senior Debt, (b) except in compliance with the Indenture, on a parity with the pledge of Net Revenues securing the Senior Debt, or (c) except in compliance with the section captioned "Subordinate Debt (Section 305)", subordinate to the pledge of Net Revenues securing the Senior Debt. The Authority shall not issue Bonds, Other System Indebtedness or Subordinate Debt unless the Authority complies with the Indenture, including those provisions described in "Conditions for Issuing Bonds (Section 303)," "System Indebtedness (Section 304)" and "Subordinate Debt (Section 305)," as applicable.

Covenants and Representations of the Authority (Section 803)

The Authority shall faithfully observe and perform all covenants, conditions and agreements on its part contained in the Indenture, in every issue of Indebtedness issued thereunder and in all proceedings of the Authority pertaining thereto. The Authority represents that it is duly authorized under the WASA Act to issue the Indebtedness, to execute the Indenture, and to pledge Net Revenues in the manner and to the extent set forth in the Indenture. The Authority covenants that it will take all action necessary for issuance of the Indebtedness and the execution of the Indenture, and that upon issuance the Indebtedness will be valid and enforceable obligations of the Authority according to the import thereof.

Covenants with Credit Banks, Insurers, etc. (Section 804)

The Authority may make such covenants and agreements in a Supplemental Indenture as it may determine to be appropriate with any Insurer, credit bank or other financial institution that agrees to insure or to provide credit or liquidity support to enhance the security or the value of any Indebtedness. Such covenants and agreements may be set forth in the applicable Supplemental Indenture and shall be binding on the Authority and all the holders of Indebtedness the same as if such covenants were set forth in full in the Indenture.

Operation and Maintenance (Section 805)

The Authority shall establish and enforce reasonable rules and regulations governing the use of and the services furnished by the System, shall maintain and operate the System in an efficient and economical manner, shall maintain the same in good repair and sound operating condition and shall make all necessary repairs, replacements and renewals. All

compensation, salaries, fees and wages paid by the Authority in connection with the operation and maintenance of the System shall be reasonable. The Authority shall observe and perform all of the terms and conditions contained in the WASA Act and the Water Sales Agreement and shall comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the System or the Authority.

Free Service, Competing Service, Billing and Enforcement of Charges (Section 806)

The Authority shall not permit connections to or use of the System or provide any services of the System without making a charge therefor in accordance with the Authority's schedule of rates, fees and charges for the System other than those connections, use or services already in existence; provided, however, the Authority may accept proffers and other forms of payment in lieu of cash payments that the Authority deems are in its best interest to accept, provided that such proffers do not cause a violation of the Rate Covenant. The Authority shall not provide, grant any franchise to provide, or give consent for anyone else to provide any services which would compete with the System unless the Authority determines that such franchise or provision of services would provide services that the Authority has determined are not in its best interest to provide and would not materially impair the interests of the holders of Indebtedness.

The Authority shall bill customers for the services of the System no less frequently than quarterly. If any rates, fees or other charges for the use of or for the services furnished by the System shall not be paid within 60 days after the same shall become due and payable, or within such shorter time as may be determined by the Authority, the Authority shall at the expiration of such period, to the extent permitted by applicable laws and regulations, disconnect the premises from the System or otherwise suspend service to such premises until such delinquent rates, fees or other charges and any interest, penalties or charges for reconnection of service to such delinquent customer shall have been paid in accordance with the policies of the Authority, or a payment plan with respect to such amounts has become effective. The Authority shall take all such action as may be necessary to perfect liens upon real estate for the amount of any unpaid rates, fees or other charges described in Section 806 of the Indenture or any unpaid connection charges or other charges so that such liens will be binding upon subsequent bona fide purchasers for valuable consideration without actual notice thereof.

Sale or Encumbrance of System (Section 807)

Neither the System nor any integral part thereof shall be leased, sold, mortgaged or otherwise disposed of without an Independent Consulting Engineer's certification that such disposition will not have a negative impact on the overall viability of the System unless the proceeds of such disposition, together with any other legally available moneys, are sufficient to pay the principal of, premium, if any, and interest on all Indebtedness then Outstanding and the proceeds are used for such purpose; provided, that the Authority may from time to time sell, exchange or otherwise dispose of any equipment, motor vehicles, machinery, fixtures, apparatus, tools, instruments or other movable property if it determines that such articles are no longer needed or are no longer useful in connection with the System, and the proceeds thereof may be used for any lawful purpose determined by the Authority. The Authority shall not create or suffer to be created any lien or charge upon the System or any part thereof or any lien or charge upon Net Revenues and other moneys pledged herein ranking equally with, prior to, or subordinate to the lien and charge of the Indebtedness, except as provided in the Indenture. Notwithstanding anything in the Indenture to the contrary, the Authority may acquire items of personal property constituting part of the System under lease purchase agreements or similar financing arrangements entered into in the ordinary course of business which may be subject to purchase money security interests or other liens in an aggregate amount not to exceed five percent (5%) of the net amount of plant, property and equipment.

Notwithstanding the provisions of the preceding paragraph, the Authority may sell, transfer or otherwise dispose of all or substantially all of the System for purposes of consolidating the System with or merging the System into one or more regional water, wastewater or stormwater systems of which the Authority is a participating member jurisdiction if: (1) the successor entity assumes in writing all of the Indebtedness then Outstanding, (2) the successor entity covenants in writing to comply with the Rate Covenant, (3) the Authority obtains an opinion of Bond Counsel, subject to the customary exceptions and qualifications, substantially to the effect that the assumption by the successor entity of all of the Indebtedness then Outstanding shall not have an adverse effect on the tax-exempt status of the interest on any such Indebtedness the interest on which was excludable from gross income for purposes of Federal income taxation when issued, and (4) the ratings on the Indebtedness then Outstanding will not adversely be affected by such assumption.

Notwithstanding the provisions of the preceding paragraph, the Authority may lease or sell the Blue Plains Wastewater Treatment Plant if: (1) the lessor [sic] or purchaser entity assumes in writing all of the Indebtedness then Outstanding relating to the plant, (2) the successor entity covenants in writing to comply with the Rate Covenant, as applicable, (3) the Authority obtains an opinion of Bond Counsel, subject to the customary exceptions and qualifications, substantially to the effect that the assumption by the lessor [sic] or purchaser entity of all of the Indebtedness then Outstanding shall not have an adverse effect on the tax-exempt status of the interest on any such Indebtedness the interest on which was excludable from gross income for purposes of Federal income taxation when issued, and (4) the ratings on such Indebtedness then Outstanding will not adversely be affected by such assumption.

Insurance (Section 808)

The Authority shall continuously maintain insurance with recognized responsible commercial insurance companies against such risks and in such amounts as are customary for public bodies owning and operating similar systems, including (a) insurance against loss or damage to the System, (b) public liability insurance against liability for

bodily injury, including death resulting therefrom, and for damage to property, including loss of use thereof, arising out of the ownership or operation of the System, and (c) workers' compensation insurance with respect to the System. In lieu of insurance written by commercial insurance companies, the Authority may maintain a program of self-insurance or participate in group risk financing programs, including sponsored insurance programs, risk pools, risk retention groups, purchasing groups and captive insurance companies, and in state or Federal insurance programs; provided, however, that the Authority shall obtain and maintain on file a tri-annual favorable written opinion of a Qualified Independent Consultant that such alternative is reasonably acceptable with respect to the coverages under all the circumstances.

Damage, Destruction, Condemnation and Loss of Title (Section 809)

If all or any part of the System is destroyed or damaged by fire or other casualty, condemned or lost by failure of title, the Authority shall restore promptly the property destroyed or damaged to substantially the same condition as before such destruction, damage, condemnation or loss of title with such alterations and additions as the Authority may determine and which will not impair the capacity or character of the System for the purpose for which it is then being used or is intended to be used. The Authority shall apply so much as may be necessary of such Net Proceeds received on account of any such destruction, damage, condemnation or loss of title to payment of the cost of such restoration, either on completion or as the work progresses. If such Net Proceeds are not sufficient to pay in full the cost of such restoration, the Authority shall pay so much of the cost as may be in excess of such Net Proceeds from any legally available moneys. Any balance of such Net Proceeds remaining after payment of the cost of such restoration shall be deposited in the Bond Fund.

Records and Accounts; Inspections and Reports (Section 810)

The Authority shall keep proper books of records and accounts, separate from any of its other records and accounts, showing complete and correct entries of all transactions relating to the System, and the Trustee shall have the right at all reasonable times to inspect the System and all records, accounts and data relating thereto. The Authority shall also cause a certified audit of its records and accounts to be made in accordance with generally accepted accounting principles by an independent certified public accountant at the end of each Fiscal Year which shall reflect in reasonable detail the financial condition and results of operation of the System and whether the Authority has complied with the Rate Covenant and to deliver such report to the Trustee. The Authority shall cause an Independent Consulting Engineer at least once every five years to inspect the System and make a written report thereof which shall include such Independent Engineer's findings and recommendations as to the maintenance of the System and the construction of additions, extensions and improvements to the System and capital replacements thereof. Such report shall be completed in sufficient time so that the Authority may take into account any recommendations thereof in preparing its next Annual Budget.

Capital Budget (Section 811)

The Authority shall annually adopt a multiyear financial plan for capital expenses encompassing at least the forthcoming five fiscal years.

Service Contracts (Section 812)

The Authority may enter into Service Contracts for the benefit of the System, provided that the Authority specifies in writing the items payable as the Debt Service Component, Operating Component or Remaining Component of the Cost of Contracted Services and provided, further that the Authority shall not enter into any Service Contracts that would create Debt Service Components that constitute Other System Indebtedness unless the Authority satisfies the test set forth in the section entitled "Conditions for Issuing Bonds (Section 303)" for Bonds issued to pay Costs, except in the case of the initial Series of Bonds. The Authority shall faithfully fulfill all lawful requirements of all Service Contracts and shall require all other parties thereto to fulfill their lawful obligations thereunder. The Authority shall determine in writing on or before the effective date of any Service Contract the amounts and due dates of any Debt Service Component and the interest and principal portions of such components.

Events of Default – General (Section 901)

Each of the following events shall be an Event of Default:

- (a) Default in the due and punctual payment of the principal of, premium, if any, on any Bond (whether at maturity, call for redemption or otherwise);
- (b) Default in the due and punctual payment of the interest on any Bond;
- (c) Failure by the Authority to observe the covenant set forth in Section 604(g)(3)(a) of the section entitled "Disposition of Revenues";
- (d) Subject to the remedial provisions of the Rate Covenant, failure of the Authority to observe and perform any of its other covenants, conditions or agreements under the Indenture or in the Bonds for a period of 60 days after written notice either from the Trustee or Holders of not less than 25% in aggregate principal amount of Bonds then Outstanding (unless the Trustee agrees in writing to an extension of such time prior to its expiration), specifying such failure and requesting that it be remedied, or in the case of any such default that cannot with due diligence be cured within such 60 day period, failure of the Authority to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence within 60 days thereafter; provided, however, any such cure period shall not exceed an

aggregate of 120 days without the prior written consent of Financial Security Assurance, Inc., as long as any of the Authority's \$266,120,000 Public Utility Revenue Bonds, Series 1998 are Outstanding;

(e) The Authority shall fail to make any required payment with respect to any Other System Indebtedness, and any period of grace with respect thereto shall have expired, or an event of default as defined in any mortgage, indenture, or instrument under which there may be issued, or by which there may be secured or evidenced any Other System Indebtedness, shall occur, which event of default shall not have been waived by the holder of such mortgage, indenture or instrument provided, however, that such default shall not constitute an Event of Default within the meaning of Section 901 of the Indenture if within 30 days, or within the time allowed for service of a responsive pleading if any proceeding to enforce payment of the Other System Indebtedness is commenced, the Authority in good faith shall commence proceedings to contest the obligation to pay or the existence of such Other System Indebtedness;

(f) (1) commencement by the Authority of a voluntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or similar law, (2) consent by the Authority to the appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official for the Authority, the System or any substantial part of the Authority's property, or to the taking possession by any such official of the System or any substantial part of the Authority's property, (3) making by the Authority of any assignment for the benefit of creditors, or (4) taking corporate action by the Authority in furtherance of any of the foregoing

(g) The entry of any (1) decree or order for relief by a court having jurisdiction over the Authority or its property in an involuntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or other law, (2) appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official for the Authority, the System or any substantial part of the Authority's property, or (3) order for the termination or liquidation of the Authority or its affairs; or

(h) Failure of the Authority within 60 days after the commencement of any proceedings against it under the Federal bankruptcy laws, or any other applicable Federal or state bankruptcy, insolvency or similar law, to have such proceedings dismissed or stayed.

Notice to Holders of Senior Debt of Certain Default (Section 902)

If the Trustee is required to draw moneys from the Debt Service Reserve Fund to pay principal or interest on the Bonds and the Authority fails to begin replenishing the Debt Service Reserve Fund within 60 days in accordance with the replenishment requirements of the Indenture or fails to make any deposit required by the Indenture, then the Trustee shall send a notice to the Holders of Senior Debt that have related Debt Service Reserve Accounts, notifying them of the Authority's failure to replenish such draws.

Acceleration of Bonds (Section 903)

Upon the occurrence and continuation of an Event of Default, the Trustee may (and if requested by the holders of not less than 25% in aggregate principal amount of Bonds then Outstanding shall) by written notice to the Authority, declare the entire unpaid principal of the Bonds due and payable and, thereupon, the entire unpaid principal of the Bonds shall forthwith become due and payable. Upon any such declaration the Authority shall forthwith pay to the holders of the Bonds the entire unpaid principal of, premium, if any, and accrued interest on the Bonds, but only from Net Revenues and other moneys specifically pledged in the Indenture for payments of Bondholders. If at any time after such a declaration and before the entry of a final judgment or decree in any suit, action or proceeding instituted on account of such default or before the completion of the enforcement of any other remedy under the Indenture, the principal of all Bonds that have matured or been called for redemption pursuant to any sinking fund provision and all arrears of interest have been paid and any other Events of Default which may have occurred have been remedied, then the Trustee may, by written notice to the Authority, rescind or annul such declaration and its consequences. No such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon. Subordinate Debt may not be accelerated if any Senior Debt is Outstanding.

Other Remedies and Rights of Bondholders (Section 904)

Upon the occurrence and continuation of an Event of Default, the Trustee may (and if requested by the holders of not less than 25% in aggregate principal amount of Bonds Outstanding and if indemnified in accordance with prevailing industry standards shall) proceed to protect and enforce their rights by mandamus or other suit, action or proceeding at law or in equity, including an action for specific performance of any covenant or agreement contained in the Indenture. No remedy conferred by the Indenture upon or reserved to the Trustee and Bondholders is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee and holders of Bonds under the Indenture or now or hereafter existing at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power, or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any default or Event of Default under the Indenture by the Trustee or Bondholders shall extend to or affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

Right of Bondholder to Direct Proceedings (Section 905)

Anything in the Indenture to the contrary notwithstanding, the holders of a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture or any other proceedings thereunder; provided, however, that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

Application of Moneys – General (Section 906)

All moneys received by the Trustee pursuant to any right given or action taken under the Indenture, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys, the expenses, liabilities and advances incurred or made by the Trustee and its fees and the expenses of the Authority in carrying out the Indenture, shall be deposited in the Bond Fund and applied for no other purpose than as follows, unless the principal of all of the Bonds shall have become due or shall have been declared due and payable:

First – To the payment to the persons entitled thereto of all installments of interest then due on the Senior Debt, in the order of the maturity of the installments of such interest and; if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference, except as to any difference in the respective rates of interest specified in the Senior Debt; and

Second – To the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on any of the Senior Debt which shall have become due (other than Senior Debt called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), to pay in full Senior Debt due on any particular date and then to the payment of such principal and premium, if any, ratably, according to the amount of such principal due on such date, to the persons entitled thereto, without any discrimination or preference.

If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid on the Senior Debt, including, to the extent permitted by law, interest on overdue installments of interest, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Senior Debt over any other Senior Debt, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Senior Debt.

If the principal of all the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of the Indenture, then, subject to the provisions Section 906 of the Indenture in the event that the principal of all the Senior Debt shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of Section 906 of the Indenture. Whenever moneys are to be applied pursuant to the provisions of Section 906, such moneys shall be applied at such times and from time to time as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) on which such application is to be made and, on such date, interest shall cease to accrue on the amounts of principal to be paid. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date. Whenever there are moneys remaining after application to the Bond Fund for the payment of Senior Debt, the Trustee shall apply such remaining moneys, allocated in a similar manner as provided above, to the payment of Subordinate Debt. Whenever the principal of and premium, if any, and interest on all Indebtedness have been paid under the provisions of Section 906 of the Indenture, all payments required by the terms of any Supplemental Indenture have been paid and all expenses and charges of the Trustee have been paid, any balance remaining in the several funds created by the Indenture shall be paid to the Authority as provided in the Indenture.

Remedies Vested in Trustee (Section 907)

All rights of action (including the right to file proof of claims) under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustee may be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Bondholders, and any recovery of judgment shall be for the equal benefit of the Bondholders.

Limitation on Suits (Section 908)

Except to enforce the rights described under “Other Remedies; Rights of Bondholders (Section 904)” and “Right of Bondholders to Direct Proceedings (Section 905)”, no Bondholder shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or any other remedy under the Indenture, unless (a) a default has occurred and is continuing of which the Trustee has been notified as provided in the Indenture, or of which under the Indenture the Trustee is deemed to have notice, (b) such default has become an Event of Default and the holders of 25% in aggregate principal amount of Bonds then Outstanding have made

written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (c) such requesting Bondholders have offered to the Trustee indemnity as provided in the indenture, (d) the Trustee has thereafter failed or refused to exercise the powers granted under the Indenture, or to institute such action, suit or proceeding in its, own name, (e) no direction inconsistent with such written request has been given to the Trustee by the holders of a majority in aggregate principal amount of Bonds then Outstanding, and (f) notice of such action, suit or proceeding is given to the Trustee, it being understood and intended that no one or more holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the Indenture by its or their action, or to enforce any rights under the Indenture except in the manner therein provided, and that all proceedings at law or in equity shall be instituted and maintained in the manner herein provided and for the equal benefit of the holders of all Bonds then Outstanding. The notification, request and offer of indemnity set forth in the Indenture, at the option of the Trustee, shall be conditions precedent to the execution of the powers and trusts of the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy under the Indenture.

Waivers of Events of Default (Section 910)

The Trustee may in its discretion waive any Event of Default under the Indenture or any action taken pursuant to any Event of Default and rescind any acceleration of maturity of principal of and interest on the Bonds, and shall do so at the written request of the holders of (a) a majority in aggregate principal amount of Bonds then Outstanding in respect of which default in the payment of principal and/or premium, if any, and/or interest exists, or (b) a majority in aggregate principal amount of Bonds then Outstanding in the case of any other default, provided, however, that (1) there shall not be waived without the written consent of the holders of all Bonds then Outstanding (A) any Event of Default in the payment of the principal of any Outstanding Bonds (whether at maturity or by sinking fund redemption), or (B) any default in the payment when due of the interest on any such Bonds unless, prior to such waiver or rescission, (i) there shall have been paid or provided for all arrears of interest with interest, to the extent permitted by law, at the rate borne by the Bonds on overdue installments of interest, all arrears of principal of, premium, if any, and all expenses of the Trustee in connection with such default, and (ii) in case of any such waiver or rescission or in the case of any discontinuance, abandonment or adverse determination of any proceeding taken by the Trustee on account of any such default, the Authority, the Trustee, and the holders of Bonds shall be restored to their former positions and rights under the Indenture respectively; (2) no acceleration of maturity described under "Acceleration (Section 903)" made at the request of the holders of 25% in aggregate principal amount of Bonds then Outstanding shall be rescinded unless requested by the holders of at least 25% in aggregate principal amount of Bonds then Outstanding; and (3) any such waiver and/or rescission shall only be effective with respect to the Bonds if the holders of Other System Indebtedness shall have waived any event of default related to such Other System Indebtedness or any action taken pursuant to such event of default and/or rescinded any declaration of maturity of principal of and interest on the Other System indebtedness. No such waiver or rescission relating to the Bonds shall extend to any subsequent or other default, or impair any right consequent thereon.

Unconditional Right to Receive Principal, Premium and Interest (Section 911)

Nothing in the Indenture, however, shall affect or impair the right of the Trustee or any Bondholder to enforce, by action at law, payment of the principal of, premium, if any, or interest on any Bond at and after the maturity thereof, or on the date fixed for redemption or upon the same being declared due prior to maturity as herein provided, or the obligation of the Authority to pay the principal of, premium, if any, and interest on each of the Bonds issued under the Indenture to the respective holders thereof at the time and place, from the source and in the manner expressed in the Indenture and in the Bonds.

Supplemental Indentures Not Requiring Consent of Holders of Bonds (Section 1001)

The Authority and the Trustee may, without the consent of, or notice to, any of the Bondholders, enter into Supplemental Indentures as shall not be inconsistent with the intent of the terms and provisions of the Indenture, to (a) cure any ambiguity, formal defect or omission in the Indenture; (b) grant to or confer upon the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred on the Bondholders; (c) add to the covenants and agreements of the Authority in the Indenture other covenants and agreements to be observed by the Authority; (d) modify, amend or supplement the Indenture in such manner as required to permit the Authority to comply with the provisions of the Code relating to the rebate to the United States of America of earnings derived from the investment of the proceeds of Bonds, provided that such modification, amendment or supplement does not materially adversely affect the holders of all Outstanding Bonds; (e) modify, amend or supplement the Indenture in such manner as may be required by a Rating Agency to maintain or enhance its rating on the Senior Debt, provided that such modification, amendment or supplement does not materially adversely affect the holders of all Outstanding Bonds; (f) modify, amend or supplement the Indenture to implement any covenants or agreements contemplated by the Indenture; (g) authorize the issuance of and to secure one or more issues of Indebtedness pursuant to the Indenture; (h) amend any agreement with a securities depository relating to a book-entry only system to be maintained with respect to any Bonds; or (i) modify, amend or supplement the Indenture in any manner that the Trustee concludes is not materially adverse to the holders of all Outstanding Bonds.

Supplemental Indentures Requiring Consent of Bondholders (Section 1002)

Exclusive of Supplemental Indentures authorized by Section 1001 of the Indenture and subject to the terms and provisions contained in Section 1002 of the Indenture, the holders of not less than a majority in aggregate principal amount

of Outstanding Bonds shall have the right, from time to time, notwithstanding anything in the Indenture to the contrary, to consent to the execution by the Authority and the Trustee of such other agreements or agreements supplemental to the Indenture as shall be deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in particular, any of the terms or provisions contained in the Indenture and any Supplemental Indentures; provided, however, that nothing in the Indenture shall permit, or be construed as permitting, (a) an extension of the maturity of the principal of or the interest on any Bonds, (b) a privilege or priority of any Senior Debt over any other Senior Debt, (c) a reduction in the aggregate principal amount of Bonds required for consent to any Supplemental Indentures, (d) a reduction in the principal amount of or premium, if any, on any Bonds or the rate of interest thereon, or (e) an extension of time or a reduction in amount of any payment required by any sinking fund that may be applicable to any Bonds, without the consent of the holders of all of the Outstanding Bonds; provided, however that there shall be no modification of the Net Revenue pledge which secures the Other System Indebtedness nor of the Net Revenue pledge which secures the Subordinate Debt, if such respective modification would adversely affect the interests of the holders of such debt.

If at any time the Authority shall request the Trustee to enter into any Supplemental Indenture, the Trustee shall cause notice of the proposed execution of such Supplemental Indenture to be sent by registered or certified mail to the registered owner of each Bond at his address as it appears on the registration books. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that a copy thereof is on file at the corporate trust office of the Trustee for inspection by all Bondholders. If, within 90 days or such longer period as shall be prescribed by the Authority following the giving of such notice, the holders of not less than a majority in aggregate principal amount of Outstanding Bonds, or in the case of (a) through (e) above, the holders of all Outstanding Bonds, shall have consented to and approved the execution thereof as herein provided, no holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation hereof, or in any manner to question the propriety thereof, or to enjoin or restrain the Trustee or the Authority from executing such Supplemental Indenture or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as permitted and provided in the Indenture, the Indenture shall be and be deemed to be modified and amended in accordance therewith. Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of consent or any calculation of Outstanding Bonds provided for in the Indenture. At the time of any such calculation, the Authority shall furnish the Trustee a certificate of an Authorized Representative of the Authority upon which the Trustee may rely, describing all Bonds so to be excluded.

Discharge of Indenture (Section 1201)

If (1) all Bonds and Subordinate Debt issued under the Indenture shall have become due and payable in accordance with their terms or otherwise as provided in the Indenture or have been duly called for redemption or irrevocable instructions to call the Bonds or Subordinate Debt issued hereunder to pay them at maturity have been given by the Authority to the Trustee, and (2) the Trustee holds for such purpose cash or obligations that are either noncallable direct obligations of the United States of America or noncallable obligations, timely payment of which is guaranteed by the United States of America, the principal of and the Interest on which, as verified by a licensed independent certified public accountant (that carries errors and omissions insurance) reasonably acceptable to the Trustee and the Authority, at seniority will be sufficient (without reinvestment) (A) to redeem in accordance with the Indenture all Bonds or Subordinate Debt issued thereunder that have been called for redemption, or for which irrevocable instructions for call for redemption have been given, on the date set for such redemption, (B) to pay at maturity all Bonds or Subordinate Debt issued hereunder not irrevocably called for redemption, (C) to pay interest accruing on all Bonds or Subordinate Debt issued hereunder prior to its redemption or payment at maturity, (D) to make all payments required by the terms of any Supplemental Indenture, and (E) to pay the Trustee's fees and expenses and any other fees and expenses for which the Authority is responsible under the Indenture, including the costs and expenses of cancelling and discharging the Indenture, and (b) the Trustee shall have received notification from the holders of all other Indebtedness that such Indebtedness has been paid, or payment has been provided for such Indebtedness, in accordance with the documents related thereto, then the Trustee shall, at the expense of the Authority, cancel and discharge the Indenture and execute and deliver to the Authority such instruments in writing as shall be necessary to cancel the lien hereof, and assign and deliver to the Authority any property at the time subject to the Indenture that may then be in its possession, except moneys or securities in which such moneys are invested which are held by the Trustee for the payment of principal, or premium, if any, or interest on the Bonds and Subordinate Debt issued hereunder;

Bonds for the payment or redemption of which cash or noncallable direct obligations of the United States of America the principal of and premium, if any, and interest on which will be sufficient therefor, as determined by the Trustee in reliance on a report of a licensed independent certified public accountant, shall have been deposited with the Trustee (whether upon or prior to the date of their maturity or their redemption date) shall be deemed to be paid and no longer Outstanding; provided, however, that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or arrangements satisfactory to the Trustee shall have been made for the giving thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

[THIS PAGE INTENTIONALLY LEFT BLANK]

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is executed and delivered by the District of Columbia Water and Sewer Authority (the “Issuer”) in connection with the issuance of its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024A (the “Series 2024A Bonds” or the “Bonds”). The Series 2024A Bonds are being issued pursuant to the Master Indenture of Trust, dated as of April 1, 1998 (the “Master Indenture”), as amended and supplemented to the date of delivery of Series 2024A Bonds (the “Indenture”), including by the Thirty-Third Supplemental Indenture of Trust, to be dated the date of issuance and delivery of the Series 2024A Bonds (the “Thirty-Third Supplemental Indenture”) by and between the Authority and Computershare Trust Company, N.A., as trustee (the “Trustee”). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Series 2024A Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission (“S.E.C.”) Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Beneficial Owner” shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“Holder” shall mean the person in whose name any Bond shall be registered.

“Listed Events” shall mean any of the events listed in Section 5(a) or (b) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Participating Underwriter” shall mean the original underwriters of the Series 2024A Bonds required to comply with the Rule in connection with offering of the Series 2024A Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than 240 days after the end of the Issuer’s fiscal year (which shall be June 1 of each year, so long as the Issuer’s fiscal year ends on September 30), commencing with the report for the fiscal year ending September 30, 2024 (which is due not later than June 1, 2025), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer’s fiscal year changes, it shall give notice of such change in a filing with the MSRB. The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Series 2024A Bonds by name and CUSIP number.

(b) Not later than 15 business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall, in a timely manner, send or cause to be sent to the MSRB a notice to that effect.

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the Issuer) file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided to the MSRB.

SECTION 4. Content of Annual Reports. The Issuer’s Annual Report shall contain or include by reference the following:

(a) the Issuer’s annual comprehensive financial report (the “ACFR”), which includes audited financial statements prepared in accordance with generally accepted accounting principles in effect from time to time. If the Issuer’s audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available; and

(b) to the extent not included in the ACFR, material historical financial and operating data concerning the Issuer and the Revenues of the Issuer generally of the type found in the tables included in the Issuer’s Official Statement dated [_____, 2024] relating to the Series 2024A Bonds (the “Official Statement”) under the captions “THE SYSTEM,” “CAPITAL IMPROVEMENT PROGRAM,” “CUSTOMER BASE, RATES AND CHARGES” and “FINANCIAL OPERATIONS.”

Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including Official Statements of debt issues of the Issuer or related public entities, which have been made available to the public on the MSRB’s website. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2024A Bonds in a timely manner not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. Tender offers;
7. Defeasances;
8. Rating changes; or
9. Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2024A Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Series 2024A Bonds or other material events affecting the tax status of the Series 2024A Bonds;
2. Modifications to rights of Bond holders;
3. Optional, unscheduled or contingent Bond calls;
4. Release, substitution, or sale of property securing repayment of the Series 2024A Bonds;
5. Non-payment related defaults;
6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action

or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

7. Appointment of a successor or additional trustee or the change of name of a trustee;
8. Incurrence of a financial obligation of the Issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer or obligated person, any of which affect security holders, if material; or
9. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Issuer or obligated person, any of which reflect financial difficulties.

For purposes of items 8 and 9 above, “financial obligation” means: (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii).

(c) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the Issuer shall determine if such event would be material under applicable federal securities laws.

(d) If the Issuer learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the Issuer shall within ten business days of occurrence file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections 5(a)(7) or 5(b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Indenture.

SECTION 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The Issuer’s obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2024A Bonds. If such termination occurs prior to the final maturity of the Series 2024A Bonds, the Issuer shall give notice of such termination in a filing with the MSRB.

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Agreement. The initial Dissemination Agent shall be the Issuer.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2024A Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2024A Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Series 2024A Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Disclosure Agreement, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, any Holder or Beneficial Owner of the Series 2024A Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Agreement; provided, that any such action may be instituted only in the District of Columbia. The sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Series 2024A Bonds, and shall create no rights in any other person or entity.

Date: [], 2024

DISTRICT OF COLUMBIA WATER AND SEWER
AUTHORITY

By: _____
Matthew T. Brown
Chief Financial Officer and Executive Vice
President, Finance Procurement and Compliance

APPENDIX E

DTC BOOK-ENTRY SYSTEM AND GLOBAL CLEARANCE PROCEDURES

[THIS PAGE INTENTIONALLY LEFT BLANK]

The information set forth in this Appendix E is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream Banking (DTC, Euroclear and Clearstream Banking together, the "Clearing Systems") currently in effect. The information set forth in this Appendix E concerning the Clearing Systems has been obtained from sources that the Authority believes to be reliable, but none of the Authority, the Trustee or the Underwriters take any responsibility for the accuracy, completeness or adequacy of the information in this section. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. The Authority will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Series 2024A Bonds held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2024A BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES 2024A BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2024A BONDS.

DTC BOOK-ENTRY ONLY SYSTEM

The description that follows of the procedures and record keeping with respect to beneficial ownership interests in the Series 2024A Bonds, payments of principal, premium, if any, and interest on the Series 2024A Bonds to DTC, its nominee, Participants, or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Series 2024A Bonds and other bond-related transactions by and between DTC, Participants and Beneficial Owners is based on information furnished by DTC. The Authority and the Underwriters take no responsibility for the accuracy thereof.

The Depository Trust Company, New York, New York ("DTC") will act as securities depository for the Series 2024A Bonds. The Series 2024A Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2024A Bond will be issued for the Series 2024A Bonds of each series and maturity in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers, and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of __. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Series 2024A Bonds under the DTC system must be made by or through Direct Participants, who will receive a credit for such Series 2024A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2024A Bonds Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2024A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2024A Bonds, except in the event that use of the book-entry system for the Series 2024A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2024A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2024A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2024A Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE SERIES 2024A BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY PARTICIPANT, OR OF ANY PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER OF ANY NOTICE AND OF ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OR SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE SERIES 2024A BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2024A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2024A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2024A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirement as may be in effect from time to time. Payment of principal and interest to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC, is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2024A Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2024A Bonds Bond certificates are required to be printed and delivered. The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2024A Bonds Bond certificates will be printed and delivered.

So long as Cede & Co. is the registered owner of the Series 2024A Bonds, as partnership nominee for DTC, references herein to Bondholders or registered owners of the Series 2024A Bonds (other than under the caption "TAX MATTERS") shall mean Cede & Co. and shall not mean the Beneficial Owners of the Series 2024A Bonds.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes.

NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, CEDE & CO., ANY DTC PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2024A BONDS; (III) THE SELECTION BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2024A BONDS; (IV) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE SERIES 2024A BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2024A BONDS; OR (VI) ANY OTHER MATTER.

The information in this Appendix E concerning DTC has been obtained from sources that the Underwriters believe to be reliable, but the Underwriters take no responsibility for the accuracy thereof or make

any representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

APPENDIX F

PROPOSED FORM OF OPINION OF CO-BOND COUNSEL

[THIS PAGE INTENTIONALLY LEFT BLANK]

[_____], 2024

To: District of Columbia Water and Sewer Authority
Morgan Stanley & Co. LLC
New York, New York,
as Representative of the Underwriters of the Series 2024A Bonds

Re: District of Columbia Water and Sewer Authority
Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024A Bonds

We have served as co-bond counsel to our client, the District of Columbia Water and Sewer Authority (the "Authority"), and not as counsel to any other person, in connection with the issuance by the Authority of its \$ _____ Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024A (the "Series 2024A Bonds") dated the date of this letter.

The Series 2024A Bonds are issued pursuant to the Master Indenture of Trust, dated as of April 1, 1998 (the "Master Indenture"), between the Authority and Computershare Trust Company, National Association, as successor to Norwest Bank Minnesota, National Association (the "Trustee"), as supplemented and amended, including by the Thirty-Third Supplemental Indenture of Trust, dated as of the same date as and relating to the Series 2024A Bonds (the "Thirty-Third Supplemental Indenture" and, together with the Master Indenture as previously amended and supplemented, the "Indenture"), between the Authority and the Trustee. Capitalized terms not otherwise defined in this letter are used as defined in the Indenture.

In our capacity as co-bond counsel, we have examined the transcript of proceedings relating to the issuance of the Series 2024A Bonds, a copy of the signed and authenticated Series 2024A Bond of the first maturity, the Indenture and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

Based on that examination and subject to the limitations stated below, we are of the opinion that, under existing law:

1. The Series 2024A Bonds and the Indenture are valid and binding obligations of the Authority, enforceable in accordance with their respective terms.
2. The Series 2024A Bonds constitute special, limited obligations of the Authority, and the principal of and interest and any premium (collectively, "debt service") on the Series 2024A Bonds, together with debt service on other Subordinate Debt or Senior Debt that the Authority has issued or may in the future issue under the Indenture, are payable solely from the Net Revenues and certain funds and accounts established under the Indenture. The Series 2024A Bonds are secured as Subordinate Debt under the Indenture, including, without limitation, by a pledge of (i) 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 Subordinate Debt; and (ii) the moneys and Permitted Investments in the Bond Fund on a parity with the pledge of Net Revenues that secures other Subordinate Debt. The Series 2024A Bonds and the payments of debt service are not general obligations of the District of Columbia and are not secured by an obligation or pledge of any money raised by taxation.
3. Interest on the Series 2024A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The Series 2024A Bonds and the interest thereon are exempt from District of Columbia taxation, except estate, inheritance and gift taxes. We express no opinion as to any other tax consequences regarding the Series 2024A Bonds.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined, and (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the Authority.

In rendering those opinions with respect to treatment of the interest on the Series 2024A Bonds under the federal tax laws and District of Columbia tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the Authority. Failure to comply with certain of those covenants subsequent to issuance of the Series 2024A Bonds may cause interest on the Series 2024A Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance.

The rights of the owners of the Series 2024A Bonds and the enforceability of the Series 2024A Bonds and the Indenture are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities.

No opinions other than those expressly stated herein are implied or shall be inferred as a result of anything contained or omitted from this letter. The opinions expressed in this letter are stated only as of the time of its delivery and we disclaim any obligation to revise or supplement this letter thereafter. Our engagement as co-bond counsel in connection with the original issuance and delivery of the Series 2024A Bonds has concluded upon delivery of this letter.

Very truly yours,

REFUNDED BONDS[‡]

Series	Maturity Date (Oct. 1)	Principal Amount	CUSIP No. 254845[†]
2014C	2025	18,780,000	KK5
2014C	2026	19,875,000	KL3
2014C	2027	\$ 23,795,000	KM1
2014C	2028	19,770,000	KN9
2014C	2029	6,770,000	KP4
2014C	2030	7,840,000	KQ2
2014C	2031	8,885,000	KR0
2014C	2032	10,000,000	KS8
2014C	2033	11,080,000	KT6
2014C	2034	12,230,000	KU3
2014C	2035	12,000,000	KZ2
2014C	2039	29,000,000	LB4
2014C	2041	90,200,000	KY5
2014C	2044	45,195,000	KV1

* Preliminary, subject to change.

NEW ISSUE – BOOK-ENTRY ONLY

LT ST
Ratings: Standard & Poor's: ;
Moody's: ;
Fitch: ;
 See "Ratings" herein.

In the opinion of Squire Patton Boggs (US) LLP and Bellamy Penn LLC, Co-Bond Counsel, under existing law, (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2024B Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and (ii) the Series 2024B Bonds and the interest thereon are exempt from District taxation, except estate, inheritance and gift taxes. Interest on the Series 2024B Bonds may be subject to certain federal taxes imposed only on certain corporations. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.

[logo]

\$[100,000,000]
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds
Series 2024B
(Daily Rate Period)

\$[50,000,000]
Subseries 2024B-1

\$[50,000,000]
Subseries 2024B-2

Dated: Date of Delivery

Due: As shown on inside cover

The Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds, Series 2024B (the "Series 2024B Bonds"), consisting of the Subseries 2024B-1 Bonds (the "Subseries 2024B-1 Bonds") and the Subseries 2024B-2 Bonds (the "Subseries 2024B-2 Bonds") are being issued by the District of Columbia Water and Sewer Authority (the "Authority," also commonly referred to as "DC Water") pursuant to a Master Indenture of Trust, dated as of April 1, 1998 (the "Master Indenture"), by and between the Authority and Computershare Trust Company, N.A., as trustee (the "Trustee"), as amended and supplemented to the date of issuance of the Series 2024B Bonds (the "Indenture"). The proceeds of the Series 2024B Bonds will be used to (i) refund the Authority's outstanding Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2019C (the "Refunded Bonds") and (ii) pay costs of issuing the Series 2024B Bonds. The Series 2024B Bonds will be secured by a pledge of Net Revenues that will be subordinate to the pledge of Net Revenues that secures any Outstanding Senior Debt and other Senior Debt the Authority may issue from time to time in the future, and on a parity with the pledge of Net Revenues that secures the Outstanding Subordinate Debt and other Subordinate Debt the Authority may issue from time to time in the future, without preference, priority or distinction of any Subordinate Debt over any other Subordinate Debt, all as further described and defined herein. The Series 2024B Bonds will not be secured by a Debt Service Reserve Fund. See "SECURITY FOR THE SERIES 2024B BONDS."

Each Subseries of the Series 2024B Bonds will initially bear interest at a Daily Rate, as described herein. Interest on the Series 2024B Bonds in the Daily Rate will be calculated on the basis of a 365- or 366-day year for the number of days actually elapsed, payable on the first Business Day of each calendar month, commencing [August 1, 2024]. After the Initial Period, each Subseries will continue to bear interest in the specified Interest Period unless and until all of the Series 2024B Bonds of a Subseries are converted to a different Interest Period, as more fully described in this Official Statement. The applicable interest rate for the Initial Period shall be determined by BofA Securities, Inc. for the Subseries 2024B-1 Bonds (the "Subseries 2024B-1 Remarketing Agent") and by Loop Capital Markets LLC, for the Subseries 2024B-2 Bonds (the "Subseries 2024B-2 Remarketing Agent"), all in the manner described in this Official Statement.

The Series 2024B Bonds will be issued initially in denominations of \$100,000 or any \$5,000 integral multiple in excess thereof and in fully registered form in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC") under the book-entry only system maintained by DTC. So long as Cede & Co. is the registered owner of the Series 2024B Bonds, the principal of and premium, if any, and interest on the Series 2024B Bonds will be payable by the Trustee to DTC, which will in turn remit such payments to its participants for subsequent disbursement to beneficial owners of the Series 2024B Bonds, as more fully described herein. See APPENDIX E – "DTC BOOK-ENTRY ONLY SYSTEM."

The Series 2024B Bonds are subject to redemption prior to maturity, as more fully described herein.

Funds for the purchase of each Subseries upon optional or mandatory tender thereof will be available, subject to certain conditions, through a Liquidity Facility provided by TD Bank, N.A., the Liquidity Facility Provider named on the inside cover of this Official Statement. Upon the occurrence of certain events of default under the Liquidity Facility, the obligation of Liquidity Facility Provider to purchase tendered Series 2024B Bonds of the relevant Subseries will terminate or, in certain cases, be suspended, immediately, without any prior notice to holders of the Series 2024B Bonds. Upon the occurrence of certain other events of default under the applicable Liquidity Facility, the obligation of Liquidity Facility Provider to purchase tendered Series 2024B Bonds of the applicable Subseries may be terminated by the Liquidity Facility Provider as described in this Official Statement.



The Series 2024B Bonds shall be special, limited obligations of the Authority payable solely from the Net Revenues of the Authority. The Series 2024B Bonds shall be without recourse to the District of Columbia (the "District"). The Series 2024B Bonds shall not be general obligations of the District or of the Authority. The Series 2024B Bonds shall not be a pledge of or involve the faith and credit or the taxing power of the District, shall not constitute a debt of the District, the United States of America or any User Jurisdiction (as defined herein) or any agency or instrumentality of any User Jurisdiction, and neither the District, the United States, any User Jurisdiction nor any agency or instrumentality of any User Jurisdiction shall be liable thereon. The Series 2024B Bonds also shall not constitute the lending of the public credit for private undertakings as prohibited by the Home Rule Act (as defined herein). The Authority has no taxing power.

The Series 2024B Bonds are offered when, as and if issued by the Authority and received by the Underwriters. Certain legal matters with respect to the issuance of the Series 2024B Bonds are subject to the approval of Squire Patton Boggs (US) LLP, and Bellamy Penn LLC, Co-Bond Counsel to the Authority. Squire Patton Boggs (US) LLP and Bellamy Penn LLC, also serve as Co-Disclosure Counsel to the Authority in connection with the preparation of this Official Statement. Certain legal matters will be passed upon for the Authority by its General Counsel, and for the Underwriters by Orrick, Herrington & Sutcliffe, LLP, and McKenzie & Associates, Co-Underwriters' Counsel. It is expected that the Series 2024B Bonds will be available for delivery through the facilities of DTC in New York, New York on or about July [], 2024.

BofA Securities

Loop Capital Markets

(Senior Manager and Remarketing Agent for the Subseries 2024B-1 Bonds)

(Senior Manager and Remarketing Agent for the Subseries 2024B-2 Bonds)

This cover page, including the inside cover page, contains certain information for quick reference only. It is not a summary of this Official Statement. Prospective purchasers must read the entire Official Statement to obtain the information essential to the making of an informed investment decision.

Dated: July [], 2024

[\$100,000,000]*
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds
Series 2024B

Dated: July [__], 2024

Due: October 1, 20[__]

Subseries 2024B-1*

Principal: \$[50,000,000]

Price: 100%

CUSIP: _____ †

Remarketing Agent: BofA Securities, Inc.

Liquidity Facility Provider: TD Bank, N.A.

Liquidity Facility Stated Expiration Date: July [__], 2029

Rate Period: Daily

Initial Pricing Date: July [30], 2024

Initial Interest Payment Date: [August 1, 2024]

First and Periodic Remarketing Date:

Authorized Denominations: \$100,000 and integral multiples of \$5,000 in excess thereof

Subseries 2024B-2*

Principal: \$[50,000,000]

Price: 100%

CUSIP: _____ *

Remarketing Agent: Loop Capital Markets LLC

Liquidity Facility Provider: TD Bank, N.A.

Liquidity Facility Stated Expiration Date: July [__], 2029

Rate Period: Daily

Initial Pricing Date: July [30], 2024

Initial Interest Payment Date: [August 1, 2024]

First and Periodic Remarketing Date:

Authorized Denominations: \$100,000 and integral multiples of \$5,000 in excess thereof

* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright(c) 2024 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. Neither the Authority nor the Underwriters or their agents or counsel are responsible for the accuracy of such numbers. No representation is made as to their correctness on the Series 2024B Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2024B Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2024B Bonds.

District of Columbia Water and Sewer Authority
1385 Canal Street, S.E.
Washington, D.C. 20003
(202) 787-2714

www.dcwater.com

Principal Board Members Jurisdiction

Keith Anderson, Chair	<i>District of Columbia</i>
Rachna Butani Bhatt	<i>District of Columbia</i>
Anthony Giancola	<i>District of Columbia</i>
Howard Gibbs	<i>District of Columbia</i>
Christopher Herrington	<i>Fairfax County</i>
Floyd Holt	<i>Prince George's County</i>
Richard Jackson	<i>District of Columbia</i>
Fariba Kassiri	<i>Montgomery County</i>
Jon Monger	<i>Montgomery County</i>
Vacant	<i>Prince George's County</i>
Vacant	<i>District of Columbia</i>

Alternate Board Members Jurisdiction

Andrea Crooms	<i>Prince George's County</i>
Jared McCarthy	<i>Prince George's County</i>
Sarah Motsch	<i>Fairfax County</i>
Jed Ross	<i>District of Columbia</i>
Steven Shofar	<i>Montgomery County</i>
Vacant	<i>District of Columbia</i>
Vacant	<i>District of Columbia</i>
Vacant	<i>District of Columbia</i>
Vacant	<i>District of Columbia</i>
Vacant	<i>Montgomery County</i>

Authority Management

David Gadis	<i>Chief Executive Officer and General Manager</i>
Matthew T. Brown	<i>Chief Financial Officer and Executive Vice President, Finance Procurement and Compliance</i>
Jeffrey F. Thompson	<i>Chief Operating Officer and Executive Vice President, Operations and Engineering</i>
Keith J. Lindsey	<i>Chief of Staff</i>
Marc Battle, Esq.	<i>Chief Legal Officer and Executive Vice President, Government & Legal Affairs</i>
Wayne Griffith	<i>Chief Administration Officer and Executive Vice President</i>
Kirsten Williams	<i>Chief Communications and Stakeholders Engagement Officer and Executive Vice President</i>
Joy J. Dorsey	<i>Chief People and Executive Vice President, People and Talent</i>

Authority Consultants and Counsel

<i>Co-Bond Counsel</i>	Squire Patton Boggs (US) LLP and Bellamy Penn LLC
<i>Co-Disclosure Counsel</i>	Squire Patton Boggs (US) LLP and Bellamy Penn LLC
<i>Financial Feasibility Consultant</i>	Amawalk Consulting Group LLC
<i>Engineering Feasibility Consultant</i>	PEER Consultants, P.C.
<i>Co-Financial Advisors</i>	PFM Financial Advisors LLC and Sustainable Capital Advisors

IMPORTANT NOTICES

No Offering May be Made Except by this Official Statement. No dealer, broker, salesperson or other person has been authorized by the Authority or the Underwriters to give any information or to make any representations with respect to this offering, other than as contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Authority or the Underwriters.

No Unlawful Offer, Solicitation or Sale. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2024B Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Use of this Official Statement. This Official Statement is provided in connection with the sale of the Series 2024B Bonds referred to herein and may not be reproduced or be used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract or agreement among the Authority, the Underwriters and the purchasers or owners of any offered Series 2024B Bonds. This Official Statement is being provided to prospective purchasers either in bound printed form (“original bound format”) or in electronic format on the following website: www.munios.com. This Official Statement may be relied upon only if it is in its original bound format or if it is printed in its entirety directly from such website.

Preparation of this Official Statement. The information contained in this Official Statement has been derived from information provided by the Authority and other sources which are believed to be reliable. Additional information, including financial information, concerning the Authority is available from the Authority’s website. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the date hereof. Such information and expressions of opinion are made for the purpose of providing information to prospective investors and are not to be used for any other purpose or relied on by any other party. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

No Registration or Approval. The Series 2024B Bonds have not been registered with the U.S. Securities and Exchange Commission (the “SEC”) under the Securities Act of 1933, as amended, in reliance upon exceptions contained in the Act. Neither the SEC nor any other federal or state securities commission or regulatory authority has approved or disapproved of the Series 2024B Bonds or passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

Forecasts and Forward-Looking Statements. Statements contained in this Official Statement that do not reflect historical facts are forward-looking statements. Forward-looking statements can be identified by words such as “estimate,” “project,” “anticipate,” “expect,” “intend,” “believe,” “plan,” “budget,” “predict,” “may,” “should,” and similar expressions. Projections, forecasts, assumptions, expressions of opinions, estimates and other forward-looking statements are not to be construed as representations of fact and are qualified in their entirety by the cautionary statements set forth in this Official Statement. The forward-looking statements are based on various assumptions and estimates and are inherently subject to risks and uncertainties, including, but not limited to, risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in various important factors. Accordingly, actual results may vary from the projections, forecasts and estimates contained in this Official Statement and such variations may be material, which could affect the ability to fulfill some or all of the obligations under the Series 2024B Bonds. All forward-looking statements included in this Official Statement are based on information available on the date of this Official Statement, and the Authority assumes no obligation to update any such forward-looking statements.

TABLE OF CONTENTS

IMPORTANT NOTICESiv	Outstanding Senior and Subordinate Debt 28
INTRODUCTION1	List of Outstanding Indebtedness 30
General1	Outstanding Senior Debt 32
Authorization1	Outstanding Subordinate Debt 32
District of Columbia Water and Sewer Authority1	Interest Rate Exchange Agreements and Guaranteed Investment Contracts 33
Recent Developments [to be updated]2	THE AUTHORITY 33
Use of the Series 2024B Bond Proceeds3	General 33
Security and Source of Payment3	Purposes and Powers 34
Rate Covenant and Financial Forecast4	Board of Directors 34
Capital Improvement Program4	Organizational Structure 37
Miscellaneous4	Senior Executive Team 37
THE SERIES 2024B BONDS6	Authority’s Relationship to the District 39
General6	Employees and Labor Relations 41
Liquidity7	Retirement/Pension Plan 42
Rate Periods; Determination of Rates8	Risk Management and Insurance 42
Conversions8	Risks from Unexpected Events 42
Optional Tender9	THE SYSTEM 45
Mandatory Tender9	The Wastewater System 45
Purchase of Tendered Bonds Delivered to the Tender Agent10	Blue Plains Advanced Wastewater Treatment Plant 45
Book-Entry Only System11	Service Area 46
Redemption Provisions11	Wholesale Customer Agreements 46
REMARKETING OF THE SERIES 2024B BONDS 13	Wastewater Collection 47
Remarketing Agreements 13	Sanitary Sewer System 47
Duties of the Remarketing Agents13	Combined Sewer Overflow Wastewater System 47
Certain Considerations Affecting the Series 2024B Bonds14	Biosolids Disposal 47
Removal or Resignation of a Remarketing Agent14	Wastewater Regulation and Permits 47
THE LIQUIDITY FACILITY15	The Water System 50
Description of Liquidity Facility Provider [To be updated by Bank Counsel/TD]15	The Washington Aqueduct 50
General16	Water Sales Agreement 51
Purchase of Tendered Series 2024B Bonds by the Liquidity Facility Provider16	Water Supply 51
Events of Default16	Raw Water Supply Agreements 51
Remedies Upon Occurrence of an Event of Default18	Water Treatment and Storage 52
PLAN OF FINANCE19	Sold vs. Pumped Ratio 52
SOURCES AND USES OF FUNDS19	Water System Regulation and Permits 52
SECURITY FOR THE SERIES 2024B BONDS19	Drinking Water Quality 52
Lien and Pledge of the Master Indenture19	NPDES Permit and Water Treatment System Sediments 52
Direct Payments20	Aqueduct Discharge 53
Limited Remedies of Holders of Subordinate Debt21	Lead Levels 53
Flow of Funds22	PFAS (Forever Chemicals) 55
Certain Reserve Funds24	Protection of the Water System and Wastewater System 55
Rate Covenant25	CAPITAL IMPROVEMENT PROGRAM 57
Additional Senior Debt26	General 57
Additional Subordinate Debt27	Categories of CIP Projects 59
DEBT SERVICE REQUIREMENTS28	CIP Financing Sources 60
	Cost Estimates 62
	CUSTOMER BASE, RATES AND CHARGES 62
	Customer Categories and Accounts 62
	Customer Base 63

Customer Demand.....	66	LEGAL MATTERS.....	96
Rate-Setting Authority.....	67	INDEPENDENT AUDITORS.....	96
Retail Rates, Fees and Charges.....	67	VERIFICATION OF MATHEMATICAL	
Federal Government Charges.....	67	COMPUTATIONS.....	97
Wholesale Customer Charges.....	68	THE TRUSTEE.....	97
Components of Retail Rates and Charges.....	68	RATINGS.....	97
Water and Wastewater Charges.....	68	CONTINUING DISCLOSURE.....	97
PILOT/Right of Way Occupancy Fee.....	70	FINANCIAL ADVISORS.....	97
Stormwater Fee.....	70	UNDERWRITING.....	97
Historical and Projected Retail Rates.....	71	LEGALITY FOR INVESTMENT.....	98
Retail Rate Comparison.....	73	RELATIONSHIP OF PARTIES.....	98
Collections.....	75	MISCELLANEOUS.....	1
Special Accounts.....	76		
Customer Assistance Programs.....	76		
Customer Service Operations.....	79		
FINANCIAL OPERATIONS.....	79		
COVID-19: Impact and Recovery.....	79		
/TO BE UPDATED.....	79		
Historical Financial Operations [to be updated]	80		
Historical Debt Service Coverage.....	82		
Annual Budget.....	82		
Annual Budget Process.....	82		
The Approved Fiscal Year 2023 and Fiscal			
Year 2024 Budgets.....	83		
Projected Financial Operations.....	83		
System Revenues.....	86		
Retail Water and Wastewater Revenues..	87		
Clean Rivers Impervious Area Charge			
Revenues.....	87		
Water System Replacement Fee.....	87		
Stormwater Revenues.....	87		
Wholesale Revenues.....	87		
Loan Repayment from Arlington County			
and Falls Church.....	88		
Interest Income on Reserve Funds.....	88		
Miscellaneous Revenue.....	88		
PILOT/ROW Fee.....	88		
System Expenditures.....	89		
Operating Expenses.....	89		
Labor-Related Expenses.....	90		
Non-Labor Operating Expenses.....	91		
Reserve Funds.....	92		
Financial Policies.....	92		
Financial Policies, Debt Policy and			
Guidelines.....	92		
Rate-Setting Policies.....	92		
Cash Management and Investment Policies			
.....	93		
Extendable Municipal Commercial Paper			
Policy.....	93		
ENGINEERING FEASIBILITY REPORT.....	93		
FINANCIAL FEASIBILITY OPINION LETTER... 	93		
TAX MATTERS.....	94		
COVENANT BY THE DISTRICT OF COLUMBIA			
.....	96		
LITIGATION.....	96		

APPENDICES

APPENDIX A – Financial Feasibility Opinion Letter of Amawalk Consulting Group LLC dated [REDACTED], 2024]
APPENDIX B – Audited Financial Statements of the Authority for the Years Ended September 30, 2022 and 2023
APPENDIX C – Glossary and Summary of the Indenture
APPENDIX D – Form of Continuing Disclosure Agreement
APPENDIX E – DTC Book-Entry System and Global Clearance Procedures
APPENDIX F – Proposed Form of Opinion of Co-Bond Counsel
APPENDIX G – Refunded Bonds

OFFICIAL STATEMENT

[\$100,000,000]

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds Series 2024B

INTRODUCTION

General

This Official Statement, including the cover page and the appendices hereto (the “Official Statement”), is provided in connection with the issuance by the District of Columbia Water and Sewer Authority (the “Authority,” also commonly referred to as “DC Water”) of its Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds, Series 2024B, in the original principal amount of \$[100,000,000], consisting of its Subseries 2024B-1, in the original principal amount of \$[50,000,000] (the “Subseries 2024B-1 Bonds”), and its Subseries 2024B-2, in the original principal amount of \$[50,000,000] (the “Subseries 2024B-2 Bonds” and the Subseries 2024B-1 Bonds, each a “Subseries” and, together, the “Series 2024B Bonds”).

The Series 2024B Bonds are being issued pursuant to the Master Indenture of Trust, dated as of April 1, 1998 (the “Master Indenture”), as amended and supplemented to the date of delivery of the Series 2024B Bonds (the “Indenture”), including by the Thirty-Fourth Supplemental Indenture of Trust, to be dated the date of issuance and delivery of the Series 2024B Bonds (the “Thirty-Fourth Supplemental Indenture”), each by and between the Authority and Computershare Trust Company, N.A., as trustee (the “Trustee”).

Any capitalized term used in this Official Statement and not otherwise defined herein shall have the meaning ascribed thereto in APPENDIX C – “GLOSSARY AND SUMMARY OF THE INDENTURE.”

Authorization

The Series 2024B Bonds are being issued pursuant to the Master Indenture of Trust, dated as of April 1, 1998 (the “Master Indenture”), as amended and supplemented to the date of delivery of the Series 2024B Bonds (the “Indenture”), including by the Thirty-Fourth Supplemental Indenture of Trust, to be dated the date of issuance and delivery of the Series 2024B Bonds (the “Thirty-Fourth Supplemental Indenture”) by and between the Authority and Computershare Trust Company, N.A., as trustee (the “Trustee”). The Series 2024B Bonds are also being issued pursuant to a resolution of the Authority’s Board of Directors passed at its _____, 2024 meeting.

District of Columbia Water and Sewer Authority

The Authority is an independent authority of the District of Columbia (the “District”), which was created in April 1996 and began operating on October 1, 1996, under and pursuant to an act of the Council of the District (the “Council”), which is entitled the “Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996” (D.C. Law 11-111) (D.C. Code §§ 34-2201.01 *et seq.*), as amended and supplemented (the “Act”), and an act of the U.S. Congress entitled the “District of Columbia Water and Sewer Authority Act of 1996” (Public Law 104-184) (the “Federal Act”). The Council was authorized to adopt the Act pursuant to the authority set forth in the District of Columbia Self-Government and Governmental Reorganization Act (P.L. 93-198; 87 Stat 774; D.C. Official Code, 2006 Repl., §§ 1-201 *et seq.*), as amended (the “Home Rule Act”). See “THE AUTHORITY.”

The Authority provides retail water and wastewater services to approximately 700,000 residents in the District and wholesale wastewater conveyance and treatment to approximately [1.6 million] people in major suburban areas of Prince George’s and Montgomery Counties in Maryland and Fairfax and Loudoun Counties in Virginia (collectively, the “User Jurisdictions”). Pursuant to the Act, the District authorized the Authority to use all of the property and assets of the water distribution system (the “Water System”) and the wastewater collection, treatment and disposal system (the “Wastewater System” and, together with the Water System, the “System”) formerly operated by the District, for as long as any revenue bonds of the Authority, including the Series 2024B Bonds, remain outstanding. In accordance with the Act, the District retains full legal title to and a complete equitable interest in the System. See “THE SYSTEM.”

The Authority’s service area consists of the District and certain areas of the User Jurisdictions and, therefore, certain demographic, economic and statistical information relating to the District and the User Jurisdictions may be relevant to prospective purchasers of the Series 2024B Bonds. The Authority makes no representation as to the accuracy or completeness of information derived from other sources.

Recent Developments

[additional updates?]

Blueprint 2.0 (Strategic Plan)

The Authority continue to implement Blueprint 2.0, a new enterprise-wide strategic plan designed to guide the Authority over the through 2027 and beyond. Blueprint 2.0 sets out five Organizational Imperatives, which are defined outcomes essential to achieving strategic goals. The Imperatives have been developed through engagement with a cross section of key stakeholders and are used to frame strategy and address upcoming challenges. The Blueprint 2.0 Imperatives are (1) healthy, safe and well, (2) reliability, (3) resiliency, (4) sustainability and (5) equity.

Environmental, Social, and Governance (ESG) Report

The Authority released its second Environmental, Social, and Governance (“ESG”) Report that builds on its previous work in consideration of factors in the natural world and activities that impact stakeholders, and frames the Authority’s commitment to operating under a resilient and fair governance framework. Operating one of the country’s largest water and wastewater utilities responsibly and efficiently relies on the awareness and prioritization of ESG matters. The Authority’s ESG ambitions are aligned with the Imperatives developed under Blueprint 2.0.

The complete document can be found at <https://www.dewater.com/esg-reporting>. This reference to the Authority’s website is for informational purposes only, neither the website nor the information contained on the website shall be deemed incorporated herein by reference. The Authority is not obligated to continue to provide information found on its website.

Green Bond Framework

On October 7, 2021 the Board adopted a Green Bond Framework to formalize the process and commitments that govern the Authority’s issuance of Green Bonds. The Green Bond Framework governs the use of Green Bond proceeds, project selection and evaluation processes, management of Green Bond proceeds and disclosure. At the time of issuance of a Green Bond, the Authority’s policy is to seek an independent Second Party Opinion on the sustainability of the Green Bond to be issued. See “OPINION LETTER OF INDEPENDENT SUSTAINABILITY CONSULTANT.”]

Lead Removal Initiative

The Lead-Free DC Initiative aims to replace an estimated 42,000 lead or galvanized-iron pipe with copper pipes by [_____, 20__]. The Authority developed a prioritization model to use water quality and health equity data to prioritize lead service line replacement projects under the Block By-Block program. District blocks with a higher number of lead service lines and populations that are more vulnerable to the health impacts of lead exposure are prioritized for replacement first. These populations include communities of color, children under age 5 and lower-income families. DC Water’s prioritization model is in alignment with the Biden-Harris Administration’s Justice40 Initiative. The Justice40 Initiative aims to prioritize lead service line removal in disadvantaged communities that are already marginalized, underserved, and overburdened by pollution.

Updated Financial and Rate Stabilization Policies

On October 5, 2023 the Board revised the Statement of Financial Policies to provide a minimum of 250 days of cash on hand in each fiscal year based on projected operating expenses. The Authority also set the goal of achieving 350 days of cash on hand by 2032. The Board also revised the Rate Stabilization Fund Policy to (i) establish a targeted Rate Stabilization Fund (RSF) balance of 5% of retail revenues; (ii) provide that contributions to the RSF may be directed by the Board through the allocation of a year-end surplus or by the General Manager from savings or revenues from projects funded by the RSF; (iii) the RSF may be used for: (A) emergencies or unplanned events to prevent rate spikes, (B) investments in technologies or other initiatives that could reduce operating expenditures, (C) apply to revenues to reduce rate increases, defease higher cost debt, or as PAYGO to reduce debt service costs.

Use of the Series 2024B Bond Proceeds

The proceeds of the Series 2024B Bonds will be used to (i) refund the Authority's outstanding Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2019C (the "Refunded Bonds") and (ii) pay costs of issuing the Series 2024B Bonds. See "SOURCES AND USES OF FUNDS" and APPENDIX G – REFUNDED BONDS.

Security and Source of Payment

Under the Indenture, the Authority may issue "Senior Debt" and "Subordinate Debt" from time to time. The Series 2024B Bonds will constitute Subordinate Debt under the Indenture. The Series 2024B Bonds will be secured by a lien on and a pledge of Net Revenues that is subordinate to the pledge of Net Revenues that secures the Outstanding Senior Debt and any other Senior Debt the Authority may issue from time to time in the future, and on a parity with the pledge of Net Revenues that secures the Outstanding Subordinate Debt and any other Subordinate Debt the Authority may issue from time to time in the future, without preference, priority or distinction of any Subordinate Debt over any other Subordinate Debt.

Prior to the issuance of the Series 2024B Bonds and the Series 2024A Bonds (defined below), \$[994,819,000] of aggregate principal amount of Senior Debt and \$[2,267,887,000] aggregate principal amount of Subordinate Debt will be outstanding. See "OUTSTANDING INDEBTEDNESS."

The Series 2024B Bonds will be payable solely from Net Revenues after the funding of certain Funds and Accounts established under the Indenture. The principal sources of Net Revenues are the payments received by the Authority pursuant to its rates and charges imposed for the use of and the services furnished by the System, as described in the Indenture. See "SECURITY FOR THE SERIES 2024B BONDS – Lien and Pledge of the Master Indenture" and "RATES AND CHARGES." The Series 2024B Bonds will not be secured by a Debt Service Reserve Fund.

The Series 2024B Bonds shall be special and limited obligations of the Authority. The Series 2024B Bonds shall be without recourse to the District. The Series 2024B Bonds shall not be general obligations of the District or of the Authority. The Series 2024B Bonds shall not be a pledge of or involve the faith and credit or the taxing power of the District, shall not constitute a debt of the District, the United States of America or any User Jurisdiction or any agency or instrumentality of any User Jurisdiction, and neither the District, the United States, any User Jurisdiction, nor any agency or instrumentality of any User Jurisdiction shall be liable thereon. The Series 2024B Bonds also shall not constitute the lending of the public credit for private undertakings as prohibited by the Home Rule Act of the District. The Authority has no taxing power.

Concurrent Issuance of Bonds by the Authority

Concurrently with the issuance of the Series 2024B Bonds, the Authority expects to issue a series of its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024A (the "Series 2024A Bonds"), in the amount of \$[] million, pursuant to the Indenture, as supplemented by the Thirty-Third Supplemental Indenture. In connection with its expected issuance of the Series 2024A Bonds, the Authority, on July [], 2014, executed a Bond Purchase Agreement providing for the sale, by the Authority, and purchase, by the underwriters, of \$[] million of Series 2024A Bonds, subject to certain conditions of closing. The proceeds of the Series 2024A Bonds will be used to (i) purchase the Tender Offer bonds as described in the Invitation (as described in the Official Statement for the Series 2024A Bonds) (ii) refund [all or certain of] the Authority's Series 2014C Bonds and (iii) pay the costs of issuing the Series 2024A Bonds. The Series 2024A Bonds will be secured 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, the Series 2024B Bonds and other Subordinate Debt that the Authority may issue from time to time in the future. The issuance of the Series 2024A Bonds is not dependent upon the Authority's issuance of the Series 2024B Bonds, and the Series 2024B Bonds will be sold separately and independently from the Series 2024A Bonds.

On August 1, 2024, the Authority expects to establish a new commercial paper facility with the capability to issue its Commercial Paper Notes (the "CP Notes"), in an amount not to exceed \$250 million pursuant to the Indenture, as supplemented by the Thirty-fifth Supplemental Indenture. The proceeds of the CP Notes are expected to provide funds to pay (i) certain costs incurred in connection with the construction of certain capital improvements to its wastewater collection treatment and disposal system and its water system, (ii) obligations of the one or more bank under each bank note resulting from draws under one or more letters of credit, (iii) the costs of issuance of the CP

Notes and (iv) any expenditure permitted by law under the Indenture that in the opinion of Co-Bond Counsel will not, in and of itself, adversely affect the exclusion from gross income for federal tax purposes of interest on the CP Notes issued as tax-exempt obligations. The CP Notes will be secured 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, the Series 2024B Bonds and other Subordinate Debt that the Authority may issue from time to time in the future. The issuance of the CP Notes is not dependent upon the Authority's issuance of the Series 2024B Bonds, and the Series 2024B Bonds will be sold separately and independently from the CP Notes.

Rate Covenant and Financial Forecast

The Master Indenture includes a rate covenant as described below. Rates, fees and charges are established by the Authority and are not subject to regulatory approval, nor are they subject to other regulations under current law. In general, and as more fully described herein, the Rate Covenant provides that the Authority covenants to fix, charge, revise and collect rates, fees and other charges for the use of and the services furnished by the System sufficient in each Fiscal Year so that:

(i) Revenues collected by the Authority in such Fiscal Year will be sufficient to pay at least the actual Operating Expenses and required deposits and payments; and

(ii) Net Revenues shall be sufficient in each Fiscal Year to be at least equal to the sum of (a) an amount equal to one hundred and twenty percent (120%) of the Annual Debt Service on Senior Debt; and (b) one hundred percent (100%) of the Annual Debt Service on Subordinate Debt.

See "SECURITY FOR THE SERIES 2024B BONDS – Rate Covenant." Additional financial information, including certain projections of revenues, disbursements and debt service coverage, is included in "FINANCIAL OPERATIONS – Projected Financial Operations" herein.

Capital Improvement Program

The Authority utilizes an annually adopted ten-year Capital Improvement Program (the "Capital Improvement Program" or the "CIP") to plan and manage the capital investments necessary to fulfill its service missions, comply with regulatory requirements and preserve and upgrade its water and wastewater systems. The Authority updates the CIP annually in conjunction with its budget process, based on detailed project review by engineering staff, external engineering consultants retained by the Authority, operations staff and senior management. The Authority intends to finance the costs of the CIP from a number of sources, including proceeds of the Series 2024B Bonds, future bonds and other forms of indebtedness, grants, certain operating revenues and wholesale customer contributions. As more fully described herein, the Authority estimates the cost of the current ten-year CIP at \$6.42 billion on a cash disbursement basis. The CIP as shown in Table 5 of this Official Statement was approved by the Board on [_____, 2024]. The Board regularly makes adjustment to the annual CIP. See "CAPITAL IMPROVEMENT PROGRAM."

Miscellaneous

This Official Statement contains brief descriptions of the Series 2024B Bonds, the Authority, the System, the Capital Improvement Program, the Indenture and certain provisions of the Act. Such descriptions and the summaries of and references to all documents, statutes, reports and other instruments referred to herein do not purport to be comprehensive or definitive, and each such document, statute, report or instrument is qualified in its entirety by reference to each such document, statute, report or instrument, copies of which are available from the Authority. All references to the Series 2024B Bonds are qualified in their entirety by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Insofar as any statements are made in this Official Statement involving matters of opinion, regardless of whether expressly so stated, they are intended merely as such and not as representations of fact.

The information in this Official Statement is subject to change without notice, and neither the delivery of this Official Statement, nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Authority since the date hereof. This Official Statement is not to be construed as a contract or agreement between the Authority or the Underwriters and the purchasers or owners of any of the Series 2024B Bonds.

Inquiries regarding information about the Authority and the financial matters contained in this Official Statement may be directed to the Chief Financial Officer and Executive Vice President, Finance Procurement and Compliance of the Authority at (202) 787-2000.

THE SERIES 2024B BONDS

General

The Series 2024B Bonds are issuable as fully registered bonds, without coupons, in book-entry form and will be registered in the name of Cede & Co., as described below. Since the Series 2024B Bonds will be issued in book-entry form, no Tender Agent will be appointed for the Series 2024B Bonds and all references in this Official Statement to the Tender Agent shall mean the Trustee until such time as the Series 2024B Bonds are no longer held in book-entry form and a separate Tender Agent is appointed.

The Series 2024B Bonds will mature on October 1, 20[] (the “Maturity Date”). Each Subseries of the Series 2024B Bonds will be issued under and secured by the Indenture and will initially bear interest at a Daily Rate. See “— Rate Periods; Determination of Rates” and “— Redemption Dates and Prices” below for a description of the interest rate-setting process and the redemption provisions applicable to the Series 2024B Bonds during a Daily Rate Period. The Series 2024B Bonds will be issued in denominations of \$100,000 or any \$5,000 integral multiple in excess thereof (“Authorized Denominations”). Under certain circumstances, each Subseries of the Series 2024B Bonds is subject to conversion in whole from the then current Rate Period to a Daily Rate Period, Weekly Rate Period, or Short-Term Rate Period, Long-Term Rate Period, Fixed Rate Period, Index Rate Period, Subsequent Index Rate Period (each a “Rate Period”). See “— Conversions.” For a discussion of each Rate Period, see APPENDIX C - Glossary and Summary of the Indenture.” The Series 2024B Bonds will be subject to mandatory tender and purchase on the date of conversion to a different Rate Period (a “Conversion Date”). All Series 2024B Bonds of a Subseries must be in the same Rate Period at any given time. In the event that one Subseries of the Series 2024B Bonds bears interest in an Interest Period different from that of the other Subseries, the Trustee shall maintain separate funds and Accounts for each such Subseries, and the moneys therein shall be applied to the payment of Debt Service Charges of the applicable Subseries, and not commingled with the moneys held by the Trustee for the other Subseries.

The Series 2024B Bonds will be dated as of the date of initial issuance and will initially bear interest at a Daily Rate, as described in this Official Statement. Thereafter, each Subseries of the Series 2024B Bonds will continue to bear interest at the Daily Rate unless and until all of the Series 2024B Bonds of a Subseries are converted to a different Rate Period. See “— Conversions.” While in the Daily Rate Period, interest on each Subseries of the Series 2024B Bonds will be calculated on the basis of a 365- or 366-day year for the number of days actually elapsed, payable on the first Business Day of each calendar month, commencing August 1, 2024 (each, an “Interest Payment Date”), and will mature, be subject to redemption, acceleration or purchase prior to the Maturity Date (as defined below), as more particularly described in this Official Statement. The interest rate on the Series 2024B Bonds may not exceed the Maximum Rate (i.e., the least of (i) 12% per annum, (ii) the maximum interest rate permitted by law, or (iii) with respect to Series 2024B Bonds that are not Liquidity Facility Provider Bonds (such term having the meaning provided in APPENDIX C for “Credit Facility Provider Bonds”), the maximum rate used to determine the amount available under any Liquidity Facility then in effect, which under each initial Liquidity Facility is 12% per annum).

Each Beneficial Owner of the Series 2024B Bonds will have the right to tender such Beneficial Owner’s Series 2024B Bonds for purchase as described in this Official Statement, but only with respect to Series 2024B Bonds in a Daily Rate Period, and upon the provision of appropriate notice as described under “— Optional Tender.”

During a Daily Rate Period, owners of Series 2024B Bonds are required to tender their Series 2024B Bonds on the dates described below under the caption “— Mandatory Tender.”

The Series 2024B Bonds are subject to mandatory sinking fund redemption, optional redemption, extraordinary optional redemption and optional purchase in lieu of redemption prior to maturity pursuant to the provisions of the Indenture summarized below under the caption “— Redemption Provisions.”

The interest on the Series 2024B Bonds shall be payable on the Interest Payment Dates applicable to the Rate Period then in effect. Interest on the Series 2024B Bonds shall be payable by check or draft mailed to the registered owners at their addresses as they appear on the Regular Record Date preceding the Interest Payment Date on the registration books kept by the Trustee; provided, however, if the Series 2024B Bonds are registered in the name of a Depository or its nominee as registered owner or at the option of a registered owner of at least \$1,000,000 of Series 2024B Bonds, payment shall be made by wire transfer pursuant to the wire instructions received by the Trustee with respect to each such payment from such registered owner. Any interest that is not timely paid or duly provided for shall cease to be payable to the Holder hereof (or of one or more predecessor bonds) as of the Regular Record Date and shall be payable to the Holder hereof at the close of business on a special record date to be fixed by the Trustee

for the payment of that overdue interest. Notice of such a special record date shall be mailed to Holders not less than ten days prior thereto. Principal, premium, if any, and interest shall be payable in lawful money of the United States of America.

For further information concerning the security for the Series 2024B Bonds, see the caption “SECURITY FOR THE SERIES 2024B BONDS” herein.

THIS OFFICIAL STATEMENT ONLY DESCRIBES THE TERMS AND PROVISIONS OF THE SERIES 2024B BONDS AND THE DOCUMENTS RELATING THERETO WHILE THE SERIES 2024B BONDS BEAR INTEREST IN A DAILY RATE PERIOD. If the Rate Period for the Series 2024B Bonds is changed to a Rate Period other than a Daily Rate Period, the Authority will supplement this Official Statement to describe the new Rate Period.

Series 2024B Bonds that are tendered or are required to be tendered for purchase pursuant to the provisions of the Indenture (the “Tendered Bonds”) will be remarketed by (i) BofA Securities, Inc. (the “Subseries 2024B-1 Remarketing Agent”) with respect to the Subseries 2024B-1 Bonds, and (ii) by Loop Capital Markets LLC (the “Subseries 2024B-2 Remarketing Agent” and, together with the Subseries 2024B-1 Remarketing Agent, the “Remarketing Agents”) with respect to the Subseries 2024B-2 Bonds. The Remarketing Agents will also perform certain interest rate-setting functions with respect to the Series 2024B Bonds. See “ – Determination of Rates.” On the date of issuance of the Series 2024B Bonds, each of the Remarketing Agents will enter into a Remarketing Agreement dated as of the date of issuance (individually, a “Remarketing Agreement” and, together, the “Remarketing Agreements”), that will provide, among other things, for the remarketing of the Tendered Bonds for the related Subseries and the performance by the Remarketing Agent of its interest rate-setting responsibilities. See “REMARKETING OF THE SERIES 2024B BONDS.”

The procedures to be followed in connection with tendering the Tendered Bonds are more fully described in “ – Purchase of Tendered Bonds Delivered to the Tender Agent.”

Liquidity

Funds for the purchase of Tendered Bonds of each Subseries that are not remarketed will be provided initially by TD Bank, N.A. (the “Liquidity Facility Provider” which, with respect to the Indenture, shall have the meaning provided in APPENDIX C for “Credit Facility Provider”), for the Subseries 2024B-1 Bonds and for the Subseries 2024B-2 Bonds for a period of five years, pursuant to a Standby Bond Purchase Agreement for each Subseries of Series 2024B Bonds, each dated as of July [], 2024 (collectively, the “Liquidity Facility,” which, with respect to the Indenture, shall have the meaning provided in APPENDIX C for “Credit Facility”), by and among the Authority, the Liquidity Facility Provider, and the Trustee. Funds will be available under the Liquidity Facility provided by the Liquidity Facility Provider, subject to certain conditions, for the purchase of Tendered Bonds of the related Subseries that have not been remarketed. See “THE LIQUIDITY FACILITY – Description of the Liquidity Facility Provider” for additional information regarding the Liquidity Facility Provider.

The Liquidity Facility will provide, subject to certain conditions, for the Liquidity Facility Provider to purchase at the Purchase Price any Tendered Bonds that have not been remarketed. The aggregate amount available under the Liquidity Facility from time to time for any Subseries is equal to the aggregate principal of the Series 2024B Bonds of each Subseries outstanding at the time that are not Liquidity Facility Provider Bonds, plus accrued and unpaid interest thereon to the date of purchase up to an amount equal to 34 days of interest at a rate of 12%.

In certain circumstances described herein under the caption the “THE LIQUIDITY FACILITY,” relating to the occurrence of certain events of default under the Liquidity Facility, and as circumstances dictate, the obligations of the Liquidity Facility Provider under the Liquidity Facility may (i) terminate without notice or demand, (ii) terminate on the thirtieth day after the provision of required notice, or (iii) be immediately and automatically suspended so long as an event of default persists, and upon the occurrence of any event of default, the Liquidity Facility Provider may declare all accrued and unpaid amounts owed to it under the Liquidity Facility immediately due and payable, as more particularly described under the heading “THE LIQUIDITY FACILITY – Remedies Upon the Occurrence of an Event of Default.”

Under certain circumstances set forth in the Thirty-Fourth Supplemental Indenture, the Authority is not required to maintain a Liquidity Facility for the Series 2024B Bonds, or any Subseries thereof. In certain circumstances, the Authority may substitute a new Liquidity Facility (a “Substitute Liquidity Facility” which, with respect to the Indenture shall have the meaning provided in APPENDIX C to “Substitute Credit Facility”) for the

Liquidity Facility or, if after the expiration of the Liquidity Facility, the Liquidity Facility then in effect as to any Subseries. See APPENDIX C – “Glossary and Summary of the Indenture.”

Each Subseries is subject to mandatory tender, on a date to be determined by the Trustee, for purchase prior to the expiration or termination of the related Liquidity Facility then in effect and on the date on which a Substitute Liquidity Facility becomes effective. See “ – Mandatory Tender.”

Rate Periods; Determination of Rates

The Series 2024B Bonds will initially be issued bearing interest at a Daily Rate. Daily Interest Periods shall commence on each Business Day and shall extend to, but not include, the next succeeding Business Day. Each such interest rate shall be determined by the Remarketing Agent no later than 10:00 a.m., New York City time, on the commencement date of the Daily Interest Period to which it relates.

Conversions

The Authority, subject to the consent of the Liquidity Facility Provider, may elect to convert all or a portion of the Series 2024B Bonds from one Rate Period to another Rate Period. Any such conversion shall be subject to the provision of certain notices required by the Thirty-Fourth Supplemental Indenture and the satisfaction of certain conditions precedent. With respect to the Series 2024B Bonds while bearing interest in a Daily Rate Period, the following conditions apply:

i. If the conversion is from a Daily Rate Period to a Long-Term Rate Period or a Fixed Rate Period, the Authority must provide to the Trustee and the Remarketing Agent, no later than one day before the Conversion Date, a Favorable Opinion of Bond Counsel;

ii. Any Liquidity Facility to be held by the Trustee after the Conversion Date that relates to a converted Subseries of the Series 2024B Bonds shall be in an amount equal to the aggregate principal amount of all of that Subseries of Series 2024B Bonds to which it relates, plus an amount for payment of interest equal to at least (a) 34 days’ interest, plus, in the case of a Liquidity Facility that does not automatically reinstate coverage for interest following a draw upon the Liquidity Facility to pay interest on the related Series 2024B Bonds, the number of days during which the related Series 2024B Bonds may continue to bear interest until purchased upon mandatory tender, or (b) in the event that a rating will be maintained on the Series 2024B Bonds, then such other number of days of interest as may be required by any Rating Agency;

iii. If the conversion is to a Fixed Rate Period, the Authority shall provide written notice of the conversion to the Remarketing Agent, in addition to the Trustee. Such notice shall also be accompanied by a Favorable Opinion of Bond Counsel required by the Thirty-Fourth Supplemental Indenture and a firm underwriting or purchase contract from a firm, which may be the Remarketing Agent, to underwrite or purchase all of the Series 2024B Bonds to be converted to a Fixed Rate Period at a price of 100% of the principal amount thereof at an agreed upon interest rate which such firm certifies is the lowest rate that will permit such Series 2024B Bonds to be sold at par on the first day of the Fixed Rate Period, and containing a Mandatory Sinking Fund Requirements schedule, as required by the Thirty-Fourth Supplemental Indenture. Upon receipt of such notice, the Trustee shall promptly cause the same information to be delivered to the Tender Agent, any affected Liquidity Facility Provider, and any Rating Agency. A conversion to a Fixed Rate Period shall not occur unless the Authority shall also file with the Trustee any Favorable Opinion of Bond Counsel relating to the conversion;

iv. The conversion shall not occur unless the Conversion Date is a date on which the Series 2024B Bonds being converted could be redeemed without premium pursuant to the Thirty-Fourth Supplemental Indenture;

v. If the conversion of a Subseries of the Series 2024B Bonds is to a Short-Term Rate Period, (a) the Authority, at its own expense, must engage a commercial paper trustee and paying agent (the “Issuing Agent”), which may or may not be the Trustee and which shall be reasonably acceptable to the Trustee, any Liquidity Facility Provider and the Tender Agent, having access to the Depository’s electronic money market issuing and payment system and otherwise eligible to serve as an issuing and paying agent under the Depository’s policies and procedures for the issuance and payment of commercial paper; and (b) the Remarketing Agent must arrange for the execution and delivery to the Depository of its required letter of representation for the eligibility of the Subseries of Series 2024B Bonds in the Short-Term Rate Period in the Depository’s book-entry system and the provision of any needed CUSIP numbers; and (c) the Authority shall take all other action needed to comply with the Depository’s requirements applicable to the issuance and payment of the Series 2024B Bonds while in the Short-Term Rate Period; and (d) the

Authority shall enter into any amendment of the Thirty-Fourth Supplemental Indenture permitted under such Indenture that is needed to comply with the Depository's or any Rating Agency's requirements concerning the issuance and payment of the Series 2024B Bonds in the Short-Term Rate Period.

vi. If the conversion is only of one Subseries or of both Subseries to different Interest Periods, the Trustee shall have provided for separate funds and Accounts for each Subseries, the moneys in which shall be held and applied solely for the payment of Debt Service Charges for the applicable Subseries and shall not be commingled with moneys held for the other Subseries.

If any condition precedent to a conversion is not fulfilled, (i) the Conversion Date shall not occur; (ii) the mandatory tender for purchase, if otherwise required by the Thirty-Fourth Supplemental Indenture, shall not occur; and (iii) the Subseries of the Series 2024B Bonds shall continue to bear interest in the then-existing Rate Period with the length and interest rate of such Rate Period being determined pursuant to the Thirty-Fourth Supplemental Indenture. Notice of withdrawal of a conversion notice shall be given by the Authority to the Trustee, the Remarketing Agent, the Tender Agent, any Liquidity Facility Provider, and the Holders as provided in the Thirty-Fourth Supplemental Indenture. No failure or cancellation of conversion for failure to satisfy a condition precedent to such conversion shall constitute an Event of Default.

For a complete discussion of the conditions that must be met to convert the Series 2024B Bonds from one Rate Period to another Rate Period, see APPENDIX C – “Glossary and Summary of the Indenture.”

Optional Tender

Holders of Daily Rate Bonds may elect to have their Series 2024B Bonds, or portions thereof in Authorized Denominations, purchased at the applicable Purchase Price by tendering such Series 2024B Bonds on any Business Day upon delivery of notice (in writing or by Electronic Means) of tender to the Tender Agent not later than 11:00 a.m., New York City time, on the designated Purchase Date.

Each notice of tender for Daily Rate Bonds shall:

(i) in the case of written notice, be delivered to the Tender Agent at its designated office and be in a form satisfactory to the Tender Agent;

(ii) state (a) the principal amount of each Daily Rate Bond to which the notice relates and the CUSIP number of each such Bond, (b) that the Holder irrevocably demands purchase of each Daily Rate Bond covered by the notice, (c) the Purchase Date on which that Daily Rate Bond or portion thereof is to be purchased, and (d) the payment instructions with respect to the Purchase Price; and

(iii) automatically constitute (a) an irrevocable offer to sell the Series 2024B Bond to which the notice relates on the Purchase Date and for the Purchase Price, (b) an irrevocable authorization and instruction to the Tender Agent to effect the transfer of each tendered Series 2024B Bond upon receipt by the Tender Agent of funds sufficient to pay the Purchase Price on the Purchase Date, (c) an irrevocable authorization and instruction to the Tender Agent to effect the exchange of each purchased Series 2024B Bond for another Series 2024B Bond in an equal aggregate principal amount, (d) an acknowledgment that such Holder will have no further rights with respect to each tendered Series 2024B Bond (or portion thereof) upon deposit of an amount equal to the Purchase Price, except for the right of such Holder to receive the Purchase Price upon surrender of such Series 2024B Bond, and (e) an agreement of such Holder to deliver each tendered Series 2024B Bond with all necessary endorsements for transfer and signature guarantees to the Tender Agent at its Designated Office not later than 1:00 p.m., New York City time, on the Purchase Date.

The determination of the Tender Agent as to whether a notice of tender has been properly delivered pursuant to the foregoing shall be conclusive and binding upon the Holder.

Mandatory Tender

The Series 2024B Bonds of each Subseries bearing interest at a Daily Rate shall be subject to mandatory tender for purchase by the Tender Agent at the Purchase Price on the following dates:

(i) on each Conversion Date for such Subseries;

(ii) for Series 2024B Bonds requiring the maintenance of a Liquidity Facility, (a) on a Business Day not later than five days prior to the Expiration Date of the Liquidity Facility, (b) on a Business day not later than five days

prior to the Voluntary Termination Date of the Credit Facility, and (c) on each Substitution Date, which shall be at least five days prior to the Expiration Date of the Liquidity Facility being replaced; and

(iii) While a Liquidity Facility is in effect, (a) on a Business Day selected by the Trustee that is not more than one Business Day after the Trustee's receipt from that Liquidity Facility Provider of that Liquidity Facility Provider's decision to exercise its right of mandatory tender as the result of the occurrence of certain events of default or termination under the Liquidity Facility, and (b) on a Business Day that is not more than one Business Day, as designated by the Trustee, following receipt by the Trustee of notice from the Liquidity Facility Provider that the Liquidity Facility Provider will not reinstate the Liquidity Facility following a draw.

For a discussion of the notice and other requirements associated with a mandatory tender for purchase, see APPENDIX C – “Glossary and Summary of the Indenture.”

Purchase of Tendered Bonds Delivered to the Tender Agent

The Thirty-Fourth Supplemental Indenture provides that Tendered Bonds will be purchased by the Tender Agent at the Purchase Price on the Purchase Date from amounts on deposit in the Purchase Fund. Within the Purchase Fund, the Tender Agent shall establish four separate accounts: (i) the Remarketing Proceeds Account, (ii) the Liquidity Facility Purchase Account, (iii) the Authority Purchase Account, and (iv) the Undelivered Bond Payment Account. Only the Tender Agent is authorized to make withdrawals from the Purchase Fund, and any such withdrawal shall be for the sole and exclusive benefit of the Holders of Series 2024B Bonds subject to purchase on the applicable Purchase Date. Moneys received by the Tender Agent shall be deposited in the relevant account of the Purchase Fund as provided in the Thirty-Fourth Supplemental Indenture. See APPENDIX C – “Glossary and Summary of the Indenture.” Amounts on deposit in each account of the Purchase Fund may not be commingled with another account.

Not later than 2:30 p.m., New York City time, on the Purchase Date, and upon receipt by the Tender Agent of 100% of the aggregate Purchase Price of the Tendered Bonds, the Tender Agent shall pay the Purchase Price of those Tendered Bonds to the Holders thereof at its Designated Office or as directed by the Holders, so long as such Holders deliver the Tendered Bonds to the Tender Agent as follows:

(i) All Series 2024B Bonds (or the beneficial ownership interest thereof, if such Bonds are held in a book-entry form) bearing interest at a Daily Rate to be purchased pursuant to an optional tender for purchase shall be delivered to the Tender Agent at its Designated Office not later than 1:00 p.m., New York City time, on the applicable Purchase Date;

(ii) All Series 2024B Bonds (or the beneficial ownership interest thereof, if such Bonds are held in a book-entry form) bearing interest at a Daily Rate to be purchased pursuant to a mandatory tender for purchase shall be delivered to the Tender Agent at its Designated Office not later than 1:00 p.m., New York City time, on the applicable Purchase Date.

If the Tendered Bonds (or the beneficial ownership interests thereof) have been properly delivered to the Tender Agent, the Tender Agent shall pay the Purchase Price on the Purchase Date from the following sources and in the following order of priority:

(i) Moneys on deposit in the Remarketing Proceeds Account attributable to the remarketing of the Tendered Bonds;

(ii) If a Liquidity Facility is in effect, moneys on deposit in the Liquidity Facility Purchase Account (representing the proceeds of a Liquidity Facility Request); and

(iii) Moneys on deposit in the Authority Purchase Account (representing amounts paid by the Authority to the Tender Agent for the purchase of the Tendered Bonds). The Authority has no obligation to deposit moneys in the Authority Purchase Account and has no obligation to purchase Tendered Bonds that are not remarketed.

If the funds available in the Remarketing Proceeds Account, the Liquidity Facility Purchase Account (if applicable), and the Authority Purchase Account (if applicable) for the purchase of the Tendered Bonds are insufficient to purchase all of the Tendered Bonds subject to purchase on the applicable Purchase Date, then no purchase of any of those Tendered Bonds shall occur on the Purchase Date, and such Tendered Bonds shall remain outstanding and bear interest at the Penalty Rate until the Purchase Price is paid or the Series 2024B Subordinate Bonds otherwise cease to be Outstanding. If a Liquidity Facility is in effect with respect to the Tendered Bonds and the Liquidity Facility Provider is not in default thereunder, the failure to purchase the Tendered Bonds shall cause the Series 2024B

Bonds to remain outstanding and bear interest at the Penalty Rate, but shall not constitute an Event of Default under the Indenture.

Book-Entry Only System

The Series 2024B Bonds will be issued in fully registered form and, when issued, will be held by DTC or its nominee, as securities depository with respect to the Series 2024B Bonds. Individual purchases of interests in the Series 2024B Bonds will be made in book-entry form only, in the principal amount of \$100,000 and \$5,000 integral multiples in excess thereof. Individual purchasers will not receive physical delivery of bond certificates. So long as Cede & Co. is the registered owner of the Series 2024B Bonds as nominee of DTC, references herein to the holders or registered owners of the Series 2024B Bonds will mean Cede & Co. and will not mean the beneficial owners (“Beneficial Owners”) of the Series 2024B Bonds. Beneficial interests in the Series 2024B Bonds may be held through DTC directly as a participant or indirectly through organizations that are participants in such system. See APPENDIX E – “DTC BOOK-ENTRY ONLY SYSTEM.”

As long as the Series 2024B Bonds are held by DTC or its nominee, interest will be paid to Cede & Co., as nominee of DTC, in same-day funds on each Interest Payment Date. If the book-entry only system is discontinued, bond certificates will be delivered as described in the Indenture, and Beneficial Owners (as defined herein) will become registered owners of the Series 2024B Bonds (the “Bondholders”). If the book-entry only system is discontinued, interest on the Series 2024B Bonds shall be payable on each Interest Payment Date by check or draft mailed to the registered owner at the address as it appears on the 15th day of the month preceding an Interest Payment Date on the registration books kept by the Trustee.

Neither the Authority, the Trustee nor the Underwriters will have any responsibility or obligation to the Participants, DTC or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or by any Direct or Indirect Participant of DTC, (ii) payments or the providing of notice to Direct Participants, the Indirect Participants or the beneficial owners, (iii) the selection by DTC or by any Direct or Indirect Participant of any beneficial owner to receive payment in the event of a partial redemption of the Series 2024B Bonds or (iv) any other action taken by DTC or its partnership nominee as owner of the Series 2024B Bonds. For more information on DTC and the book-entry only system, see APPENDIX E – “DTC BOOK-ENTRY ONLY SYSTEM.”

Redemption Provisions

Optional Redemption

The Daily Rate Bonds are subject to optional redemption prior to maturity in whole or in part on any date at a redemption price of 100% of the principal amount thereof, together with accrued interest, if any, to the redemption date.

Mandatory Redemption

The Subseries 2024B-1 Bonds (the “Subseries 2024B-1 Term Bonds”) are subject to mandatory sinking fund redemption in part (in accordance with the procedures described below in “*Selection of the Series 2024B Bonds to be Redeemed*”), prior to maturity on October 1 (or the Interest Payment Date immediately succeeding that date if October 1 is not an Interest Payment Date), in the years set forth below, at a redemption price equal to the principal amount of the Subseries 2024B-1 Bonds called for redemption plus interest accrued to the redemption date (subject to any conversion of the interest rate to a Fixed Rate in accordance with the Thirty-Fourth Supplemental Indenture).

**[\$50,000,000]
2024B-1 Bonds**

Year	Amount
------	--------

† Final Maturity

The Subseries 2024B-2 Bonds (the “Subseries 2024B-2 Term Bonds”) are subject to mandatory sinking fund redemption in part (in accordance with the procedures described below in “*Selection of the Series 2024B Bonds to be Redeemed*”), prior to maturity on October 1 (or the Interest Payment Date immediately succeeding that date if October 1 is not an Interest Payment Date), in the years set forth below, at a redemption price equal to the principal amount of the Subseries 2024B-2 Bonds called for redemption plus interest accrued to the redemption date (subject to any conversion of the interest rate to a Fixed Rate in accordance with the Thirty-Fourth Supplemental Indenture).

[\$50,000,000]
2024B-2 Bonds

Year	Amount
------	--------

† Final Maturity

The principal amount of the Series 2024B Term Bonds required to be redeemed on any redemption date pursuant to the operation of mandatory sinking fund redemption provisions will be reduced, at the option of the Authority, by the principal amount of any Series 2024B Term Bond scheduled for redemption on such redemption date or dates, that, at least 45 days prior to the mandatory sinking fund redemption date, (1) have been acquired by the Authority and delivered to the Trustee for cancellation, or (2) have been purchased or otherwise redeemed and cancelled by the Trustee at the request of the Authority

Selection of the Series 2024B Bonds to be Redeemed

The particular maturities and amounts of the Series 2024B Bonds to be redeemed at the option of the Authority will be determined by the Authority in its sole discretion.

If fewer than all of the Series 2024B Bonds that are stated to mature on different dates are called for redemption at one time, those Series 2024B Bonds that are called shall be designated by the Authority; provided, however, that any Liquidity Facility Provider Bonds shall be redeemed first. If fewer than all of the Series 2024B Bonds of a single maturity are to be redeemed, the selection of the Series 2024B Bonds to be redeemed, or portions thereof, shall be in amounts of \$5,000 or integral multiples thereof. So long as the Series 2024B Bonds remain in book-entry form, any redemption shall be made by the Depository (or any successor thereto) in accordance with the Depository’s procedures and otherwise will be made as specified by and selected at the sole discretion of the Authority. In the case of a partial redemption of the Series 2024B Bonds by lot when the Series 2024B Bonds of Authorized Denominations greater than \$5,000 are then outstanding, each \$5,000 unit of principal shall be treated as though it is a separate Series 2024B Bond of the denomination of \$5,000.

Notice of Redemption

The Authority shall not be responsible for mailing a notice of redemption to anyone other than DTC or another qualified securities depository or its nominee unless no qualified securities depository is the registered owner of the Series 2024B Bonds. If no qualified securities depository is the registered owner of the Series 2024B Bonds, a notice of redemption shall be mailed to the registered owners of the Series 2024B Bonds. See “ – Book-Entry Only System.”

The Trustee shall send, or cause to be sent, notice of the call for redemption (i) to be mailed at the registered address appearing on the Register to the Holders of all Series 2024B Bonds to be redeemed, and (ii) by Electronic Means to each Depository and to the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board.

Each such notice shall (i) be sent not more than 45 days nor fewer than 15 calendar days prior to the date fixed for redemption, (ii) identify the Series 2024B Bonds to be redeemed (by CUSIP number, if any), (iii) specify

the redemption date and the redemption price, (iv) set forth the name, address, and telephone number of the person from whom information pertaining to the redemption may be obtained, and (v) state that (a) on the redemption date, the Series 2024B Bonds called for redemption will be payable at the Designated Office of the Trustee, (b) that from that date, interest will cease to accrue, and (c) that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the Series 2024B Bonds to be redeemed.

Any notice of redemption shall be mailed by first-class mail, postage prepaid. A certificate of the Trustee shall conclusively establish the mailing of any such notice for all purposes. No defect in the notice of redemption or the delivery thereof shall affect the validity of the redemption proceedings for any other Series 2024B Bonds.

Purchase in Lieu of Redemption

The Authority may purchase any Series 2024B Bond that is redeemable by optional redemption on any date on which the Series 2024B Bond is redeemable at a purchase price no less than the redemption price to be paid to Holders upon optional redemption. The Authority may exercise this option by delivering written direction to the Trustee in sufficient time that the Trustee may provide notice of the purchase to the Holders in the same manner as required in an optional redemption. The purchase of such Series 2024B Bonds shall be mandatory and enforceable against the Holders of the Series 2024B Bonds to be purchased. If fewer than all of the Series 2024B Bonds are selected for purchase, the Series 2024B Bonds to be purchased shall be selected as if the purchase was an optional redemption, or in such manner as the Authority may direct; provided that such selection is described in the Authority's written direction to the Trustee.

REMARKETING OF THE SERIES 2024B BONDS

Remarketing Agreements

Concurrently with the issuance of the Series 2024B Bonds, the Authority will enter into the Remarketing Agreements with the respective Remarketing Agents. The Remarketing Agents will agree, pursuant to the Remarketing Agreements, to determine the interest rate on the related Subseries of the Series 2024B Bonds and to use their best efforts to remarket the Series 2024B Bonds of the Subseries related to the Remarketing Agreement subject to optional or mandatory redemption for purchase, as applicable.

Duties of the Remarketing Agents

The Thirty-Fourth Supplemental Indenture provides that each Remarketing Agent shall agree, in a written instrument delivered to the Authority, the Trustee, the Tender Agent, and any Liquidity Facility Provider, to carry out the following duties and obligations:

- (i) Hold all moneys delivered to it for the purchase of the Series 2024B Bonds of the applicable Subseries in trust for the exclusive benefit of the Person or Persons who have delivered such moneys until the applicable Series 2024B Bonds have been purchased with such moneys and delivered to or for the account of such Person or Persons;
- (ii) Keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Authority, the Trustee, or the Tender Agent at all reasonable times;
- (iii) Determine the Daily Rates;
- (iv) Remarket Daily Rate Bonds at rates no higher than the rate of interest under the Liquidity Facility, if a Liquidity Facility secures the Series 2024B Bonds of the applicable Subseries;
- (v) Offer for sale and use its best efforts to find purchasers for the Series 2024B Bonds of the applicable Subseries tendered for purchase, in accordance with the Thirty-Fourth Supplemental Indenture;
- (vi) Deliver to the Tender Agent all of the Series 2024B Bonds of the applicable Subseries held by it in accordance with the terms of the Thirty-Fourth Supplemental Indenture and the applicable Remarketing Agreement;
- (vii) Perform such other duties and responsibilities that are provided for in the Thirty-Fourth Supplemental Indenture with respect to the Remarketing Agreements.

Certain Considerations Affecting the Series 2024B Bonds

The information in this section “ – Certain Considerations Affecting the Series 2024B Bonds” was provided by the Remarketing Agents and is not the responsibility of the Authority.

The Remarketing Agents are Paid by the Authority

Each Remarketing Agent’s responsibilities include determining the interest rate, from time to time, and remarketing the respective Subseries of the Series 2024B Bonds that are optionally or mandatorily tendered by the Holders thereof (subject, in each case, to the terms of the applicable Remarketing Agreement). The Remarketing Agents are appointed by the Authority and are paid by the Authority for their services. As a result, the interest of each Remarketing Agent may differ from those of the Holders and potential purchasers of any Series 2024B Bonds.

The Remarketing Agents May Purchase Series 2024B Bonds for Their Own Account

Each Remarketing Agent may, but is not obligated to, purchase tendered Series 2024B Bonds for its own account, and, in its sole discretion, may acquire such tendered Series 2024B Bonds in order to achieve a successful remarketing of the Series 2024B Bonds or for other reasons. The purchase of any Series 2024B Bonds by a Remarketing Agent may create the appearance that there is greater third-party demand for the Series 2024B Bonds in the market than is actually the case.

Series 2024B Bonds May Be Offered at Prices Other Than Par

Pursuant to each Remarketing Agreement, on each rate determination date, the applicable Remarketing Agent is required to determine the interest rate that will be effective with respect to the applicable Series 2024B Bonds on the effective date. That rate is required by the Indenture to be the lowest rate necessary in the judgment of the applicable Remarketing Agent to remarket the applicable Series 2024B Bonds at par, plus accrued interest, if any, on the effective date. At the time the new rate becomes effective, the applicable Remarketing Agent is required to use its best efforts to remarket the applicable Series 2024B Bonds at par. The interest rate will reflect, among other factors, the level of market demand for the applicable Series 2024B Bonds (including whether the applicable Remarketing Agent is willing to purchase the applicable Series 2024B Bonds for its own account). There may or may not be Series 2024B Bonds tendered and remarketed on an effective date, and the applicable Remarketing Agent may or may not be able to remarket any Series 2024B Bonds tendered to it for purchase on such date at par. No Remarketing Agent is obligated to advise purchasers in a remarketing if it does not have third-party buyers for all of the Series 2024B Bonds at the remarketing price.

Ability to Sell Bonds Other Than Through Tender Process May Be Limited

The Remarketing Agents may make a secondary market in the Series 2024B Bonds by routinely purchasing and selling Series 2024B Bonds other than in connection with an optional or mandatory tender and remarketing. However, the Remarketing Agents are not required to make a secondary market in the Series 2024B Bonds. Thus, investors who purchase Series 2024B Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Series 2024B Bonds other than by tendering the Series 2024B Bonds in accordance with the tender process. The applicable Liquidity Facility is not available to purchase related Series 2024B Bonds other than those tendered in accordance with a sale of Series 2024B Bonds by the Holder to the applicable Remarketing Agent. A Liquidity Facility will only be drawn when the related Series 2024B Bonds have been properly tendered in accordance with the terms of the transaction.

Remarketing Agent May Cease Remarketing the Series 2024B Bonds

Under certain circumstances, a Remarketing Agent may cease its remarketing efforts, subject to the terms of the Thirty-Fourth Supplemental Indenture.

Removal or Resignation of a Remarketing Agent

A Remarketing Agent may resign and be discharged of its duties upon giving at least 60 days’ notice of its intent to resign to the Authority, the Trustee, the Tender Agent, each Liquidity Facility Provider, and each Rating Agency. At the written direction of the Authority, the Trustee, the Tender Agent, and the Liquidity Facility Provider,

a Remarketing Agent may be removed at any time upon 15 days' prior written notice to the Remarketing Agent; provided, however, no such removal shall take effect unless and until a successor Remarketing Agent has been appointed and accepted such appointment as provided in the Thirty-Fourth Supplemental Indenture.

THE LIQUIDITY FACILITY

The following is a summary of certain provisions of the Liquidity Facility securing the Series 2024B Bonds. Unless extended or terminated earlier in accordance with its terms, the Liquidity Facility will terminate on July [], 2029. The term of the Liquidity Facility may be extended for not less than one year and not more than three years at the request of the Authority and subject to the Liquidity Facility Provider's consent.

This summary does not purport to be comprehensive or definitive and is subject to all of the terms and provisions of the Liquidity Facility, to which reference is hereby made. Included in this Official Statement is certain information with respect to the Liquidity Facility Provider. See " - Description of Liquidity Facility Provider" herein. Prospective purchasers of the Series 2024B Bonds should review the information provided by the Liquidity Facility Provider with respect to the Series 2024B Bonds.

So long as the Series 2024B Bonds remain outstanding, the Authority must (i) maintain a Liquidity Facility that meets the requirements of the Thirty-Fourth Supplemental Indenture or (ii) agree to pay the Purchase Price of any Tendered Bonds itself. In addition, under certain circumstances, the Authority may substitute a new Liquidity Facility for the Liquidity Facility. See "THE SERIES 2014 BONDS – Liquidity."

Description of Liquidity Facility Provider **[To be updated by Bank Counsel/TD]**

The information in this section " - Description of Liquidity Facility Provider" was provided by the Liquidity Facility Provider and is not the responsibility of the Authority.

TD Bank, N.A. (the "Bank") is a national banking association organized under the laws of the United States, with its main office located in Wilmington, Delaware. The Bank is an indirect, wholly-owned subsidiary of The Toronto-Dominion Bank ("TD") and offers a full range of banking services and products to individuals, businesses and governments throughout its market areas, including commercial, consumer and trust services and indirect automobile dealer financing. The Bank operates banking offices in Connecticut, Delaware, the District of Columbia, Florida, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, North Carolina, New York, Pennsylvania, Rhode Island, South Carolina, Vermont and Virginia. **As of March 31, 2014, the Bank had consolidated assets of \$220.9 billion, consolidated deposits of \$187.6 billion and stockholder's equity of \$28.2 billion, based on regulatory accounting principles.**

Additional information regarding the foregoing, and the Bank and TD, is available from the filings made by TD with the U.S. Securities and Exchange Commission (the "SEC"), which filings can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. In addition, the SEC maintains a website at <http://www.sec.gov>, which contains reports, proxy statements and other information regarding registrants that file such information electronically with the SEC.

The information concerning TD and the Bank contained herein is furnished solely to provide limited introductory information and does not purport to be comprehensive. Such information is qualified in its entirety by the detailed information appearing in the documents and financial statements referenced herein.

The Credit Facility has been issued by the Bank and is the obligation of the Bank and not TD.

The Bank will provide copies of the publicly available portions of the most recent quarterly Call Report of the Bank delivered to the Comptroller of the Currency, without charge, to each person to whom this document is delivered, on the written request of such person. Written requests should be directed to:

TD Bank, N.A.
1701 Route 70 East
Cherry Hill, New Jersey 08034

Attn: Corporate and Public Affairs

Information regarding the financial condition and results of operations of the Bank is contained in the quarterly Call Reports of the Bank delivered to the Comptroller of the Currency and available online at <https://cdr.ffiec.gov/public>. General information regarding the Bank may be found in periodic filings made by TD with the SEC. TD is a foreign issuer that is permitted, under a multijurisdictional disclosure system adopted by the United States, to prepare certain filings with the SEC in accordance with the disclosure requirements of Canada, its home country. Canadian disclosure requirements are different from those of the United States. TD's financial statements are prepared in accordance with International Financial Reporting Standards, and may be subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements of United States companies prepared in accordance with United States generally accepted accounting principles.

The delivery hereof shall not create any implication that there has been no change in the affairs of TD or the Bank since the date hereof, or that the information contained or referred to in this Official Statement is correct as of any time subsequent to its date.

General

Under certain circumstances described below, the obligation of the Liquidity Facility Provider to purchase Series 2024B Bonds tendered or deemed tendered by the owners thereof pursuant to an optional or mandatory tender may be suspended or terminated. See “– Remedies Upon Occurrence of an Event of Default” herein. In such event, sufficient funds may not be available to purchase Series 2024B Bonds tendered or deemed tendered by the owners thereof pursuant to an optional or mandatory tender. In addition, the Liquidity Facility does not provide security for the payment of principal of or interest on or premium, if any, on the Series 2024B Bonds.

Purchase of Tendered Series 2024B Bonds by the Liquidity Facility Provider

The Liquidity Facility Provider will purchase from time to time during the period prior to the expiration or earlier termination of the Liquidity Facility, Eligible Bonds (as defined in the Liquidity Facility), tendered or deemed tendered from time to time during the period from the date of issuance of the Series 2024B Bonds hereunder to and including July [], 2029 (the “Expiration Date”) (unless extended or earlier terminated pursuant to the terms of the Liquidity Facility), pursuant to an optional or mandatory tender by owners thereof in accordance with the terms and provisions of the Indenture, in each case, to the extent such Series 2024B Bonds are not remarketed in accordance with the terms and provisions of the applicable Remarketing Agreement. The price to be paid by the Liquidity Facility Provider for each Subseries of the Series 2024B Bonds will be equal to (i) the aggregate unpaid principal amount of each such Series 2024B Bond, provided that the aggregate principal amount of all Series 2024B Bonds so purchased shall not exceed the Available Principal Commitment (as defined in the Liquidity Facility), plus (ii) the lesser of (a) the Available Interest Commitment (as defined in the Liquidity Facility) and (b) interest accrued thereon to but excluding the date of such purchase, provided that accrued interest will not be included in the purchase price if the applicable purchase date is an interest payment date.

Events of Default

The following events constitute events of default under the Liquidity Facility.

- i. The Authority shall fail to pay or cause to be paid when due (a) any amounts with respect to the principal of, or interest or premium, if any, on, the 2024B Bonds (including Bank Bonds (as defined in the Liquidity Facility), except accelerated Bank Bonds); (b) any amounts owed to the Liquidity Facility Provider pursuant to the Liquidity Facility; or (c) any amount with respect to the principal of, or interest or premium, if any, on, any Senior Debt or other Subordinate Debt (excluding accelerated “bank bonds” of any other series of bonds); or
- ii. Any “event of default” shall have occurred and be continuing under any of the Series 2024B Bonds, the fee agreements and Liquidity Facility Provider Bond Custody Agreements between the Authority and the Liquidity Facility Provider relating to the Series 2024B Bonds, the Indenture, this Official Statement or the Remarketing Agreements (the “Related Documents”) (as “event of default” is defined respectively therein); or
- iii. Any representation or warranty made or deemed to be made to the Liquidity Facility Provider by or on behalf of the Authority in the Liquidity Facility or in any Related Document or in any certificate or statement delivered thereunder shall be incorrect or untrue in any material respect when made or deemed to have been made; or

iv. Failure on the part of the Authority to observe or perform certain enumerated covenants shall constitute an event of default immediately and without regard to any grace period; or

v. The Authority shall default in the due performance or observance of any other term, covenant or agreement contained (or incorporated by reference) in the Liquidity Facility (other than those referred to in paragraphs (i) through (iv) above) and such default shall remain unremedied for a period of 30 days from the occurrence thereof; or

vi. (a) The Authority shall commence any case, proceeding or other action (1) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its indebtedness, or (2) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the Authority shall make a general assignment for the benefit of its creditors; or (b) there shall be commenced against the Authority any case, proceeding or other action of a nature referred to in clause (a) above which (1) results in an order for such relief or in the appointment of a receiver or similar official or (2) remains undismissed, undischarged or unbonded for a period of 60 days; or (c) there shall be commenced against the Authority, any case, proceeding or other action seeking issuance of a warrant of attachment, execution, rehabilitation, distraint or similar process against all or any substantial part of its assets, which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (d) the Authority shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (a), (b) or (c) above; or (e) the Authority institutes a debt moratorium, debt restructuring, debt adjustment or the Authority imposes a comparable restriction on the repayment when due and payable of the principal of or interest on any debt of the Authority or shall so admit in writing its inability to, pay its indebtedness; or

vii. Other than as set forth in paragraph (i) above, a default in payment of principal or interest shall occur which results in the acceleration of the maturity of any Senior Debt, Subordinate Debt (including the 2024B Bonds) or any other indebtedness payable from Net Revenues or which enables (or with the giving of notice or lapse of time, or both, would enable) the holder of such indebtedness or any person acting on such holder's behalf to accelerate the maturity thereof; or

viii. Any material provision of the Liquidity Facility or any Related Document (other than this Official Statement) related to payment of principal or interest on the Series 2024B Bonds shall cease to be valid and binding on the Authority or any other party thereto or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the Authority, or any Governmental Agency having jurisdiction shall issue a final, non-appealable judgment, order or ruling that any material provision of the Liquidity Facility or any Related Document (other than this Official Statement) related to the payment of principal or interest on the Series 2024B Bonds is not valid or binding on the Authority or such other party thereto, or the Authority or such other party (in each case, through an authorized person) shall deny that it has any or further liability or obligation under any such document; or

ix. The occurrence of either of the following (each a "Rating Downgrade Event"): (a) the date on which the long-term debt of the Authority is not rated at least Baal (in the case of Moody's) and BBB+ (in the case of S&P and Fitch) by at least two of the Rating Agencies or (b) the date on which a rating on the long-term debt of the Authority is cancelled, withdrawn or suspended by any one Rating Agency. Notwithstanding the foregoing, a Rating Downgrade Event shall not occur solely as a result of the Authority's voluntary failure to maintain a rating from one Rating Agency for other than credit-related reasons, provided that the long-term debt of the Authority is and continues to be rated by at least two Rating Agencies; or

x. One or more final, non-appealable judgment, decree, or order (each, a "Final Judgment" and collectively, the "Final Judgments") for the payment of money in an aggregate amount exceeding \$10,000,000 shall have been rendered against or imposed on the Authority and shall, by order of the Governmental Agency issuing such Final Judgment, be payable from the Net Revenues and other monies pledged to the payment of Senior Debt or Subordinate Debt under the Indenture, and such Final Judgment shall not have been satisfied, stayed or bonded pending appeal within a period of 60 days from the date on which it was first so rendered.

Remedies Upon Occurrence of an Event of Default

Following the occurrence of certain of the above referenced events of default, the Liquidity Facility Provider may take any one or more of the following actions.

i. In the case of the occurrence of an event of default specified in paragraphs (i)(a), (i)(c), (vi)(a), (vi)(d), (vi)(e), (vii), (viii), or (x) under the heading “Events of Default” above (each, a “Termination Event”), the obligations of the Liquidity Facility Provider under the Liquidity Facility to purchase Series 2024B Bonds shall immediately terminate without notice or demand to any person, and thereafter the Liquidity Facility Provider shall be under no obligation to purchase Series 2024B Bonds. Promptly upon such Termination Event, the Liquidity Facility Provider shall give written notice of the same to the Authority, the Trustee and the Remarketing Agent; provided, that the Liquidity Facility Provider shall incur no liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way affect the termination of the obligation of the Liquidity Facility Provider to purchase Series 2024B Bonds pursuant to the Liquidity Facility. The Authority shall cause the Trustee to notify all Bondowners in writing of the termination of the obligation of the Liquidity Facility Provider to purchase the Series 2024B Bonds.

ii. In the case of the occurrence of any event of default described above (other than a Termination Event), the Liquidity Facility Provider may give written notice of such event of default and termination of the Liquidity Facility (a “Notice of Termination Date”) to the Trustee, the Tender Agent, the Authority and the Remarketing Agent, requesting a mandatory tender of the Series 2024B Bonds. The obligation of the Liquidity Facility Provider to purchase the Series 2024B Bonds shall terminate on the thirtieth day (or if such day is not a Business Day, the next following Business Day) after such Notice of Termination Date is received by the Trustee and on such date the Liquidity Facility Provider shall be under no obligation under the Liquidity Facility to purchase Series 2024B Bonds.

iii. In the case of any occurrence, circumstance or event, or any combination thereof, which, with the lapse of time and/or giving of notice, would constitute an event of default described in paragraph (vi)(b) or (vi)(c) under the heading “Events of Default” above (each a “Suspension Event”), the obligation of the Liquidity Facility Provider to advance funds for the purchase of Series 2024B Bonds under the Liquidity Facility shall be immediately and automatically suspended, without notice, until the bankruptcy, insolvency or similar proceeding referred to in such paragraph is terminated prior to the court entering an order granting the relief sought in such proceeding. In the event such proceeding is terminated, then the obligations of the Liquidity Facility Provider under the Liquidity Facility shall be automatically reinstated and the terms of the Liquidity Facility shall continue in full force and effect (unless the obligation of the Liquidity Facility Provider to purchase Series 2024B Bonds under the Liquidity Facility shall otherwise have terminated as provided above) as if there had been no such suspension. If at any time prior to the earlier of (a) the Expiration Date, including any extension, and (b) the date that is one year following the suspension of the obligation of the Liquidity Facility Provider to purchase Series 2024B Bonds, (x) the Suspension Event is cured or ceased to be continuing and (y) the obligation of the Liquidity Facility Provider to purchase Series 2024B Bonds under the Liquidity Facility has not otherwise terminated, then, upon written notice from the Trustee to the Liquidity Facility Provider to such effect, the obligation of the Liquidity Facility Provider to purchase Series 2024B Bonds under the Liquidity Facility shall be automatically reinstated. If the Suspension Event has not been cured or has not ceased to be continuing prior to the first anniversary of such occurrence and the obligation of the Liquidity Facility Provider to purchase Series 2024B Bonds under the Liquidity Facility has not otherwise terminated, then the obligations of the Liquidity Facility Provider to advance funds for the purchase of Series 2024B Bonds shall be terminated and thereafter the Liquidity Facility Provider shall have no further obligations to purchase any 2024B Bonds and the Liquidity Facility Provider will use best efforts to send written notice to the Authority and the Trustee; provided that the Liquidity Facility Provider shall not incur any liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way affect the termination of the Available Commitment and of the obligations of the Liquidity Facility Provider to purchase Series 2024B Bonds under the Liquidity Facility.

iv. Upon the occurrence of any event of default described above, the Liquidity Facility Provider may declare all accrued and unpaid amounts payable to it under the Liquidity Facility immediately due and payable (other than payments of principal of and interest on Bank Bonds, acceleration rights with respect to which are governed by the Indenture), and the Liquidity Facility Provider shall have all remedies provided at law or equity, including, without limitation, specific performance; provided, however, the Liquidity Facility Provider agrees to purchase the Series 2024B Bonds on the terms and conditions of the Liquidity Facility notwithstanding the occurrence of an event of default which does not terminate its obligation to purchase Series 2024B Bonds under paragraphs (i) and (ii) above or does not suspend its obligation to purchase Liquidity Facility Bonds under paragraph (iii) above.

The Master Indenture defines “Senior Debt” as Bonds and Other System Indebtedness, and “Bonds” as bonds, notes or other obligations issued pursuant to the Master Indenture, but not including Other System Indebtedness and Subordinate Debt. “Other System Indebtedness” means any indebtedness issued or incurred in connection with the System that the Authority is required, or has elected, to treat as payable on a parity basis with the Bonds with respect to the pledge of Net Revenues. “Subordinate Debt” means bonds, notes or other obligations issued in connection with the System that are expected to be paid from and have pledged to their payment Net Revenues on a subordinate lien basis after the pledge of Net Revenues to Senior Debt.

The Indenture pledges to the payment of the principal of and premium, if any, and interest on all Senior Debt and Subordinate Debt (at their respective levels of priority of security) that may from time to time be outstanding: (i) all right, title and interest of the Authority in and to the Net Revenues; (ii) all moneys or securities in any of the funds or Accounts established under the Indenture (other than the Operating Fund, and all Accounts in the Construction Fund other than the Construction Account, except to the extent a specific Account or subaccount therein relates, and is pledged, solely to specific series of Bonds or Subordinate Debt); and (iii) all rights and privileges of every kind and nature appurtenant to, all proceeds of, and all right, title and claim which the Authority now or may hereafter acquire in the aforesaid property, subject only to the provisions of the Indenture and the Act relating to the use and application thereof. Furthermore, the Indenture provides for specific Accounts in the Debt Service Reserve Fund to be pledged solely to the Senior Debt to which they relate and specific Accounts in the Subordinate Debt Service Reserve Fund to be pledged solely to the Subordinate Debt to which they relate. The Series 2024B Bonds are not secured by a Debt Service Reserve Fund, therefore no Account in the Subordinate Debt Service Reserve Fund will be established for the Series 2024B Bonds.

Statutory Lien. The Act provides that a pledge of the Authority is binding from the time it is made. Any funds, or property pledged, are subject to the lien of a pledge without physical delivery. The lien of a pledge is binding as against parties having any tort, contract, or other claim against the Authority regardless of notice. Neither the resolution stipulating the terms for sale of Authority bonds nor any other instrument creating a pledge need be recorded.

Segregated Funds. The Act establishes the Water and Sewer Enterprise Fund and requires the Authority to operate it in accordance with generally accepted accounting principles. The Revenue Fund created by the Master Indenture constitutes the Water and Sewer Enterprise Fund. The Revenue Fund is required to be held by the Authority, subject to the lien of the Indenture.

According to the Act, subject to the provisions made by the Authority for security of revenue bonds, all revenues, proceeds, and moneys from whatever source derived (except those collected or received from the stormwater fee) which are collected or received by the Authority will be credited to the Revenue Fund and will not, at any time, be transferred to, lapse into, or be commingled with the General Fund of the District, or any other funds or accounts of the District, except for limited circumstances under which such funds shall be transferred to the District to pay for goods and services and property contracted for by the Authority from the District, or as otherwise authorized by law. See “THE AUTHORITY – Authority’s Relationship to the District,” “CUSTOMER BASE, RATES AND CHARGES – Components of Retail Rates and Charges – Stormwater Fee.”

Direct Payments

General. The Series 2010A Bonds are Build America Bonds, a form of “direct payment bonds” issued pursuant to the American Recovery and Reinvestment Act of 2009 (the “Recovery Act”), which allowed an issuer to apply to receive subsidy payments directly from the Secretary of the United States Treasury. An amount equal to thirty-five percent (35%) of the Authority’s semiannual interest payments on the Series 2010A Bonds is to be paid to the Authority by the federal government in the form of Direct Payments.

The Direct Payments on the Series 2010A Bonds do not constitute Revenues under the Indenture and so are not part of the pledged Net Revenues, but, upon receipt, all Direct Payments are required to be deposited by the Authority or the Trustee into the appropriate subaccount in the Subordinate Interest Account in the Subordinate Bond Fund and, upon deposit, become available to be applied solely to the purposes for which the Indenture permits funds in such subaccount, account and fund to be applied, including to pay debt service on the Series 2010A Bonds.

Rate Covenant Amendment. On October 26, 2010, the Twelfth Supplemental Indenture amended the Master Indenture to provide that, for purposes of determining the Authority’s compliance with the Rate Covenant, the amount of any Direct Payment received by the Authority or the Trustee in any Fiscal Year shall be credited against (i) Annual

Debt Service on Senior Debt in such Fiscal Year if such Direct Payment is related to Senior Debt or (ii) Annual Debt Service on Subordinate Debt in such Fiscal Year if such Direct Payment is related to Subordinate Debt. This amendment became effective upon the execution of the Twelfth Supplemental Indenture.

Additional Bonds Test Amendment. The Twelfth Supplemental Indenture also amended the Master Indenture to provide that, subject to the requirements of the Master Indenture for obtaining bondholder consent, for the purposes of computing Annual Debt Service on any Direct Payment BABs or Other System Indebtedness as to which Direct Payments are expected to be made (whether previously issued or proposed to be issued by the Authority) in connection with any proposed issuance of additional Bonds or Other System Indebtedness, the amount of any Direct Payment expected to be received by the Authority or the Trustee in the then current or any future Fiscal Year shall be credited against the Annual Debt Service on such Direct Payment BABs. This amendment became effective on November 20, 2014, upon the issuance of the Authority's Series 2014C Bonds, in connection with which the Authority obtained the required consent of a majority (specifically, 50.5%) of the Holders of the Outstanding Bonds.

No Assurances. No assurances are provided that the Authority will receive the Direct Payments. The Direct Payments do not constitute a full faith and credit guarantee of the United States of America. Such payments are required to be paid by the United States Treasury under the Recovery Act, but the amount of any Direct Payment is subject to change by the United States Congress. The Authority is obligated to make all payments of principal and interest on the Series 2010A Bonds whether or not it receives the Direct Payments pursuant to the Recovery Act.

Sequestration. Direct Payments are classified under federal budget rules as mandatory spending programs. Since 2013, mandatory spending programs, such as Direct Payments, have been subject to an automatic reduction (sequestration) pursuant to the provisions of the Budget Control Act of 2011 (the "Budget Control Act"). As a result of the sequestration, payments due to the Authority on the Series 2010A Bonds have been reduced in the following approximate amounts: (i) \$248,000 (4.3%) (Fiscal Year 2013), (ii) \$411,000 (7.2%) (Fiscal Year 2014), (iii) \$417,000 (7.3%) (Fiscal Year 2015), (iv) \$400,000 (7.0%) (Fiscal Year 2016), (v) \$394,000 (6.9%) (Fiscal Year 2017), (vi) \$377,000 (6.6%) (Fiscal Year 2018), (vii) \$354,000 (6.2%) (Fiscal Year 2019), (viii) \$337,000 (5.9%) (Fiscal Year 2020), (ix) \$322,000 (5.7%) (Fiscal Year 2021), (x) \$ _____ (_____ %) (Fiscal Year 2022) and (xi) \$ _____ (_____ %) (Fiscal Year 2023).

According to the Report of the Office of Management and Budget ("OMB") to the Congress for Fiscal Year 2023, and as confirmed by the Internal Revenue Service, interest subsidy payments to issuers of direct payment bonds processed on or after October 1, 2023, through and including September 30, 2024, will be reduced by [_____]%, unless intervening Congressional action changes the reduction percentage.

Under the Budget Control Act there may be additional sequester orders for future fiscal years through and including fiscal year 2030. Any such additional sequester order signed by the President may or may not establish a different reduction value. The Authority cannot predict what percentage, if any, cuts may be made to Direct Payments in the future. The projected financial operations of the Authority, as presented herein (see "FINANCIAL OPERATIONS – Projected Financial Operations") and the projected debt service shown in "DEBT SERVICE REQUIREMENTS – Outstanding Senior and Subordinate Debt" reflects the known subsidy reduction of [_____] % for Fiscal Year 2024, and assumes Direct Payments equal to 32% of the interest payments on Series 2010A Bonds in each year starting in Fiscal Year 2025. The Authority is obligated to make all payments of principal of and interest on the Series 2010A Bonds whether or not such Direct Payments are received.

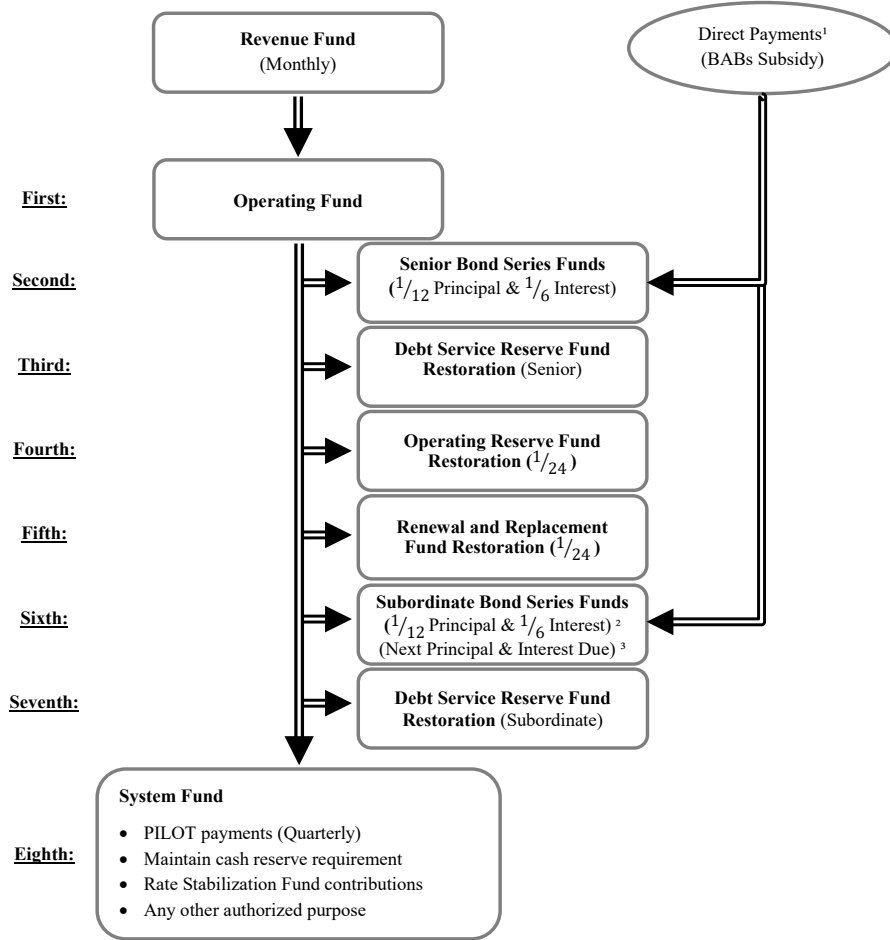
Limited Remedies of Holders of Subordinate Debt

The Indenture prohibits the acceleration of Subordinate Debt if any Senior Debt (including Bonds) is outstanding. The Indenture confers upon the holders of not less than 25% of the aggregate principal amount of Outstanding Bonds (which includes Senior Debt only, not Subordinate Debt) the right to direct the Trustee to protect and enforce their rights by mandamus or other suit, action or proceeding, and confers upon the holders of a majority of the aggregate principal amount of Outstanding Bonds the right to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture or any other proceedings under the Indenture, in accordance with the provisions of law and the Indenture. The Indenture does not confer those rights upon any specified percentage of the holders of Subordinate Debt.

Flow of Funds

The Authority deposits all revenues, as received, in the Revenue Fund. The chart below depicts a simplified flow of Revenues required by the Indenture after being deposited into the Revenue Fund. This chart is for illustrative purposes only, is in no way comprehensive or definitive, and must be read in conjunction with the entire Official Statement.

Indenture Revenue Flow of Funds



¹ The Twelfth Supplemental Indenture amended the above-described deposit requirements in the Master Indenture by providing that, upon receipt of any Direct Payment, the Authority or the Trustee shall cause it to be deposited (i) in the appropriate subaccounts in the Interest Account in the Bond Fund if such Direct Payment relates to Bonds or Other System Indebtedness, and (ii) in the appropriate subaccount in the Subordinate Interest Account in the Subordinate Bond Fund if such Direct Payment relates to Subordinate Debt, and shall cause it to be applied solely to the purposes to which the Indenture permits funds in such subaccount, account and fund to be applied.

²For fixed rate Subordinate Debt

³For variable rate Subordinate Debt

Pursuant to the Indenture, all Revenues received by the Authority shall be deposited in the Revenue Fund to be held by the Authority; provided, however, that upon an Event of Default, the Authority will transfer all amounts in all Authority-held funds to the Trustee, and the Trustee shall hold such moneys in trust for the benefit of the holders of Indebtedness.

Each month, the Authority shall transfer from the Revenue Fund to the Operating Fund an amount sufficient to pay Operating Expenses during such month. Thereafter, Net Revenues shall be disbursed on the last Business Day of each month in the following order (as noted above, the term "Series of Bonds" refers to Senior Debt):

- i. To the subaccounts in the Interest Account established for each Series of Bonds the amounts, if any, set forth in the applicable Supplemental Indentures with respect to each Series of Bonds, and an amount equal to 1/6 of the interest due on each Series of Bonds to pay interest required to be paid on any interest payment date related to such Series of Bonds.
- ii. On a parity with (i) above, to the subaccounts in the Principal Account established for each Series of Bonds and Sinking Fund Account in the Bond Fund the amounts, if any, set forth in the applicable Supplemental Indentures with respect to each Series of Bonds and an amount equal to 1/12 of the principal due on each Series of Bonds.
- iii. To the applicable Account in the Debt Service Reserve Fund with respect to each Series of Bonds the amounts, if any, necessary to restore the amount on deposit therein to the related Series Debt Service Reserve Requirement. For a description of the requirements for and the uses of the Debt Service Reserve Fund, see "Certain Reserve Funds – Debt Service Reserve Fund and Subordinate Debt Service Reserve Fund" below.
- iv. To the Operating Reserve Fund the amounts, if any, necessary to restore the amounts on deposit therein to the Operating Reserve Requirement, which requirement shall be funded within 24 months of any withdrawal and replenished from time to time by depositing 1/24 of the Operating Reserve Requirement on the last Business Day of each month after such withdrawal, if necessary. For a description of the requirements for and the uses of the Operating Reserve Fund, see "Certain Reserve Funds – Operating Reserve Fund" below.
- v. To the Renewal and Replacement Reserve Fund, to the extent that there has been a withdrawal from such fund, the amounts necessary to make the amounts on deposit therein equal to the Renewal and Replacement Reserve Requirement. Such withdrawn amounts shall be funded within 24 months by depositing in such fund 1/24 of the Renewal and Replacement Reserve Requirement on the last Business Day of each month after such withdrawal. For a description of the uses of the Renewal and Replacement Reserve Fund, see "Certain Reserve Funds – Renewal and Replacement Reserve Fund" below.
- vi. To the Subordinate Bond Fund, the amount equal to the deposits to such funds and Accounts required by the related Supplemental Indentures or other documents evidencing such debt. Generally, an amount equal to 1/6 of the interest and 1/12 of the principal next due on any fixed rate Subordinate Debt shall be deposited each month, and generally an amount equal to interest and principal next due on any variable rate Subordinate Debt shall be deposited prior to any date on which such interest and principal is due.
- vii. To the applicable Account, if any, in the Subordinate Debt Service Reserve Fund with respect to each Subordinate Debt issue the amounts, if any, necessary to restore the amount on deposit therein to the related Subordinate Debt Reserve Requirement or to reimburse the provider of any Qualified Reserve Credit Facility for amounts drawn thereunder and to pay related costs.
- viii. To the System Fund, any moneys remaining in the Revenue Fund, after all deposits and transfers required by (i) through (vii) above have been made. Moneys in the System Fund may be used for any authorized purpose. On the following dates, moneys on deposit in the System Fund shall be used to make the following payments:
 - (a) on each May 15, and quarterly thereafter, to the District to make the payment in lieu of taxes (the "PILOT") required by the District Memorandum of Understanding relating to the PILOT dated January 29, 1998, as amended;

- (b) on each September 1, an amount retained by the Authority in the System Fund necessary to satisfy the Cash Reserve Requirement (250 days of cash on hand); and
- (c) on each September 30, to the Rate Stabilization Fund, the amount that the Board determines based on an analysis of the Authority's financial performance conducted by the CEO and General Manager (the "CEO") and reported to the Board for approval not later than its regularly scheduled meeting in July of each Fiscal Year. For a description of the uses of the Rate Stabilization Fund, see "Certain Reserve Funds – Rate Stabilization Fund" below.

The Twelfth Supplemental Indenture amended the above-described deposit requirements in the Master Indenture by providing that, upon receipt of any Direct Payment, the Authority or the Trustee shall cause it to be deposited (i) in the appropriate subaccount in the Interest Account in the Bond Fund if such Direct Payment relates to Bonds or Other System Indebtedness, and (ii) in the appropriate subaccount in the Subordinate Interest Account in the Subordinate Bond Fund if such Direct Payment relates to Subordinate Debt, and shall cause it to be applied solely to the purposes to which the Indenture permits funds in such subaccount, account and fund to be applied. See "– Pledge of Master Indenture – Direct Payments – Sequestration" above.

For a more extensive discussion of the terms and provisions of the Indenture including the security for the Series 2024B Bonds, the funds and Accounts established by the Indenture and the purposes to which moneys in such funds and Accounts may be applied, see APPENDIX C – "Glossary and Summary of the Indenture."

Certain Reserve Funds

Debt Service Reserve Fund and Subordinate Debt Service Reserve Fund. The Indenture creates a Debt Service Reserve Fund and a Subordinate Debt Service Reserve Fund, each to be held by the Trustee. The Indenture permits, but does not require, the Authority to specify a debt service reserve requirement for each issuance of Senior Debt or Subordinate Debt and to make provision for the means by which any such reserve requirements will be met. The Authority will not specify a debt service reserve requirement for the Series 2024B Bonds.

Operating Reserve Fund. The Master Indenture creates an Operating Reserve Fund in which the Authority must maintain a balance equal to at least 60 days of operating and maintenance expenses of the prior year. Money in the Operating Reserve Fund shall be used to pay, to the extent necessary, Operating Expenses of the Authority. In addition, to the extent that the amount on deposit in the Bond Fund is insufficient to make the required interest and principal payments on Senior Debt, money in the Operating Reserve Fund shall be used prior to any withdrawal from the Debt Service Reserve Fund to satisfy any such deficiencies. The Board has adopted a policy of funding operating reserves to a level in excess of that required by the Master Indenture. See "– Discretionary Reserves" below. As of December 31, 2023, the balance in the Operating Reserve Fund was \$64.7 million, which represents 60 days of operating and maintenance expenses.

Renewal and Replacement Reserve Fund. The Master Indenture creates a Renewal and Replacement Reserve Fund to be held by the Authority to provide funding for unforeseen or emergency needs. Money in the Renewal and Replacement Reserve Fund may be used to pay for any capital expenditures related to the System. In addition, to the extent that the amounts on deposit in the Bond Fund and the Operating Reserve Fund are insufficient to make the required interest and principal payments on Senior Debt, money in the Renewal and Replacement Reserve Fund shall be used prior to any withdrawal from the Debt Service Reserve Fund to satisfy any such deficiencies. The Master Indenture allows this requirement to be met if an amount equal to 2% of the original cost value of plant in service, or some other amount as approved by the Board, is held by the Authority. The Board has adopted a policy requiring the Authority to maintain a balance of at least \$35.0 million in the Renewal and Replacement Reserve Fund. As of December 31, 2023, the balance in the Renewal and Replacement Reserve Fund was \$35.0 million.

Rate Stabilization Fund. The Master Indenture creates a Rate Stabilization Fund to be held by the Authority, the moneys in which may be transferred by the Authority to the Revenue Fund at any time. The Board has adopted a policy allowing moneys to be transferred to the Rate Stabilization Fund from the System Fund annually based on an analysis of the Authority's financial performance conducted by the CEO or designee and reported to the Board for approval during the fourth quarter of each Fiscal Year, and at other times at the direction of the Board. As of December 31, 2023, the balance in the Rate Stabilization Fund was \$35.6 million. The Authority may withdraw funds from the Rate Stabilization Fund in the future to reduce rate increases that might otherwise be required or for other purposes as

directed by the Board. See “FINANCIAL OPERATIONS – Reserve Funds – Rate Stabilization Fund” and “FINANCIAL OPERATIONS – Projected Financial Operations.”

Discretionary Reserves. The Board has adopted a policy of funding operating reserves at a level in excess of the 60-day operating and maintenance reserve required by the Master Indenture. Prior to October 7, 2021, Board policy required the Authority to have cash reserves equal to 120 days of budgeted operating and maintenance costs calculated on an average daily balance basis, with the objective of maintaining at least \$125.5 million in operating reserves. Effective October 7, 2021, the Authority is required to have cash reserves equal to 250 days of projected operating expenses calculated on an average daily balance basis in the budget and all years of the financial plan. For purposes of calculating a total operating reserve cash balance for compliance with this requirement, the balances in the Operating Reserve Fund, the Discretionary Reserves and the Renewal and Replacement Reserve Fund are included but the Rate Stabilization Fund is excluded. For Fiscal Year 2024, the operating reserves requirement is \$[64.7 million]. As of December 31, 2023, the Authority had Discretionary Reserves of \$233.7 million resulting in a total operating reserve cash balance of \$333.4 million which exceeded the Board’s policy requirement.

[update] Pursuant to Board policy, the Authority’s reserves are independently evaluated every five years. In _____ 2024, Amawalk independently evaluated the adequacy of the Authority’s reserves and concluded that current Board policy provides for an appropriate level of reserves.

Rate Covenant

Master Indenture Covenant. The Master Indenture includes a rate covenant (the “Rate Covenant”) as described below. Rates, fees and charges are established by the Authority and are not subject to regulatory approval, nor are they subject to other regulations under current law. (For a description of the pledge of the District not to limit or alter rights vested in the Authority to fulfill agreements made with holders of its bonds, see “COVENANT BY THE DISTRICT OF COLUMBIA.”) The Authority has never failed to satisfy the Rate Covenant, which provides that the Authority shall fix, charge, revise and collect rates, fees and other charges for the use of and the services furnished by the System sufficient in each Fiscal Year so that:

- i. Revenues collected by the Authority in such Fiscal Year will be sufficient to pay at least: (a) the actual Operating Expenses; (b) Annual Debt Service on Senior Debt; (c) any amount necessary to be deposited in any Account in the Debt Service Reserve Fund relating to a Series of Bonds to restore the amount on deposit therein to the Series Debt Service Reserve Requirement; (d) the amount required to pay Annual Debt Service on the Subordinate Debt (including any reserves in connection therewith and the restoration thereof); (e) any amount necessary to be deposited in the Operating Reserve Fund and the Renewal and Replacement Reserve Fund to maintain the required balances therein; and (f) any amount necessary to make any PILOT payments in such Fiscal Year; and
- ii. Net Revenues shall be sufficient in each Fiscal Year to be at least equal to the sum of (a) an amount equal to one hundred and twenty percent (120%) of the Annual Debt Service on Senior Debt; and (b) one hundred percent (100%) of the Annual Debt Service on Subordinate Debt.

If at the end of any Fiscal Year the Authority is not in compliance with the Rate Covenant, or if the Authority fails for three consecutive months to make the deposits required under the Indenture to the Interest Account and the Principal Account (or the Sinking Fund Account, as applicable) or there is a deficiency in a Series Debt Service Reserve Account for longer than three consecutive months, the Authority shall immediately request a Qualified Independent Consultant to submit a written report and recommendations with respect to increases in the Authority’s rates, fees and other charges and improvements in the operations of and the services rendered by the System and the Authority’s accounting and billing procedures necessary to bring the Authority into compliance with the Rate Covenant. The report and recommendations shall be filed with the Trustee and the Authority within 120 days from the date of discovery of noncompliance with the Rate Covenant. The Authority shall promptly revise its rates, fees and charges, and alter its operations and services to conform with the report and recommendations of the Qualified Independent Consultant to the extent permitted by law.

Deposit and Crediting of Direct Payments. The Twelfth Supplemental Indenture amended the Master Indenture to provide that, for purposes of determining the Authority’s compliance with the Rate Covenant, the amount of any Direct Payment received by the Authority or the Trustee in any Fiscal Year shall be credited against (i) Annual Debt Service on Senior Debt in such Fiscal Year if such Direct Payment related to Senior Debt or (ii) Annual Debt

Service on Subordinate Debt in such Fiscal Year if such Direct Payment related to Subordinate Debt. This amendment became effective upon the execution of the Twelfth Supplemental Indenture. See “SECURITY FOR THE SERIES 2024B BONDS – Direct Payment Bonds – Sequestration.”

Additional Board Policy. In addition to the Rate Covenant described above, on October 7, 2021, the Board adopted a revised financial policy of fixing, charging, revising and collecting rates, fees and other charges for the use of and the services furnished by the System sufficient in each Fiscal Year so that Net Revenues shall be at least equal to one hundred and sixty percent (160%) of the Annual Debt Service on Senior Debt in each such Fiscal Year. See “FINANCIAL OPERATIONS – Financial Policies.” The Authority consistently has met or exceeded its financial policy goals after their adoption. There can be no assurance, however, that the Board will not change this financial policy or that the Authority will continue to meet this policy goal.

Additional Senior Debt

The Indenture provides that the Authority may issue additional Senior Debt and Other System Indebtedness, including Bonds, to pay Costs of the System only upon satisfaction of certain requirements, including, among other things, receipt by the Trustee of the following:

- i. evidence that upon issuance of such Bonds, each Series Debt Service Reserve Account within the Debt Service Reserve Fund will contain the applicable Series Debt Service Reserve Requirement; and
- ii. either: (a) a certificate of the Authorized Representative of the Authority stating that, based on the Authority’s financial records, the Authority would have been able to meet the Rate Covenant taking into account (1) the maximum Annual Debt Service on the proposed additional Series of Bonds, and (2) the rates, fees and other charges which are in effect at the time of the delivery of the proposed additional Series of Bonds; or (b) a written statement of a Qualified Independent Consultant, which projects Operating Expenses, Revenues and Net Revenues for five full Fiscal Years following the date of issuance of such proposed additional Series of Bonds, which projection does not include the actual debt service for any Indebtedness to be refunded, and which demonstrates that, on the basis of such projection, the Authority can comply with the Rate Covenant.

If any Bonds are issued to refund any Indebtedness, the Trustee must receive the following:

- i. evidence that the Authority has made provision as required by the Indenture for the payment or redemption of all Indebtedness to be refunded; and
- ii. either: (a) a written determination by the Authorized Representative of the Authority that the Annual Debt Service requirements for each Fiscal Year in which there will be Outstanding Indebtedness not to be refunded will not increase more than 5% over what the Annual Debt Service requirements for such Fiscal Year would have been on all Senior Debt immediately prior to the issuance of such Bonds, and that the final maturity of Indebtedness being refunded has not been extended; or (b) a certificate of the Authority stating that, based on the Authority’s financial records, the Authority would have been able to meet the Rate Covenant, taking into account (1) the maximum Annual Debt Service on the proposed additional Series of Bonds, and (2) the rates, fees and other charges which are in effect at the time of the delivery of the proposed additional Series of Bonds; or (c) a written statement of a Qualified Independent Consultant, that projects Operating Expenses, Revenues and Net Revenues for five full Fiscal Years following the date of issuance of such proposed additional Series of Bonds, which projection does not include the actual debt service for any Indebtedness to be refunded, and that demonstrates that, on the basis of such projection, the Authority can comply with the Rate Covenant.

The Authority may incur or refinance Other System Indebtedness provided that: (i) the documents relating to the Other System Indebtedness acknowledge that such debt constitutes Other System Indebtedness under the Master Indenture and is subject to the applicable terms and conditions thereof, and specify the amounts and due dates of Annual Debt Service with respect to the Other System Indebtedness; (ii) the conditions of the Master Indenture regarding the issuance of Bonds have been met as if the Other System Indebtedness was an additional Series of Bonds; (iii) the Trustee receives written notice of the issuance of the Other System Indebtedness and the material terms and conditions thereof, and the Trustee shall register the holder as owner thereof as such on its books and records; and (iv) the Trustee receives an Opinion of Counsel that the documents creating the Other System Indebtedness have been

duly authorized, executed and delivered on behalf of the Authority and constitute valid, binding and enforceable obligations. In connection with the incurrence of any Other System Indebtedness, the Trustee shall enter into an intercreditor arrangement with the holder of such Other System Indebtedness, the terms of which shall be determined at the time of incurrence of such Other System Indebtedness.

The Master Indenture was amended with bondholder consent to include provisions regarding the crediting of Direct Payments for the purposes of computing Annual Debt Service on any Direct Payment BABs or Other System Indebtedness as to which Direct Payments are expected to be made in connection with any proposed issuance of additional Bonds or Other System Indebtedness. See “SECURITY FOR THE SERIES 2024B BONDS – Direct Payments – Sequestration.”

Additional Subordinate Debt

Under the Indenture, the Authority may at any time issue Subordinate Debt and pledge Net Revenues thereto so long as rates, fees and charges are in effect or scheduled to go into effect to meet the Rate Covenant immediately after the issuance of such Subordinate Debt. The Authority has modified the Master Indenture to include provisions regarding the crediting of Direct Payments for the purposes of computing Annual Debt Service on any Direct Payment BABs or other Indebtedness as to which Direct Payments are expected to be made in connection with any proposed issuance of additional Bonds, Subordinate Debt or Other System Indebtedness. See “SECURITY FOR THE SERIES 2024B BONDS – Direct Payments – Sequestration.”

[Balance of page intentionally left blank]

DEBT SERVICE REQUIREMENTS

Outstanding Senior and Subordinate Debt

The following tables set forth the annual debt service requirements for (i) Outstanding Senior Debt, (ii) Outstanding Subordinate Debt, and (iii) the Series 2024B Bonds, as well as annual and aggregate totals.

Fiscal Year Ending September 30 ¹	Outstanding Subordinate Debt ^{1,2,3,4,5,6,7}	Series 2024A Bonds			Refunded Subordinate Debt	Total Outstanding Subordinate Debt	Direct payments Relating to Series 2010A Bonds	Total Subordinate Debt ⁹	Outstanding Senior Debt ¹⁰	Total Senior and Subordinate Debt
		Principal	Interest	Total						
2024	166,957,509				166,957,509	(5,119,313)	161,838,196	63,378,725	225,216,921	
2025	176,789,518				176,789,518	(4,878,673)	171,910,845	64,059,015	235,969,860	
2026	176,710,343				176,710,343	(4,791,835)	171,918,508	64,057,265	235,975,773	
2027	176,615,613				176,615,613	(4,702,827)	171,912,786	64,061,465	235,974,251	
2028	177,480,891				177,480,891	(4,611,477)	172,869,413	67,506,236	240,375,649	
2029	185,016,214				185,016,214	(4,426,435)	180,589,778	59,390,036	239,979,814	
2030	184,804,873				184,804,873	(4,232,061)	180,572,812	56,528,786	237,101,598	
2031	184,456,763				184,456,763	(4,034,152)	180,422,611	56,221,036	236,643,647	
2032	184,377,123				184,377,123	(3,830,589)	180,546,534	59,734,786	240,281,319	
2033	184,144,100				184,144,100	(3,618,456)	180,525,643	59,393,536	239,919,179	
2034	184,616,757				184,616,757	(3,399,962)	181,216,795	59,395,036	240,611,831	
2035	184,363,541				184,363,541	(3,174,929)	181,188,612	59,391,286	240,579,898	
2036	184,404,061				184,404,061	(2,944,242)	181,459,819	59,395,786	240,855,605	
2037	175,096,698				175,096,698	(2,705,427)	172,391,271	61,896,286	234,287,557	
2038	175,221,417				175,221,417	(2,459,985)	172,761,432	58,946,036	231,707,468	
2039	174,266,341				174,266,341	(2,207,298)	172,059,043	57,634,286	229,693,329	
2040	177,783,050				177,783,050	(1,948,692)	175,834,359	57,629,036	233,463,394	
2041	168,942,715				168,942,715	(971,165)	167,971,550	61,691,036	229,662,586	
2042	170,575,020				170,575,020	(741,097)	169,833,923	61,687,736	231,521,659	
2043	170,374,566				170,374,566	(502,723)	169,871,843	61,683,986	231,555,829	
2044	170,168,343				170,168,343	(255,779)	169,912,564	61,692,736	231,605,300	
2045	98,530,626				98,530,626	-	98,530,626	70,941,286	169,471,912	
2046	74,893,581				74,893,581	-	74,893,581	70,940,836	145,834,417	
2047	74,807,497				74,807,497	-	74,807,497	70,940,586	145,748,083	
2048	74,740,601				74,740,601	-	74,740,601	66,896,786	141,637,387	
2049	49,140,166				49,140,166	-	49,140,166	66,895,286	116,035,452	
2050	57,920,600				57,920,600	-	57,920,600	36,874,036	94,794,636	
2051	45,158,600				45,158,600	-	45,158,600	36,869,286	82,027,886	
2052	43,835,200				43,835,200	-	43,835,200	36,870,286	80,705,486	
2053	42,930,200				42,930,200	-	42,930,200	23,220,286	66,150,486	
2054	39,126,600				39,126,600	-	39,126,600	23,220,286	62,346,886	
2055	18,314,400				18,314,400	-	18,314,400	23,220,286	41,534,686	
2056	18,187,600				18,187,600	-	18,187,600	23,220,286	41,407,886	
2057	18,064,800				18,064,800	-	18,064,800	23,220,286	41,285,086	
2058	-				-	-	-	23,220,286	23,220,286	
2059	-				-	-	-	23,220,286	23,220,286	
2060	-				-	-	-	23,220,286	23,220,286	
2061-2104 ⁸	-				-	-	-	16,849,000	16,849,000	
2105	-				-	-	-	16,849,000	16,849,000	
2106	-				-	-	-	16,849,000	16,849,000	
2107	-				-	-	-	16,849,000	16,849,000	
2108	-				-	-	-	16,849,000	16,849,000	
2109	-				-	-	-	16,849,000	16,849,000	
2110	-				-	-	-	16,849,000	16,849,000	
2111	-				-	-	-	16,849,000	16,849,000	
2112	-				-	-	-	16,849,000	16,849,000	
2113	-				-	-	-	16,849,000	16,849,000	
2114	-				-	-	-	16,849,000	16,849,000	
Total	\$4,388,815,927				\$4,388,815,927	\$(65,557,116)	\$4,323,258,810	\$3,108,901,766	\$7,432,160,576	

* Certain totals may not add due to rounding. Data shown as of date of posting.

1 Amounts due October 1 are shown as debt service for the preceding Fiscal Year ending September 30 (since the amounts actually are required to be set aside in such Fiscal Year). For example, debt service payments due October 1, 2024, are shown in the Fiscal Year ending September 30, 2024.

2 Outstanding Subordinate Debt is calculated excluding the impact of Direct Payments related to the Series 2010A Bonds. See "SECURITY FOR THE SERIES 2024A BONDS – Direct Payments – Sequestration."

3 Series 2019C Bonds are multimodal variable rate bonds currently bearing a 1.75% fixed rate through the mandatory tender date of October 1, 2024. Series 2019C Bonds are expected to be refunded by Series 2024B Bonds issued as daily-reset variable rate bonds in close proximity to the Series 2024A Bonds. Debt service on Series 2019C is shown at the actual rate through the anticipated closing date of the Series 2024B Bonds, and an all-inclusive assumed rate of 4.00% thereafter.

4 Includes the Authority's Debt Service requirements for Government Notes associated with Jennings Randolph.

5 Series 2014B Bonds are weekly-reset variable rate bonds payable through a Liquidity Facility provided by TD Bank, N.A., which expires on July 25, 2025. For calculation of the projected debt service requirement, the all-inclusive rate was assumed to be 4%. The debt is assumed to amortize in FY 2041 - FY 2050.

6 The Authority currently has \$50.0 million of Extendable Maturity Commercial Paper outstanding. Debt service is based on a hypothetical amortization of 30 years with an assumed interest rate of 3.50%.

7 Amounts shown for FY 2061 - FY 2104 are annual totals for each fiscal year and do not represent the cumulative total.

8 Amounts represent cumulative totals for all fiscal years shown. Totals from consolidated rows are included.

9 Total Subordinate Debt is calculated including the impact of Direct Payments related to the Series 2010A Bonds. With respect to the effect of sequestration on the receipt by the Authority of Direct Payments on its Series 2010A Bonds, a reduction of []% was applied to Fiscal Year 2024. Thereafter, the subsidy amount is assumed to be 32% of the interest payments. See "SECURITY FOR THE SERIES 2024B BONDS – Amendment of the Master Indenture" and for a discussion of the effect of sequestration on the Direct Payments to be received by the Authority, see "SECURITY FOR THE SERIES 2024B BONDS – Direct Payments - Sequestration."

10 Outstanding Senior Debt includes the full expected amortization associated with the Senior Lien WIFIA loan balance of \$156,367,104; the current balance is \$52,599,476. Principal amortization on the WIFIA loan will occur semi-annually from April 1, 2028 through October 1, 2060 with interest accrued at 1.87% which is the fixed rate of the WIFIA loan.

List of Outstanding Indebtedness

The Authority’s indebtedness as of the date of this Official Statement is set forth in Table 1 below. For a summary of the annual debt service payments for the Authority’s existing indebtedness, see “FINANCIAL OPERATIONS – Debt Service.”

Table 1. Outstanding Indebtedness
(\$ in thousands)

	Original Principal Amount	Interest Rates	Final Maturity	Amount Outstanding as of 4/1/2024 ¹
Senior Debt				
Series 1998 Bonds	\$266,120	5.50%	2028	\$34,645
Series 2014A Bonds	350,000	4.81	2114	350,000
Series 2017A Bonds	100,000	4.00-5.00	2052	100,000
Series 2017B Bonds	200,000	4.00-5.00	2044	175,950
Series 2018A Bonds	100,000	5.00	2049	100,000
Series 2018B Bonds	200,000	5.00	2049	181,625
Series 2021 Bonds (WIFIA)	156,367 ²	1.87	2060	52,599
Total Senior Debt				<u>\$994,819</u>
Subordinate Debt:				
<u>Subordinate Bonds</u>				
Series 2010A Bonds	300,000	4.07-5.52 ³	2044	281,450
Series 2014B Bonds	100,000	Variable Rate ⁴	2050	100,000
[Series 2014C Bonds]	377,700	3.00-5.00	2044	227,880
Series 2015A Bonds	100,000	2.00-5.00	2045	65,975
Series 2015B Bonds	250,000	5.00-5.25	2044	173,090
Series 2016A Bonds	389,110	5.00-5.25	2039	377,575
Series 2019A Bonds	104,010	4.00-5.00	2049	104,010
Series 2019B Bonds	58,320	5.00	2037	58,320
[Series 2019C Bonds]	99,505	Variable Rate ⁵	2054	99,505
[Series 2019D Bonds]	343,160	1.713-3.207	2048	336,555
Series 2022A Bonds ²	294,305	1.56-2.53	2036	284,085
Series 2022B Bonds	79,585	5.00	2047	79,585
Series 2022C Bonds	211,148	4.00-5.00	2051	211,148
[Series 2022D Bonds]	148,945	1.672-3.526	2044	127,945
Series 2022E Bonds	96,350	Variable Rate ⁶	2057	96,350
<u>Additional Subordinate Obligations</u>				
TD Bank Master Letter of Credit	\$25,000 ⁶	Variable Rate	N/A	-
<u>Government Notes</u>				
Jennings Randolph Reservoir Debt	\$18,269	3.25%	2041	9,849
<u>Commercial Paper Notes (“CP Notes”)⁷</u>				
Series B CP Notes	\$100,000 ⁸	Variable Rate	2025 ¹⁰	-
Series C CP Notes	\$50,000 ⁹	Variable Rate	2025 ¹⁰	-
<u>Extendable Municipal Commercial Paper Notes (“EMCP Notes”)</u>				
Series A EMCP Notes ^{11,12}	\$50,000	Variable Rate	2024	50,000
Total Subordinate Debt				<u>2,267,887</u>
Total				\$3,692,707

¹ Amounts outstanding do not reflect any amortization of accrued principal.

² Maximum amount. \$52,599,477 was outstanding as of April 1, 2024.

³ Taking into account the Direct Payment subsidy, the Series 2010A Bonds had an all-in-true interest cost of 3.6%. With respect to the effect of sequestration on the receipt by the Authority of Direct Payments on its Series 2010A Bonds, see “SECURITY FOR THE SERIES 2024B BONDS – Direct Payments – Sequestration.”

⁴ The Series 2014B Bonds are weekly-reset variable rate bonds supported by a Liquidity Facility provided by TD Bank, N.A.

- ⁵ The Series 2019C Bonds are multimodal variable rate bonds currently bearing a 1.75% fixed rate through the mandatory tender date of October 1, 2024
- ⁶ The Series 2022E Bonds are multimodal variable rate bonds currently bearing a 3.00% fixed rate through the mandatory tender date of October 1, 2027
- ⁷ The Series A CP Notes are not currently authorized for issuance.
- ⁸ Maximum amount authorized for the Series B CP Notes is \$100 million; the Series B CP Notes are supported by a Letter of Credit provided by TD Bank, N.A.
- ⁹ Maximum amount authorized to be outstanding at any one time for the Series C CP Notes is \$50 million; the Series C CP Notes are supported by a Letter of Credit provided by TD Bank, N.A
- ¹⁰ Final maturity of the CP Notes reflects expiration of current credit facility.
- ¹¹ Maximum amount authorized to be outstanding at any one time for the Series A EMCP Notes is \$100 million.
- ¹² The Series A EMCP notes are placed for an original maturity date not to exceed 90 days. At their original maturity date, the EMCP notes may be repaid, remarketed and resold as new Series A EMCP notes, or extended at the option of the Authority to an extended maturity date not greater than 270 days from their initial issuance. Should the Series A EMCP Notes be remarketed and resold, upon such resale the Series A EMCP Notes will mature on such date or dates as provided in the terms of the remarketing and resale (up to a maximum original maturity date of 90 days and a maximum extended maturity date of 270 days).

Source: Authority records.

Outstanding Senior Debt

As indicated in Table 1, as of April 1, 2024, the Authority had Senior Debt outstanding in the aggregate principal amount of approximately \$994.8 million consisting of its Public Utility Senior Lien Revenue Bonds, Series 1998 (the “Series 1998 Senior Bonds”), its Public Utility Senior Lien Revenue Bonds, Series 2014A (Federally Taxable) (Green Bonds) (the “Series 2014A Senior Bonds”), its Public Utility Senior Lien Revenue Bonds, Series 2017A (Green Bonds) (the “Series 2017A Senior Bonds”), its Public Utility Senior Lien Revenue Bonds, Series 2017B (the “Series 2017B Senior Bonds”), its Public Utility Senior Lien Revenue Bonds, Series 2018A (Green Bonds) (the “Series 2018A Senior Bonds”), its Public Utility Senior Lien Revenue Bonds, Series 2018B (the “Series 2018B Senior Bonds”) and its Public Utility Senior Lien Revenue Bonds, Series 2021 Senior Lien Bonds (the “Series 2021 Bond (WIFIA)”). The Authority expects to issue additional Senior Debt in the future to finance capital improvements to the System. See “CAPITAL IMPROVEMENT PROGRAM.”

WIFIA Bond. In September 2021, the Authority issued a Senior Lien Bond under the Indenture to evidence its repayment obligation to the United States Environmental Protection Agency (“EPA”) under a WIFIA Loan Agreement. Pursuant to the terms of the WIFIA Loan Agreement, the EPA agreed to loan the Authority an amount up to \$156,367,104 to fund a portion of a Comprehensive Infrastructure Repair, Rehabilitation, and Replacement Program Project (the “WIFIA Project”) and eligible expenses. The WIFIA Bond is payable from and secured by a pledge of Net Revenues on parity with Senior Lien Debt. [As of the date of this Official Statement, the Authority has drawn \$52,599,477 of the WIFIA Loan and the principal amount of the WIFIA Bond is \$52,599,477.][confirm]

Outstanding Subordinate Debt

The Subordinate Debt summarized in Table 1 consists of the following categories of outstanding debt: (i) Subordinate bonds; (ii) Government Notes; (iii) Commercial Paper Notes; and (iv) Extendable Municipal Commercial Paper Notes (the “EMCP Notes”). [please confirm] As of April 1, 2024, the Authority had Subordinate Debt outstanding in the aggregate principal amount of approximately \$2.70 billion.

Subordinate Bonds. As of April 1, 2024, approximately \$2.64 billion of Subordinate bonds was outstanding, consisting of its Public Utility Subordinate Lien Revenue and Revenue Refunding Bonds of various series listed in Table 1. The Authority expects to issue additional Subordinate bonds in the future to finance capital improvements to the System. See “CAPITAL IMPROVEMENT PROGRAM.”

Master Letter of Credit Agreement. The Authority entered into a revised Master Letter of Credit Agreement with TD Bank, N.A. to provide letters of credit for the benefit of the Authority’s Rolling Owner Controlled Insurance Program, in an aggregate maximum amount at any one time outstanding of \$25,000,000 and secured the Reimbursement Obligations (as defined in the Twenty-Eighth Supplemental Indenture) 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.

Government Notes. The Authority is responsible for debt service on notes payable to the federal government for the construction of the Jennings Randolph Reservoir. As of April 1, 2024, \$9.8 million of Government Notes was outstanding. Upon the issuance of the Series 2024B Bonds, the amount of outstanding Government Notes will remain unchanged.

Commercial Paper Notes. The Authority currently has in place a commercial paper facility to provide interim financing for Costs of the System, consisting of three series of notes, each as Subordinate Debt: (i) the tax-exempt Series A CP Notes, which were not authorized or enhanced by a liquidity facility (although the Authority had the right to authorize the Series A CP Notes), (ii) the tax-exempt Series B CP Notes in an aggregate principal amount not to exceed \$100 million, and (iii) the taxable Series C CP Notes in an aggregate principal amount not to exceed \$50 million (collectively, the “Series ABC Commercial Paper Notes”). As of the date of this Official Statement, none of the Series ABC Commercial Paper Notes issued under the current facility were outstanding.

On August 1, 2024, the Authority expects to replace the current commercial paper facility described above with a new commercial paper facility authorized to issue commercial paper notes (the “CP Notes”) in an amount not to exceed \$250 million pursuant to the Indenture, as supplemented by the Thirty-fifth Supplemental Indenture. The proceeds of the CP Notes are expected to provide funds to pay (i) certain costs incurred in connection with the

construction of certain capital improvements to its wastewater collection treatment and disposal system and its water system, (ii) obligations of the one or more bank under each bank note resulting from draws under one or more letters of credit, (iii) the costs of issuance of the CP Notes and (iv) any expenditure permitted by law under the Indenture that in the opinion of Co-Bond Counsel will not, in and of itself, adversely affect the exclusion from gross income for federal tax purposes of interest on the CP Notes issued as tax-exempt obligations. The CP Notes will be secured 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, the Series 2024B Bonds and other Subordinate Debt that the Authority may issue from time to time in the future. The issuance of the CP Notes is not dependent upon the Authority's issuance of the Series 2024B Bonds, and the Series 2024B Bonds will be sold separately and independently from the CP Notes.

Extendable Municipal Commercial Paper Notes. The Authority has established an extendable municipal commercial program to provide an additional source of interim financing for Costs of the System. The EMCP Notes are not supported by a credit facility or credit enhancement, but instead are solely supported by a subordinate lien on and pledge of Net Revenues on a parity with the lien on and pledge of Net Revenues that secures Outstanding Subordinate Debt and any other Subordinate Debt that the Authority may issue in the future. The Board has authorized one series of EMCP Notes not to exceed \$100 million outstanding at any one time. As of April 1, 2024, \$50 million of the EMCP Notes was outstanding.

Interest Rate Exchange Agreements and Guaranteed Investment Contracts

The Authority has not previously entered into any interest rate exchange agreements or any guaranteed investment contracts.

THE AUTHORITY

General

The Authority is a corporate body and an independent authority created pursuant to the Act that has a separate legal existence within the District government. It was created in 1996 to expedite the repair, replacement, rehabilitation, modernization and extension of existing water distribution and sewage collection, treatment and disposal systems, and the financing, on a self-sustaining basis, of capital and operation expenses relating thereto. The Authority began operations on October 1, 1996, and in June 2010, adopted a new logo and rebranded itself as “DC Water.” Prior to creation of the Authority, the District, through its Department of Public Works, Water and Sewer Utility Administration (“WASUA”), owned, operated and maintained the System. In accordance with the Act, the District authorized the Authority to use all of the property and assets of the System and transferred to the Authority any liabilities of the District that were directly attributable to the System. The District has retained full legal title to, and a complete equitable interest in, the System. In accordance with the Act, however, the System must remain under the control of the Authority for as long as any Authority revenue bonds remain outstanding.

The Authority currently provides retail water and wastewater services to approximately 700,000 residents of the District of Columbia and wholesale wastewater conveyance and treatment to approximately 1.6 million residents of Prince George’s and Montgomery Counties in Maryland and Fairfax and Loudoun Counties in Virginia. In addition, the Authority annually serves approximately 21.3 million visitors to the area and approximately 800,000 workers in the District. In addition to providing services to the White House, the U.S. Congress and the Supreme Court, the Authority also counts among its customers a number of international organizations, including the International Monetary Fund and numerous diplomatic embassies. The Authority also provides services to a number of nationally recognized cultural and educational institutions, including the John F. Kennedy Center for the Performing Arts, and Georgetown, Howard, American, Catholic, Gallaudet and George Washington Universities.

The Authority operates the largest advanced wastewater treatment facility in the United States [and is in material compliance with all requisite permits][*please confirm*]. Since its creation as an independent authority of the District, the Authority has become a leader in the water and wastewater industry. The Board has provided stable leadership and a focus on establishing long-term policies and planning, particularly financial stability. Under its leadership, the Authority has adopted and implemented financial and rate-setting policies that have enhanced financial performance. The Authority’s unrestricted cash, cash equivalents and investment balances have increased from \$55.8

million as of September 30, 1998, to \$[_____] million as of September 30, 2023. The Authority's operating revenues have increased from \$258.4 million in Fiscal Year 1998 to \$[_____] million in Fiscal Year 2023.

The Authority's accomplishments are consistently recognized by industry associations and publications. The Government Finance Officers Association ("GFOA") has given the Authority the Certificate of Achievement for Excellence in Financial Reporting Program every year since 1997, and the Distinguished Budget Presentation Award every year since 2001.

In 2020, the Authority's Office of Marketing and Communications accepted a Public Communication and Outreach Program Award from the Water Environment Federation (WEF) for its first-ever children's book, "Wendy, Where Does the Wastewater Go?" In the book, the Authority's waterdrop mascot takes a group of students on a tour through each of the steps of the wastewater treatment process, beginning in a home where the water is first used, and ending with cleaned water being released back into the Potomac River.

In 2021, The National Association of Clean Water Agencies (NACWA) honored the Authority with a Platinum⁹ Award for nine consecutive years of 100% compliance with the requirements of the U.S. Environmental Protection Agency's National Pollutant Discharge Elimination System (NPDES).

Purposes and Powers

The Act requires the Authority to establish, fix and revise fees, rates or other charges for the use of, or services furnished, rendered or made available by the System, owned, leased or utilized by the Authority at least in an amount sufficient, together with other revenues available to the Authority, if any, to pay its costs, the principal of and interest on and other requirements pertaining to its bonds, and to make transfers to the District of amounts equal to the debt service payments on the District General Obligation Bonds, which financed WASUA capital projects, as such debt service and transfers become due and payable. All such General Obligation Bonds are now retired.

Pursuant to the Home Rule Act, the Council delegated to the Authority, under the Act, its power to issue revenue bonds, including the Series 2024B Bonds, for the purpose of financing "water and sewer facilities" (as such term is defined in the Home Rule Act). Pursuant to the Home Rule Act and the Act, the Authority is required to submit its annual operating budget to the District for its review and recommendations; however, the District has no power to change the annual budget of the Authority. After receiving the Authority's budget, the District then submits its annual operating budget, of which the Authority's budget is a part, to the U.S. Congress for approval. See "– Authority's Relationship to the District" and "FINANCIAL OPERATIONS – Annual Budget."

Board of Directors

The Authority is governed by a Board of Directors consisting of 11 principal and 11 alternate members, each appointed for a staggered four-year term. Six principal members (appointed by the Mayor of the District with the advice and consent of the Council) represent the District and five principal members (appointed by the Mayor on the recommendations of the User Jurisdictions) represent the User Jurisdictions, two each from Prince George's and Montgomery Counties in Maryland, and one from Fairfax County, Virginia. The powers of the Authority are vested in and exercised by the Board at meetings duly called and held where a quorum of at least six members is present. All Board members participate in decisions directly affecting the management of joint-use facilities which are those facilities used by all three jurisdictions. Only the six members appointed to represent the District participate in those matters that affect District ratepayers and in setting rates, fees and charges for various services that affect only District residents. The Board meets monthly and operates through various standing and ad-hoc committees. The committees include Executive, Environmental Quality and Operations, Finance and Budget, Human Resources and Labor Relations, Audit, Strategic Planning, Governance, and District of Columbia Retail Water and Sewer Rates. The current principal members of the Board are listed below.

Principal Board Members¹	Appointing Authority	Term Start Date²	Term Expiration
Keith Anderson, Chair	District of Columbia	March 2024	September 2027
Rachna Bhatt	District of Columbia	June 2012	September 2026
Anthony Giancola	District of Columbia	July 2021	September 2024
Howard Gibbs	District of Columbia	October 2022	September 2024
Christopher Herrington	Fairfax County	December 2021	September 2025
Floyd Holt	Prince George’s County	February 2019	September 2022
Richard Jackson	District of Columbia	March 2024	September 2024
Fariba Kassiri	Montgomery County	April 15, 2020	[May 2024]
Jon Monger	Montgomery County	October 2023	May 2027

¹ As of the date of this Official Statement, there is one vacant seat for the District of Columbia and one vacant seat for Prince George’s County.

² Term start date indicates start of the Board member’s initial term as a principal member.

Source: Authority records.

The following are short biographies of the principal members of the Board.

Keith Anderson (District of Columbia)

Mr. Anderson was appointed as principal member and Chair of the Board in March 2024. Mr. Anderson was appointed Deputy Mayor for Operations and Infrastructure (DMOI) by Mayor Bowser on October 13, 2023. Previously, he served as Interim Deputy Mayor for Planning and Economic Development, Director of the DC Department of General Services, Director of the DC Department of Parks and Recreation and Director of the DC Department of Energy and Environment.

Rachna Bhatt (District of Columbia)

Ms. Bhatt was appointed as a principal member to the Board in July 2012. Ms. Bhatt serves as Director at HRGM Corporation, and has been with HRGM since 2001. Previously, Ms. Bhatt served as an Associate for Wachovia Securities, and as a consultant for Deloitte & Touche, LLP. Ms. Bhatt serves as a board member for the Professional Women in Construction and holds a Virginia Class A Contractor’s License. Ms. Bhatt holds a Bachelor of Science in Business Administration from Georgetown University and a Master in Business Administration from The Wharton School, University of Pennsylvania, with a major in Real Estate and Management.

Anthony Giancola (District of Columbia)

Mr. Giancola was appointed a principal member of the Board in 2021. He is a licensed professional engineer in the District of Columbia. His active duty career in the Civil Engineer Corps, U. S. Navy, achieving the rank of Commander, included tours in the Public Works (4), Contracts, Seabees, and as a Staff Civil Engineer (2). Since military retirement he has worked as the Public Works Director, City of Takoma Park, Maryland and Chief Engineer, Public Works Department, Frederick County, Maryland. He served as the Executive Director, National Association of County Engineers from October 1993 - June 2011 before retirement. He is a former chair of the Transportation Research Board (TRB) Low Volume Roads Committee (2001-2007) and serves on the Roadway Safety Foundation Advisory Committee from 1997 - present. Active in community activities he was the President of Plan Takoma, Inc., a non profit 501(c) 3 community organization in the District of Columbia from 1984 - 1998; was an appointed member of the DC Convention Center Community Advisory Committee (1995 to 2015 serving as 2nd Vice President); and an appointed Alternate member of the Board of Directors of the Washington Metropolitan Area Transit Authority (2007 - 2011 District of Columbia and 2011 - 2016 Federal).

Howard Gibbs (District of Columbia)

Mr. Gibbs is an Adjunct Professor of Structural Engineering, University of the District of Columbia, College of Agriculture, Urban Sustainability and Environmental Sciences. From 1972 to 2007 he was employed by the Potomac Electric Power Company (PEPCO) in the Civil and Substation Engineering Department, where he performed civil/structural engineering design and development of substations and other facilities. Prior to his appointment as a Principal Board Member, he served as an Alternate Member of the Board of Directors of D.C. Water since 2006. Mr. Gibbs has been affiliated with numerous professional engineering organizations, including Lifetime Member of the American Society of Civil Engineers, National Society of Professional Engineers Fellow, the District of Columbia Board of Professional Engineers Vice Chair from 1997 to 2016, and the District of Columbia Society of Professional

Engineers Vice Chair from 1997-2016. Mr. Gibbs holds a Bachelor of Science Degree in Civil Engineering (Summa Cum Laude), 1979, and a Master of Science Degree in Engineering Management, the George Washington University, 1996. Mr. Gibbs has received the Lifetime Achievement Award from the District of Columbia Council of Engineering and Architectural Societies, Distinguished Service Award, from the National Council of Examiners for Engineering and Surveying, and Meritorious Service Awards, District of Columbia Engineering and Architectural Societies, 2005 and 2012.

Christopher Herrington (Fairfax County)

Mr. Herrington was appointed a principal member of the Board in 2021. He began his appointment as director of the Department of Public Works and Environmental Services. He has over 25 years of local government experience with the City of Austin, Texas. He served as the assistant director for the Watershed Protection Department and as Austin's senior environmental policy officer, advising public officials, city departments and the public on a wide variety of development projects. While serving as Austin's senior environmental policy officer, Herrington worked to ensure that the protection of Austin's natural resources and residents received the highest priority in all public and private development. He has a dual background in ecology and engineering and has authored numerous publications on water quality and the environment. Herrington has a Bachelor of Science in Biology and a Master of Science in Civil Engineering, both from the University of Texas at Austin.

Floyd Holt (Prince George's County)

Mr. Holt was appointed a principal member of the Board in 2019. Mr. Holt is Deputy Chief Administrative Officer for Government Infrastructure, Technology and the Environment for Prince George's County Maryland. He previously worked as Prince George's County's Deputy Director of Central Services. Mr. Holt served as Chief of University Police at Gallaudet University; the world's only liberal arts university for the deaf before joining the Washington Suburban Sanitary Commission as Chief of Public Safety and Internal Investigations. He was later appointed Director of General Services, overseeing Fleet Management and Transportation, Warehousing, Quality Assurance, Procurement and Contracting. Mr. Holt attended the University of Maryland where he received a Bachelor's Degree in Government and Politics with a minor in Law Enforcement. Mr. Holt also holds a Master's in Business Administration from Gallaudet University.

Richard Jackson (District of Columbia)

Mr. Jackson is the Director of the Department of Energy and Environment (DOEE). He provides strategic guidance and leadership to a workforce of more than 450 environmental professionals and oversees the daily operations of five administrations that work collaboratively to protect the environment and conserve natural resources in the District of Columbia. Mr. Jackson joined DOEE in 2008 as a hazardous waste inspector in the Environmental Services Administration (ESA). During his tenure, he has established the Rail Safety and Emergency Response Division (RSERD), provided oversight on for the District of Columbia's Indoor Mold Inspection and Compliance Program, and managed the Site Remediation and Response Program. Notably, as Associate Director of the Toxic Substances Division, he led the largest and most complex river remediation project in the District --The Anacostia River Sediment Remediation Project -- a major step towards creating a cleaner, swimmable, fishable Anacostia River. Prior to his appointment as interim director, he served as senior deputy director at DOEE. He has over 20 years of experience in the chemical and environmental engineering industry and has successfully led teams to solve a wide range of environmental issues. He has extensive experience in hazardous waste management, chemical production and processing, nuclear power plant maintenance, occupational safety, research development, and quality assurance auditing. Mr. Jackson spent 21 years with the U.S. Navy as a nuclear submariner operating nuclear reactors, power generation and propulsion systems, and maintaining weapons systems.

Fariba Kassiri (Montgomery County)

Ms. Kassiri was appointed principal member of the Board in 2019. Ms. Kassiri is the Montgomery County Deputy Chief Administrative Officer (DCAO) and joined the Office of the County Executive in 2006. She is responsible for assisting the Chief Administrative Officer (CAO) in managing the operations and performance of County Government. In doing so, she provides administrative oversight to the directors of County departments and ensures that departments' core activities align with the County's Effective and Sustainable priority outcome and comply with all applicable policies, procedures, and regulations. Prior to joining Montgomery County, Ms. Kassiri spent four years as Special Advisor to the Prince George's County Chief Administrative Officer, providing recommendations to the County Executive and Chief Administrative Officer on a wide array of issues, programs, and policies. Ms. Kassiri holds a Bachelor of Science degree in Civil and Environmental Engineering from the University

of Colorado, and a Master's degree in Public Policy specializing in finance and management from the University of Maryland.

Jon Monger (Montgomery County)

Mr. Monger serves as the Director of the Montgomery County Department of Environmental Protection, appointed by County Executive Marc Elrich and confirmed by the Montgomery County Council in June 2023. His experience includes service as Counsel to the presidential commission formed to investigate the 2010 Deepwater Horizon Oil Spill, White House Liaison, and policy advisor to the U.S. Environmental Protection Agency (EPA) under President Barack Obama, and as Oversight Counsel to the U.S. House of Representatives' Committee on Energy and Commerce. He also served in the administration of President Biden as Assistant Deputy Administrator of the U.S. Environmental Protection Agency, where he oversaw agency policy, management, and operational priorities. Mr. Monger received his B.A. from the University of Michigan and graduated magna cum laude from the Catholic University of America Columbus School of Law.

Organizational Structure

The Authority's day-to-day operations are managed by the Chief Executive Officer (CEO), who is appointed by the Board. The CEO is supported by the Senior Executive Team (SET) that is comprised of the Chief Financial Officer (CFO) and Executive Vice President (EVP), Finance Procurement and Compliance; the Chief Operating Officer (COO) and EVP, Operations and Engineering; the Chief Legal Officer and EVP, Legal Affairs; the Chief Strategy and Performance Officer and EVP, Strategy and Performance; the Chief Communications and Stakeholders Engagement Officer and EVP; the Chief People and Inclusion Officer and EVP, People and Talent; and the Chief of Staff.

The COO oversees Operations and Engineering (including Blue Plains, water and sewer services, Clean Rivers, permit operations, and design and construction) as well as shared services (fleet, facilities, safety, security, and emergency management), watershed management, information technology, and customer care.

The CFO oversees the departments of Finance, Accounting, Budget and Rates and Revenue, and Procurement and Compliance.

Senior Executive Team

The Authority has in place a senior and mid-level management team with a broad range of private and public sector utility experience. The following are short biographies of key members of the Authority's Senior Executive Team.

David Gadis, CEO and General Manager

Mr. Gadis was appointed CEO and General Manager in 2018. Mr. Gadis brings 20 years of industry experience to the role, most recently as Executive Vice President of Veolia North America (VNA), where he led North American business development operations, and was responsible for corporate growth and \$3 billion in revenue. Mr. Gadis has been a frequent presenter at utility and government services conferences, including the U.S. Conference of Mayors, speaking on both Underground Infrastructure and Managing Utilities, as well as the National League of Cities and the National Association of Public Private Partnerships. Mr. Gadis earned a basketball scholarship to Southern Methodist University and was a four-year basketball player and team captain before graduating from SMU with a B.A. in Marketing Communications.

Matthew T. Brown, Chief Financial Officer and Executive Vice President, Finance Procurement and Compliance

Mr. Brown is the Chief Financial Officer and Executive Vice President of Finance and Procurement. In this role he has overall responsibility for the Authority's financial management and procurement activities, including rates and revenue, accounting operations and financial reporting, budget formulation and execution, treasury, investment and debt management, and goods and services and capital procurement. Mr. Brown previously served as the Director of the Mayor's Office of Budget and Finance of the District of Columbia and Director of the District Department of Transportation (DDOT). Mr. Brown began his career in the New York City Management of Budget and has served as Budget Director for the Washington Metropolitan Transit Authority, as an analyst with the Milwaukee Metropolitan Sewerage District, and as a project manager for Public Financial Management. He holds a B.A. in Political Science from Texas Wesleyan University, and an M.P.A. in Budget and Public Finance from the George Washington University.

Jeffery F. Thompson, Chief Operating Officer and EVP

Mr. Thompson has served as DC Water as Chief Operating Officer and Executive Vice President since May 2023. His responsibilities include oversight of DC Clean Rivers, Water Operations, Sewer & Pumping Operations, Engineering (including the Capital Improvement Program), and Blue Plains Advanced Wastewater Plant. Throughout his 33-year career, Mr. Thompson has led several utilities and has directed many large capital programs. He is a licensed Professional Engineer and holds a Bachelor of Science in Civil Engineering from the University of Central Florida and an Executive MBA from The University of Alabama. Mr. Thompson began his career as a Water Resources Engineer for The Walt Disney Company and has served in a variety of utility executive roles in Florida, Rhode Island, Massachusetts, and Alabama. He also serves on the Board of Blue Drop, LLC and the Board of The Water Research Foundation..

Keith J. Lindsey, Chief of Staff

Mr. Lindsey initially joined the Authority in 2017, and currently serves as Chief of Staff. In this capacity, Mr. Lindsey is responsible for advising and delivering on programs and initiatives related to the specific needs of the Office of the CEO. These initiatives include the CEO's programs to improve internal controls, transparency and accountability. Mr. Lindsey partners across all Divisions to execute the CEO's vision. Mr. Lindsey holds a Master of Science in Management with Troy University with a focus on Leadership and Organizational Design. He also holds a Bachelor of Arts in Psychology with a focus on Adult Education from Saint Leo College. Additionally, he has completed Executive Education Programs with Harvard, The Wharton School of the University of Pennsylvania, Duke Corporate University, and the Center for Creative Leadership. Mr. Lindsey retired honorably from the United States Air Force in 1999, after 20 years of service, including eight years stationed in Europe and Asia.

Marc K. Battle, Esq., Chief Legal Officer and Executive Vice President, Government & Legal Affairs

Mr. Battle, Esq. serves the Authority as Chief Legal Officer and Executive Vice President, Government and Legal Affairs. Joining the Authority in November 2019, Mr. Battle came to DC Water from Pepco, where he served in several roles, most recently as Region Vice President. As Executive Vice President, Legal Affairs, Mr. Battle manages, coordinates and performs all actions necessary to provide competent, timely legal advice to the CEO, the Board of Directors and all offices and departments of the Authority. Additionally, Mr. Battle is responsible for directing a team of attorneys and professional staff engaged in a wide range of legal matters, including regulatory compliance, litigation, FOIA, contract, employment and tort law. Mr. Battle is a graduate of the University of the District of Columbia and holds a J.D. from the Howard University School of Law. He serves as board member of the Greater Washington Urban League, Leadership Greater Washington, the DC Chamber of Commerce and the University of the District of Columbia Foundation.

Wayne Griffith, Chief Administration Officer and Executive Vice President

Mr. Griffith serves the Authority as Chief Administration Officer and Executive Vice President. Mr. Griffith is a utility management professional with over 36 years' experience in the water infrastructure market. He promotes and delivers programs to optimize assets, improve revenues, and enhance resources, achieving improved levels of performance and service. He is responsible for the functions for the development and execution of the Authority's strategic plan, Blueprint 2.0. This includes Strategic Management, Enterprise Program Management, Sustainability & Innovation program development and management, and Enterprise Risk Management. He has a unique blend of industry leading private sector operations management, niche utility business development and consulting experience. He has a B.S. in Environmental Engineering from Temple University and M.S. in Environmental Engineering from Michigan State University.

Kirsten B. Williams, Chief Communications and Stakeholders Engagement Officer, and EVP

Ms. Williams has served as Chief Communications and Stakeholders Engagement Officer, and EVP for the Authority since 2021 and has over twenty years of professional communications and stakeholder engagement experience. Most recently, Kirsten served as the Deputy Executive Director of the Public Service Commission of the District of Columbia. She previously served as the Senior Public Affairs Manager at Pepco. In this role, Ms. Williams addressed policy and legislative matters in the District, as well as stakeholder relations with government entities, community leaders, business organizations and non-profit groups. Ms. Williams has also served as an Attorney Advisor at the Federal Energy Regulatory Commission where she provided counsel on matters related to market-based rates and regional stakeholder processes. She earned two Bachelors of Science degrees in Public Relations and Public Communications from Appalachian State University, a Master of Public Administration from Appalachian State

University and a Juris Doctorate from Howard University School of Law. Ms. Williams has served as a member of the Appalachian State University Board of Visitors and on Appalachian's Department of Communication Professional Advisory Board.

Joy J. Dorsey, Chief People Officer And Executive Vice President, People and Talent

Ms. Dorsey serves the Authority as Chief People Officer And Executive Vice President, People and Talent. In this role, she leads all activities related to full-cycle human resources core functions, including benefits, compensation, employee and labor/union relations. Ms. Dorsey, who joined the Authority in September 2023, came to DC Water from the DC Office of the Attorney General, where she served as Talent Acquisition and Professional Development Officer since February 2020. In that capacity, she was charged with oversight of recruitment, professional training, consultant performance, and retention strategies of more than 700 employees across 11 divisions. Earlier in her career, she held senior leadership positions with Pepco, an Exelon Company, the Potomac Capital Investment Corporation, and Pepco Energy Services. Across each of these roles, Ms. Dorsey provided both legal advice and senior-level policy and compliance guidance on corporate and personnel matters. Ms. Dorsey earned her bachelor's degree in economics at Howard University, and Juris Doctorate from Hofstra University School of Law and was a member of the Leadership Greater Washington Class of 2010.

Authority's Relationship to the District

General. In accordance with section 207(e) of the Act, the District retained full legal title to, and a complete equitable interest in, the System; however, the System must remain under the control of the Authority for as long as any Authority revenue bonds remain outstanding. The District also has the power to appoint certain Board members, see “– Board of Directors” above.

According to the Home Rule Act, as amended by the “District of Columbia Water and Sewer Authority Independence Preservation Act,” P.L. 110-273, enacted by the Congress on July 15, 2008, (i) the authority of the District's Chief Financial Officer to hire, supervise and remove certain financial management employees, set forth in Section 424A of the Home Rule Act (D.C. Official Code Section 1-204.25), does not apply to personnel of the Authority and (ii) the financial management, personnel and procurement functions and responsibilities of the Authority shall be established exclusively pursuant to the rules and regulations adopted by the Board.

Pursuant to the Home Rule Act and the Act, the Authority is required to submit its annual operating budget to the District for its review and recommendations; however, the District has no power to change the annual budget of the Authority. After receiving the Authority's budget, the District then submits its annual operating budget, of which the Authority's budget is a part, to the U.S. Congress for approval. See “FINANCIAL OPERATIONS – Annual Budget.”

The Act provides that, subject to the provisions made by the Authority for security of revenue bonds, all revenues, proceeds, and moneys (except those collected or received from the stormwater fee) which are collected or received by the Authority will be credited to a segregated fund and will not, at any time, be transferred to, lapse into, or be commingled with the General Fund of the District or any other funds or accounts of the District, except for limited circumstances under which funds will be transferred to the District to pay for goods and services and property contracted for by the Authority from the District, or as otherwise authorized by law. See “SECURITY FOR THE SERIES 2024B BONDS – Lien on and Pledge of Net Assets – *Segregated Funds.*”

The Act also provides that, except as provided in the Act, the District will not limit or alter rights vested in the Authority to fulfill agreements made with holders of Authority bonds, or in any way impair the rights and remedies of the holders of Authority bonds. See “COVENANT BY THE DISTRICT OF COLUMBIA.”

The DC Water Consumer Protection Amendment Act of 2018, DC Law 22-299, effective April 11, 2019 (the “OPC Act”), amended the Act authorizing the Office of the People's Counsel, an independent agency of the District of Columbia government to (1) represent District of Columbia rate payers at DC Water administrative hearings; (2) represent the interests of and advocate for District of Columbia ratepayer's at public hearings; (3) represent and advocate for District of Columbia ratepayers at proceedings before local and federal regulatory agencies and courts; (4) investigate the services given by, and the rates charges by, the Authority; and (5) advise and educate the Authority customers about their legal rights and responsibilities pursuant to the rules governing service by the Authority. The OPC Act also requires the Authority to provide the public at least 45 days notice to consider adjustments to water and wastewater rates before a public hearing is held and to provide a written response to the OPC if it submits any written comments on the establishment or adjustments of water and wastewater rates. The OPC Act will not have a material

impact on the Authority or its finances. See “CUSTOMER BASE, RATES AND CHARGES – Customer Assistance Programs”.

The “District of Columbia Water and Sewer Authority Omnibus Amendment Act of 2020” (“Transparency Act”), effective March 16, 2021, codified DC Water rate-making practices, while maintaining DC Water’s long-standing autonomy and independent financial authority. The Act: (1) provides the public with remote meeting access for open Board meetings and public hearings; (2) requires reporting requirements for emergency events; (3) permits public comments on water and sewer rate changes from the date of publication of the hearing notice, through 5 days after the hearing (50 days); (4) creates a report, to be transmitted to the DC Water Board of Directors, responding to comments DC Water received during the rate making process; (5) publishes the report on its website, within 15 days after the end of the public comment period; (6) transmits a copy of the Independent Review of the Proposed Rates Report and the Cost of Service study to the Mayor and the Council, and publishes the report and study on DC Water’s website at least 45 days before any public hearing on water and sewer rates; (7) establishes requirements regarding private-side replacements of lead service lines; and (8) requires lead service line replacement reporting. The Transparency Act will not have a material impact on the Authority or its finances.

Memoranda of Understanding. The Authority is presently operating under, and is in compliance with, the following Memoranda of Understanding (each, a “Memorandum of Understanding” or “MOU”) with the District.

- A January 29, 1998, Memorandum of Understanding provides that the Authority will pay the District a PILOT for government services it receives from the District (the “1998 PILOT MOU”). This MOU provides that, beginning in Fiscal Year 1999, the annual PILOT will be based on the amount due from the Authority to the District for the previous Fiscal Year plus a percentage increase in an amount equivalent to the Authority’s System-wide rate increase for the current Fiscal Year. The District and the Authority amended the 1998 PILOT MOU pursuant to a September 4, 2014 Memorandum of Understanding, as amended and restated on December 15, 2014 (the “2014 PILOT MOU”). According to the 2014 PILOT MOU, the amount of the PILOT payment increases by two percent per annum based on the amount of the prior year’s annual PILOT payment. In addition, the Authority will deduct one-fourth of the annual fire protection service fee for services provided by the Authority to the District from the annual PILOT payment. In Fiscal Year 2021, the Authority made a PILOT payment to the District in the amount of \$22.4 million. The 2014 PILOT MOU will remain in effect until September 30, 2024. If the parties have not executed a new amendment to the 1998 PILOT MOU before September 30, 2024, the terms of the 2014 PILOT MOU will remain in force until a new amendment has been executed.
- A September 12, 2003, Memorandum of Understanding provides that the Authority will make quarterly payments to the District for its public right of way occupancy permit fee (the “2003 ROW MOU”). Under the terms of this MOU, the Authority was obligated to pay the District an annual fee of \$5.1 million through September 30, 2013, the expiration date of the MOU. On October 2, 2014, the District and the Authority entered in a new Memorandum of Understanding (the “2014 ROW MOU”) that amended the 2003 ROW MOU to establish the amount of the ROW Fee payment of \$5.1 million to the District for Fiscal Years 2015 to 2024 and revised the expiration date to September 30, 2024. As with the 2014 PILOT MOU, if the parties have not executed a new ROW MOU before September 30, 2024, the terms of the 2014 ROW MOU will remain in force until a new amendment has been executed.
- A July 25, 2008, Memorandum of Understanding between the District Department of Energy and Environment (“DOEE”) and the Authority establishes the basis for the billing and collection of a stormwater fee by the Authority on behalf of DOEE, and the transfer of those fees on a pass-through basis to DOEE. This MOU extends for one-year periods at the option of the Parties. See “THE SYSTEM – The Wastewater System – District Stormwater Permit and Management Program” and “CUSTOMER BASE, RATES AND CHARGES – Components of Retail Rates and Charges.”
- A May 3, 2013, Memorandum of Understanding between the District of Columbia Fire and Emergency Medical Services Department (“FEMS”) and the Authority memorializes the ongoing commitment between the two agencies to share information about public fire hydrant inspections and upgrades. The Authority is required to inspect all public fire hydrants once per year in accordance with National Fire Protection Association (“NFPA”) guidelines, and FEMS may, as time permits, also conduct a second inspection of fire hydrants in coordination with the Authority. The Authority is responsible for identifying and installing new hydrants as part of its ongoing capital program, developing manuals and protocols for hydrant inspection and inspection data management, and ensuring that the required

preventative maintenance is performed on each hydrant as required by the manufacturer. The Authority is required to flow test all hydrants every six years, and those hydrants that have been upgraded as part of the capital program will be tested upon being placed in service to ensure proper pressure and operation. Furthermore, the Authority has committed to providing water supply personnel on scene to FEMS when requested for two-alarm or greater fires. The Authority annually bills the District to recover the Authority’s costs for these fire hydrant protection services activities.

- A September 11, 2014, Memorandum of Understanding provides the terms by which the District and the Authority will cooperate in the execution of the Northeast Boundary Neighborhood Protective Project (the “2014 Bloomingdale MOU”). This MOU established the value of incremental capital expenditures totaling \$58,579,499.00 incurred by the Authority at the request of the District in order to mitigate overland flooding and wastewater backups in the Bloomingdale and LeDroit Park neighborhoods in Northwest Washington, D.C. The District has entered into an agreement with the Authority for the amounts spent pursuant to the 2014 Bloomingdale MOU, to be paid in ten equal annual installments, commencing January 2016, and has made the payments on a timely basis.

Proposed Legislation. The “Water is Life Amendment Act of 2024” was introduced by Councilmember Zachary Parker on February 1, 2024 and referred to the Committee on Transportation and the Environment on February 6. If enacted, the legislation would prevent water service from being disconnected from residential properties for nonpayment. It also enables residential tenants to access their water bill and utility payment programs intended to prevent low-income residents from service interruptions. The legislation has no cosponsors and there have been no hearings on the legislation scheduled. The Authority is not aware of any other proposed legislation by the Council that would materially impact the Authority’s operations as of the date of this Official Statement.

Employees and Labor Relations

The total number of authorized positions for the Authority for Fiscal Year 2024 is 1,317. As of March 31, 2024, the Authority had 1,162 full-time equivalent employees, of whom 705 were represented by five unions:

- American Federation of Government Employees (“AFGE”) consisting of Locals 631, 872 and 2553;
- American Federation of State, County and Municipal Employees (“AFSCME”), Local 2091; and,
- National Association of Government Employees (“NAGE”), Local R3-06.

The Authority and all five unions operate under a single Master Agreement on Compensation, which is currently under renewal negotiations.

The Authority is also a party to five separate working condition agreements with each union. The AFGE 2553 and AFSCME Local 2091 working condition agreements expired on September 30, 2021, but the terms of each agreement remain in effect and the Authority expects the agreements to be renewed for an additional term subject to further negotiations. The NAGE R3-06 working condition agreement expired on September 30, 2023. The AFGE 631 and 872 working condition agreements are subject to renewal negotiations at any time moving forward (until negotiations commence, the same terms and conditions of each working condition agreement remain in full force and effect).

The percentage of current employees eligible to retire within the next five and ten years (based on age and years of service) is shown in Table 2.

[to be confirmed] Table 2. Percentage of Current Employees Eligible to Retire Within the Next Five and Ten Years
(based on age and years of service)

	3/31/2024	3/31/2029	3/31/2034
Employees	20%	37%	54%
Directors and Executives	28%	49%	75%

Source: Authority records.

People & Talent launched a Succession Development Pilot Program in the 3rd Quarter of the fiscal year 2019. The pilot program includes critical positions from both leadership and operational rolls across the Authority. The program uses a systematic approach of identifying critical positions, developing internal talent, retaining organizational knowledge, and fostering interdepartmental collaboration.

Retirement/Pension Plan

Most DC Water employees participate in Defined Contribution type retirement plans. In the 401(a) Defined Contribution plan, all contributions are made by DC Water, who contributes 7% of employee base pay each pay period. An additional matching contribution is made (dollar for dollar) when employees defer money into the 457(b). The maximum match is 5%. Employees with salaries more than the social security wage base receive an additional 5% contribution each pay period for the salary above the social security wage base. This plan requires three (3) years of service to be fully vested (Cliff Vesting Schedule). In the 457(b) Deferred Compensation plan, employees may defer salary on a pre-tax basis up to the annual limits established by the IRS. Finally, in the Retirement Health Savings Plan, non-union employees who leave DC Water after 5 years of service with an unused sick leave balance of equal or greater than 100 hours have the value of the sick leave cashed out and deposited into a Retirement Health Savings Plan for the benefit of the employee.

The Authority has a small group (40 as of March 31, 2024) of employees participating under Federal Benefits. Most of the employees were hired before October 1, 1987. In the Civil Service Retirement (CSR) plan, each pay period DC Water contributes 7% of base pay and the employee contributes 7% of base pay into the CSR system. When these employees retire, their pension is paid by the Federal Government and administered by the Office of Personnel Management. DC Water bears no post retirement cost. The Federal Retirement Health and Life plan consists of a grandfathered group who may continue to participate in the Federal Health Benefits Plan at the same cost share arrangement as active employees. The employer share is assumed by the federal government and administered by OPM after retirement.

The Authority has no unfunded pension liability or other post-employment benefits liability under any of the plans described above.

Risk Management and Insurance

The Authority has developed a comprehensive risk management and insurance program which is annually reviewed and periodically bid by management and their independent insurance advisors through qualified brokers and direct insurance writers. The most recent risk management, insurance assessment and bid process was completed in July 2023. The Authority's Rolling Owner Controlled Insurance Program is scheduled to be maintained through October 2026. The Authority's other insurance policies (including liability insurance and workers' compensation, property, equipment, crime, fiduciary, public officials' and employment practices liability) were renewed annually on July 1. Since the passage of the Terrorism Risk Insurance Act of 2002 ("TRIA"), terrorism coverage is included under all insurance policies.

Risks from Unexpected Events

General

The Authority's infrastructure could sustain damage and loss of use as a result of certain unexpected events, such as terrorist attacks, extreme weather events and other natural occurrences, fires and explosions, spills of hazardous substances, strikes and lockouts, sabotage, wars, blockades and riots. While the Authority has attempted to address the risk of loss through the purchase of insurance, certain of these events may not be covered. Furthermore, even for events that are covered by insurance, the Authority cannot guarantee that coverage will be sufficient or that insurers will pay claims in a timely manner. From time to time, the Authority may change the types of, and limits and deductibles on, the insurance coverage that it carries. The Authority cannot predict what effects any of these events may have on the Authority's ability to generate Revenues, but the effects may be materially adverse.

Risk Factors Related to Public Health Emergencies

There can be no assurance concerning possibility of future public health emergencies, including but not limited to global pandemics, that negatively impact the Authority's customer base and operations, including future variants of the coronavirus. The Authority cannot predict (i) the duration or extent a future pandemic or other public health emergency; (ii) the implementation, duration, or expansion of governmental restrictions; (iii) what effect any

pandemic-related restrictions or warnings may have on the economy, the District or the Authority; (iv) whether and to what extent the a future pandemic or other public health emergency may disrupt the local or global economy, manufacturing or supply chain, or whether any such disruption may adversely impact the construction of the CIP or other operations; (v) the extent to which a future pandemic or other public health emergency may result in changes in demand for water, or may have an impact on water customers or suppliers or the water industry, generally; (vi) whether or to what extent the Authority may provide additional deferrals, forbearances, adjustment or other changes to the arrangements with its customers; (vii) whether actions taken by Federal and state and local governments (including the District) to mitigate the impact a future pandemic or other public health emergency will have the intended effects; or (viii) whether any of the foregoing may have a material adverse effect on the finances and operations of the Authority.

Global Climate Change

Numerous scientific studies on global climate change show that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures will become more common and extreme weather events will become more frequent as a result of increasing global temperatures attributable to atmospheric pollution. Over the next 25 to 100 years, such extreme events and conditions are expected to increasingly disrupt and damage critical infrastructure and property as well as regional economies and industries that depend on natural resources and favorable climate conditions. Disruptions could include more frequent and longer-lasting power outages, fuel shortages and service disruptions. Coastal public infrastructure may be threatened by the continued increase in the frequency and extent of high-tide flooding due to sea level rise, and inland infrastructure, including access to roads, the viability of bridges and the safety of pipelines, may be affected by increases in the severity and frequency of heavy precipitation events. Near-coastal areas like the greater Washington, D.C. metropolitan area (which contains areas of land that are at or near sea level) may be at risk of substantial flood damage over time, affecting private development and public infrastructure. As a result, many residents, businesses, and governmental operations within this area could be negatively impacted and possibly displaced, reducing the number of rate payers and users of the system. In addition, local public agencies and governmental entities could be required to mitigate these climate change effects at a potentially material cost.

Ensure a Safe & Reliable Computing Environment

As a retail utility and critical infrastructure asset, the Authority is a potential target of an array of threats from the casual hacker to a state sponsored cyber terrorist. It is the Authority's priority and responsibility to maintain a safe and reliable computing environment. The Authority was the first water utility to adopt the voluntary Cyber Security framework outlined in Executive Order 13636, "Improving Critical Infrastructure Cyber Security," issued in February 2013. This Cyber Security framework is now formally known as the NIST Cybersecurity Framework (the "NIST Framework"). The NIST Framework forms the foundation of the Authority's Cyber Security program. Coupled with a layered defense approach, a default deny strategy, a privilege access control policy and a comprehensive cyber awareness program, the Authority strives to ensure the highest level of protection across its three separate computing environments (one traditional business networks and two operational networks, which do not have direct internet access).

The NIST Framework focuses on six (6) primary pillars of excellence. The Authority helps to:

Govern — The organization's cybersecurity risk management strategy, expectations, and policy are established, communicated, and monitored. The Govern Function provides outcomes to inform what an organization may do to achieve and prioritize the outcomes of the other five Functions in the context of its mission and stakeholder expectations. Governance activities are critical for incorporating cybersecurity into an organization's broader enterprise risk management (ERM) strategy. Govern addresses an understanding of organizational context; the establishment of cybersecurity strategy and cybersecurity supply chain risk management; roles, responsibilities, and authorities; policy; and the oversight of cybersecurity strategy.

Identify – Develop an organizational understanding to manage cybersecurity risks to systems, people, assets, data and capabilities. The activities in the Identify Function are foundational for effective use of the NIST framework. Understanding the business context, the resources that support critical functions, and the related cybersecurity risks enables an organization to focus and prioritize its efforts, consistent with its risk management strategy and business needs. Examples of outcome categories include Asset Management, Business Environment, Governance, Risk Assessment and Risk Management

Protect – Develop and implement appropriate safeguards to ensure delivery of critical services. The Protect Function supports the ability to limit or contain the impact of a potential cybersecurity event. Examples of outcome categories include Identity Management and Access Control, Awareness and Training, Data Security, Information Protection Processes and Procedures and Patch Management and Protective Technology.

Detect – Develop and implement appropriate activities to identify the occurrence of a cybersecurity event. The Detect Function enables timely discovery of cybersecurity events. Examples of outcome categories include Anomalies and Event detection, Security Continuous Monitoring and Correlation Analysis.

Respond – Develop and implement appropriate activities to take action when cybersecurity incident is suspected or detected. The Respond Function supports the ability to contain the impact of a potential cybersecurity incident. Examples of outcome categories include Response Planning, Communications Analysis, Mitigation, and Incident Management.

Recover – Develop and implement appropriate activities to maintain plans for resilience and to restore any capabilities or services that were impaired due to a cybersecurity incident. The Recover Function supports timely recovery to normal operations to reduce the impact from a cybersecurity incident. Examples of outcome categories include Recovery Planning, Backup and Replication and Recovery Management.

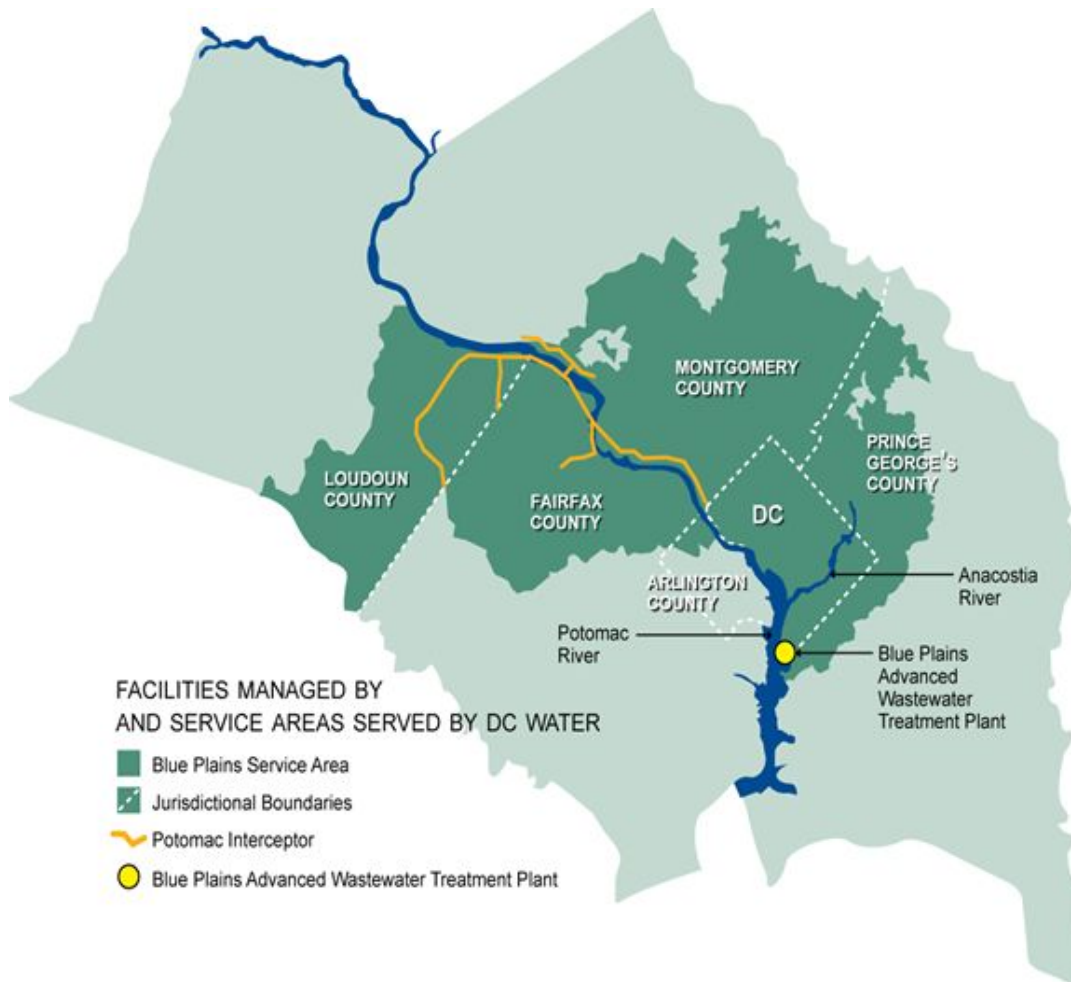
In addition to the NIST Framework, the Authority has implemented information systems with consideration to IT-related risks that could impact the Authority or the Water and Wastewater Systems of the Authority. The information system's goal is met through the following security objectives: confidentiality – data stored on an information systems is not disclosed to unauthorized individuals; integrity – there has not been an unauthorized alteration of the data while in storage or in transit, and the information system is free from unauthorized changes; availability – the system functions as designed and service is available to authorized users upon demand; accountability – actions of an entity may be traced uniquely to that entity; assurance – confidence that the security measures protect the information system and the information it processes.

Adopting the NIST Framework and implementing information systems alone will not ensure the Authority and the Water and Wastewater Systems are protected from a cyber-threat. A shift to a higher-level focus on Cyber Resiliency is necessary. The Authority continues to evaluate, implement, and exercise technologies that allow the organization to continue to provide critical water and wastewater services during adverse conditions. Authority staff meets regularly with technology providers to ensure deployed technology is configured optimally to mitigate disruptions, minimize impacts while maintaining complete situational awareness of the threat landscape. The Authority's success is achieved by institutionalizing the elements of the NIST Framework, information system and Cyber Resilience.

The Authority also has an established network of resources, which it leverages to proactively assess new and evolving risks including vendors, internal auditors, peer utilities, WaterISAC and government partners. These resources contribute to continuously improving the Authority's capabilities. Finally, the Authority has purchased Cyber Liability and Breach Notification insurance coverage for third party liability and privacy notification expenses resulting from data breaches. The total aggregate coverage is \$5 million.

THE SYSTEM

The Authority provides retail water distribution to the District and wastewater treatment, collection and disposal services to the District and certain neighboring counties in Maryland and Virginia. The following section describes the Water and Wastewater Systems of the Authority, including a description of the Aqueduct.



The Wastewater System

Blue Plains Advanced Wastewater Treatment Plant

The Authority operates the Blue Plains Advanced Wastewater Treatment Plant (“Blue Plains”), the largest advanced wastewater treatment facility in the United States. The original wastewater treatment facility at the site of Blue Plains was built in 1938. The original facility provided only primary treatment for up to 130 million gallons per day (“mgd”). Subsequently, there have been several expansions and upgrades. Since 1983, Blue Plains has provided advanced treatment, which includes nutrient removal, filtration and dechlorination. The most recent expansion of Blue Plains was completed in 1997, which increased the plant’s capacity to 384 mgd.

Service Area

The Blue Plains service area includes the District (retail service), parts of Arlington, Fairfax and Loudoun Counties, and the Town of Vienna in Virginia, parts of Prince George's and Montgomery Counties in Maryland, Washington Dulles International Airport and various U.S. Government agencies located in Virginia and Maryland (wholesale service). [*confirm population estimates*: The population of the Blue Plains service area totals approximately 2.3 million, consisting of approximately 700,000 residents of the District and 1.6 million residents of the surrounding jurisdictions. In addition, the Authority annually serves approximately 24.6 million visitors to the area and approximately 800,000 workers in the District.]

Wholesale Customer Agreements [confirmed?]

Intermunicipal Agreements – In 1985, the District signed the Blue Plains Intermunicipal Agreement of 1985 (the “1985 IMA”) with Fairfax County in Virginia, Montgomery and Prince George's Counties in Maryland and the Washington Suburban Sanitary Commission (the “WSSC”) in order to address wastewater treatment, biosolids management and cost allocation rights, obligations and objectives with respect to Blue Plains. A significant portion of the wastewater collection and all of the wastewater treatment and related biosolids management required by the 1985 IMA was provided by the District at Blue Plains until 1996, when the District created the Authority as an independent authority with regional responsibilities to provide those services through the operation and management of Blue Plains and associated facilities. The District, however, retained and continues to hold title to the real property, appurtenances and fixtures of Blue Plains.

The 1985 IMA was replaced in 2012 by a new Intermunicipal Agreement (the “2012 IMA”), which was negotiated, approved and executed by each of the signatories to the 1985 IMA, in addition to the Authority. The 2012 IMA incorporates provisions and establishes terms relating to: facility location; current and long-range infrastructure planning and development; allocation of wastewater treatment capacity of Blue Plains and associated facilities and related peak flows for the collection system; funding and allocation of the capital costs of wastewater treatment, biosolids management and O&M costs; responsibilities with respect to pretreatment and operational requirements; the process of making future wastewater capacity planning decisions, including load allocations; mechanisms for coordination among the parties; and long-term management of the wastewater treatment and disposal process. Under those terms, the cost of operations and maintenance of Blue Plains are shared among the 2012 IMA signatories on an actual basis, whereas the costs of the capital program of Blue Plains are shared among the 2012 IMA signatories commensurate with their respective capacity allocations, with 45.8% of Blue Plains flow capacity allocated to the District and the remainder to the WSSC (on behalf of Montgomery and Prince George's Counties) and Fairfax County. The 2012 IMA also establishes the Authority's right to require the User Jurisdictions to off-load flows to other wastewater treatment plants as necessary to provide the Authority capacity as needed to serve the District's portion of the service area.

Potomac Interceptor Agreements – Since October 1963, the District has entered into separate, limited allocation agreements with several entities that were tributaries to the Potomac Interceptor sewer as provided by statute. Certain of those agreements remain in effect and include users that did not participate in the IMA as signatories, but are allocated flow capacity under the 2012 IMA in accordance with the original individual agreements they entered into with the District prior to the 1985 IMA. Those entities include the Department of Transportation/Federal Aviation Administration on behalf of Washington Dulles International Airport, the Department of the Navy, the National Park Service, and the Town of Vienna, Virginia, which together account for less than 1% of Blue Plains allocated flow capacity. These Potomac Interceptor agreements provide for the pro-rata recovery, through the District, of the Authority's costs of constructing, operating and maintaining the Potomac Interceptor sewer and certain major interceptor sewers within the Blue Plains service territory. A separate Potomac Interceptor agreement was executed after the 1985 IMA with the Loudoun County Sanitation Authority and is described below.

Loudoun County Sanitation Authority Agreement – In November 1998, the Authority and the District executed an agreement with the Loudoun County Sanitation Authority (“LCSA”) allocating the right to limited Potomac Interceptor flow capacity to the LCSA, including the treatment and disposal of the associated wastewater at Blue Plains. Consistent with that agreement, the 2012 IMA allocates commensurate Blue Plains flow capacity to the LCSA, although it is also not a signatory to the IMA. The agreement requires LCSA to pay for its share of the Potomac Interceptor and Blue Plains operating and capital costs, following the IMA methodology (i.e., based upon metered flows for operating costs and a pro rata capacity allocation for capital costs).

Wastewater Collection

The wastewater collection system consists of approximately 1,900 miles of sanitary, stormwater and combined sewers, 50,000 manholes, 25,000 catch basins, 22 flow metering stations, nine sewage pumping stations, 16 stormwater pumping stations, seven miles of tunnels (23-feet in diameter and buried over 100 feet deep), 11 drop shafts, 25 diversion chambers and approximately 200 green infrastructure facilities. The Authority has completed detailed assessments and a large number of improvements to many of the pumping stations. See “THE SYSTEM – Wastewater Regulation and Permits” below.

Sanitary Sewer System

A sanitary sewer system serves two-thirds of the District’s land area. The system includes 600 miles of interceptor and sewer collection pipes with eight sanitary pumping stations. The typical operation is a gravity flow system with a few pumping stations to pump across higher grades in the District. Over the last 17 years, the Authority has completed a number of upgrades to its sanitary sewer system, which have made the system compliant with new code standards and regulations, and increased the efficiency and effectiveness of several of the system’s pump stations.

Combined Sewer Overflow Wastewater System

Approximately one-third of the District’s land area is served by a combined sewer overflow (“CSO”) wastewater system that combines both stormwater and wastewater in a single conveyance system. Combined sewer systems are common among older cities throughout the United States. The District’s combined sewer system conveys only sanitary flow to Blue Plains during dry weather. During and immediately following periods of heavy rainfall, however, the combined sanitary and stormwater flows frequently exceed the capacity of the combined sewer system and a combination of stormwater and untreated wastewater is discharged through one or more of the 53 existing CSO outfalls authorized in the Authority’s NPDES Permit. See “THE SYSTEM - Wastewater Regulation and Permits – NPDES Permit” below.

Biosolids Disposal

[please review and confirm – updating language as facilities have now been in operation nine years] Blue Plains biosolids processing facilities consist of thermal hydrolysis and anaerobic digestion. These facilities produce approximately 500 tons of biosolids per day (25 truckloads). These biosolids are considered Class A (as defined by EPA) and are currently applied directly to farmland at various sites in Virginia, Maryland, and Pennsylvania with disposal in landfills being utilized as an alternate method if weather conditions do not allow land application. Because the biosolids are Class A, the Authority has maximum flexibility in its efforts to recycle biosolids produced at Blue Plains. See “CAPITAL IMPROVEMENT PROGRAM – Categories of CIP Projects – Wastewater Treatment Projects.”

Wastewater Regulation and Permits

[Please review and provide any updates regarding permits and consent decrees since January 1, 2022]

NPDES Permit. Blue Plains is authorized to discharge treated effluent to the Potomac River through two outfalls (Outfalls 001 and 002) pursuant to an NPDES permit (the “NPDES Permit”) that was reissued to the Authority by the U.S. Environmental Protection Agency (the “EPA”) effective August 26, 2018. Discharges through Outfall 002, which consist of sanitary flow and some combined sewer flow from the CSO system during and following rainfall events, receive complete treatment. Combined sewer flows that exceed Blue Plains’ capacity receive partial treatment and are discharged through Outfall 001. The NPDES Permit also authorizes discharges to the Anacostia River, the Potomac River and Rock Creek from the combined sewer system through a total of 53 CSO outfalls and four emergency relief outfalls.

The NPDES Permit requires that discharges from the CSO outfalls not exceed those limits necessary to comply with applicable water quality standards under the Clean Water Act, 33 U.S.C. § 1251 et seq. (the “Clean Water Act”). The Authority was the first agency to meet the voluntary nutrient reduction goal of the 1987 Chesapeake Bay Agreement. See “– *The Chesapeake Bay Agreements*” below. The NPDES Permit also requires the development and implementation of a Nine Minimum Controls program (the “NMC Program”), consisting of proper operation and maintenance of the existing collection and treatment system to minimize untreated discharges from the CSO outfalls,

as well as the implementation of a CSO Long-Term Control Plan (the “DC Clean Rivers Project”)* designed to control CSO discharges to prevent them from causing or contributing to violations of applicable water quality standards.

The DC Clean Rivers Project is being implemented pursuant to a consent decree among the Authority, the District, and the United States dated March 25, 2005 (the “2005 LTCP Consent Decree”). In 2016, the Authority successfully renegotiated an amendment to the 2005 LTCP Consent Decree that modifies the DC Clean Rivers Project to include green/gray infrastructure in the Potomac Watershed and green infrastructure in the Rock Creek Watershed. According to the amended 2005 LTCP Consent Decree (the “1st Amended Decree”) pursuant to the DC Clean Rivers Project, the Authority will construct 17 miles of tunnels with a combined storage capacity of 187 million gallons, five new tunnels, a low lift pumping station, several diversion structures and sewers to collect CSO overflows, and green infrastructure to control selected CSOs. On December 22, 2020, the parties filed a second amended consent decree (the “2nd Amended Decree”), which amended provisions regarding the Rock Creek Sewershed Projects. The 2nd Amended Decree requires the Authority to achieve the 9.5 million gallons of storage in the CSO 049 sewershed by (i) constructing a 4.2 million gallon storage facility, (ii) constructing at least 92 acres (3 million gallons) of green infrastructure, targeted sewer separation, and downspout disconnections, and (iii) credits 2.3 million gallons of other green infrastructure controlled acres constructed in the CSO 049 sewershed. The 2005 LTCP Consent Decree, as amended by the 2nd Amended Decree, does not have an expiration date.

The DC Clean Rivers Project continues on schedule. The FY 2022 – FY 2031 CIP includes approximately \$1.22 billion for the costs of the DC Clean Rivers Project and combined sewer projects. See “CAPITAL IMPROVEMENT PROGRAM – Categories of CIP Projects – Combined Sewer Overflow Projects.” Effective May 1, 2009, the Authority implemented a rate structure that more equitably allocates the costs of the DC Clean Rivers Project to retail customers based on the impervious surface area on customers’ properties. See “CUSTOMER BASE, RATES AND CHARGES –Components of Retail Rates and Charges – *Clean Rivers Impervious Area Charge*.”

Industrial Pretreatment Program. As with most large wastewater systems, the Authority, under the provisions of the Clean Water Act, operates an industrial pretreatment program to control the discharge into the wastewater system of industrial wastewater containing certain toxins or prohibited pollutants. The Authority regulates 48 “significant industrial users” or “SIUs” as defined by EPA regulations within the Blue Plains service area. Nine SIUs are managed by the Authority, of which 6 of these users are physically located within the District of Columbia. The remaining 39 SIUs are managed by the User Jurisdictions.

Wastewater Consent Decree and Stipulated Agreement and Orders. Upon its creation, the Authority assumed responsibility for compliance with various legal actions taken against the District related to the operation of, and discharges from, Blue Plains, specifically including a judicial Consent Decree issued in 1995 (the “1995 Consent Decree”) and a subsequent Stipulated Agreement and Order (the “1996 Stipulated Agreement and Order”). The Authority is presently in compliance with all of the requirements under each of the 1995 Consent Decree and the 1996 Stipulated Agreement and Order. The EPA Region III has acknowledged satisfaction of these requirements, although the 1995 Consent Decree remains in effect.

The Chesapeake Bay Agreements. In 1987, the Mayor of the District and the Governors of the Commonwealths of Virginia and Pennsylvania and the State of Maryland entered into the 1987 Chesapeake Bay Agreement, committing each jurisdiction to, and subsequently achieving, a 40% reduction of nutrients, such as nitrogen and phosphorus, reaching the main stem of the Chesapeake Bay by the year 2000. Unlike many municipal wastewater treatment facilities that discharge into the Chesapeake Bay, the Authority has historically removed phosphorus and nitrogen. As a supplemental environmental project in settlement of liability for stipulated penalties under the 1995 Consent Decree, the Authority installed a pilot program to test a nitrogen reduction process on one-half of its wastewater, which demonstrated a greater than 40% nitrogen reduction in completely treated effluent. As a result, in 2000, the Authority began operation of full plant scale biological nutrient removal.

In 2000, the parties entered into Chesapeake 2000, a comprehensive agreement to guide further efforts to improve the water quality in the Chesapeake Bay through 2010. In April 2007, the EPA issued a modification to the Authority’s NPDES Permit, reflecting a new total nitrogen effluent limit for Blue Plains, which was developed to match the goals of Chesapeake 2000. In addition to meeting the new effluent limit for total nitrogen, the Authority had existing NPDES Permit requirements for treating wet weather flows at Blue Plains as part of its long-term control plan for the combined sewer system. In October 2007, the Authority submitted to the EPA the Blue Plains Total Nitrogen Removal/Wet Weather Plan (“TN/Wet Weather Plan”), setting forth the Authority’s proposal and schedule

* Note that in Official Statements of the Authority prior to 2022 the DC Clean Rivers Project was referred to as the “CSO LTCP”.

to attain the new nitrogen limit and to satisfy its wet weather treatment obligations. The principal TN/Wet Weather systems include the Blue Plains Enhanced Nitrogen Removal Facilities program (“ENRF”), which was designed to achieve advanced effluent treatment with nitrification and denitrification facilities, and the extension of the tunnels system from Poplar Point to Blue Plains, including tunnel dewatering and enhanced clarification facilities at the tunnels system terminus. In September 2008, the Authority submitted to the EPA a summary report that provided a plan for implementing the wet weather aspects of the TN/Wet Weather Plan. The EPA approved the TN/Wet Weather Plan in July 2010 and incorporated these changes into the amended 2005 LTCP Consent Decree.

The Authority’s NPDES Permit, effective September 30, 2010, required the Authority to comply with a new total nitrogen discharge limit at Outfall 002 of 4,377,580 pounds per year by January 1, 2015. The ENRF was completed and began treating the full Blue Plains plant flow in October 2014, satisfying the Authority’s obligation to begin compliance by January 1, 2015. See “CAPITAL IMPROVEMENT PROGRAM – Categories of CIP Projects – Wastewater Treatment Projects.”

On June 16, 2014, the parties to Chesapeake 2000 and the Governors of the State of Delaware, New York and West Virginia entered into the Chesapeake Watershed Agreement (“2014 Chesapeake Agreement”) committing to have in place practices and controls to achieve 60% reduction of nutrients and sediments by 2017. On March 9, 2018, the Authority began operation of all TN/Wet Weather systems, which satisfies the requirements of the 2014 Chesapeake Agreement.

The Authority’s current NPDES Permit, effective August 26, 2018, requires the Authority to operate the ENRF to meet the total nitrogen effluent limit at Outfall 002 of not more than 4,370,078 pounds per year which is assigned to Outfall 002. The Authority is in compliance with these requirements.

Air Quality Regulations. The Authority has applied for and received from the DOEE numerous air quality construction and operating permits under Chapter 2 of Title 20 of the District of Columbia Municipal Regulations for several emission sources. The terms of the Chapter 2 air quality permits as well as other applicable requirements relating to air pollution will eventually be incorporated into an air quality operating permit under Chapter 3 of Title 20 of the District of Columbia Municipal Regulations (“Chapter 3 Operating Permit”). The Authority submitted an application to the DOEE for the Chapter 3 Operating Permit in March 2008 and the application was updated in June 2020 to include all new sources.

Future Matters. In addition to continued compliance with its current permits, agreements and regulations described above, in the future, the Authority’s wastewater discharges may become subject to additional federal or local requirements. As the EPA or the District promulgate additional regulations, the Authority may be required to modify operations and/or construct facilities beyond those contemplated in the CIP. As an example, on November 23, 2015, the Authority filed a declaratory action in the U.S. District Court for the District of Columbia against the EPA, seeking to correct alleged technical errors in a regulatory action related to the Total Maximum Daily Load (“TMDL”) for E. coli. The TMDL, as approved, did not account for the normal day-to-day variability at Blue Plains and, if enforced against the Authority, could have required significant capital improvements at Blue Plains. On January 13, 2017, EPA issued a revised decision rationale, which resolved the issues that the Authority challenged. On March 13, 2017, the parties filed a motion to dismiss the Authority’s complaint and that case was closed. However, the EPA’s revised decisional rationale was challenged in a separate proceeding filed by the Anacostia Riverkeeper, Inc., Kingman Park Civic Association and Potomac Riverkeeper Network (the “Plaintiffs”). On August 12, 2019, the U.S. District Court for the District of Columbia held that the TMDL for E. coli that DOEE developed and EPA approved (based on its revised decision rationale) did not comply with the Clean Water Act. On August 7, 2020, EPA and DOEE informed Plaintiff’s that they had not developed revised the TMDL, and it would take 7-10 years to complete because they plan to first revise the District’s water quality standards pursuant to a “use attainability analysis” to remove the current designated use of primary contact recreation in District waters under certain conditions. The Plaintiff’s requested the Court to extend the stay of vacatur to provide more time to work with EPA and DOEE to confer about the new plan. [update?][The stay of vacatur is extended until May 9, 2022 as of the date of this Official Statement.] The litigation is ongoing and the Authority will continue to monitor the development of new TMDL and will advocate, as necessary, on behalf of itself and its rate payers.

The Water System

The Washington Aqueduct

Established in 1852, the Washington Aqueduct Division of the U.S. Army Corps of Engineers (the “USACE”) provides water to the District and parts of Virginia. The USACE owns and operates the Washington Aqueduct (the “Aqueduct”), including its two water treatment plants, raw water conduits, reservoirs, pumping stations and treated water transmission lines.

The Aqueduct facilities supply treated water to distribution systems of the Authority, Arlington County, Fairfax County Water Authority (“FCWA”) (collectively, the “Aqueduct Customers”), the federal government, and other parts of northern Virginia. In January 2014, FCWA assumed ownership and operation of the water distribution system previously owned and operated by the City of Falls Church. The Authority is responsible for managing the treated Water System that serves the District and several other governmental customers outside the District. The Authority purchases approximately 73% of the finished water produced by the Aqueduct, and Arlington County and the FCWA purchase the remainder. The Authority’s share of the water purchased from the Aqueduct in the last ten Fiscal Years is set forth in Table 3. For a discussion regarding the reduction in consumption and customer demand, see “CUSTOMER BASE, RATES AND CHARGES – Customer Demand.”

Table 3. Historical Water Demand

Fiscal Year ended September 30	Annual Deliveries to System (MG)	Average Day (MGD)	Max Day (MGD)
2014	34,708	95.1	123.7
2015	38,146	104.5	148.4
2016	36,363	99.4	127.7
2017	35,827	98.2	122.7
2018	34,343	94.1	132.5
2019	35,189	96.4	133.3
2020	33,639	91.9	123.4
2021	34,719	95.1	124.2
2022	34,763	95.2	115.0
2023	34,448	94.4	122.1

Source: Authority records.

The Aqueduct draws water from the Potomac River, which is the predominant source of water in the District and the User Jurisdictions. As a result of the Potomac River’s importance for maintaining adequate water supply, the Interstate Commission on the Potomac River Basin (“ICPRB”) and the Metropolitan Washington Council of Governments (“COG”), have maintained a drought plan since 1978, through which the Potomac River’s water supply is supplemented by a 23.5 billion gallon reserve that is stored at three separate off-river reservoirs. Due to the maintenance of this strategic reserve, the ICPRB has been able to effectively manage drought conditions and effectively allocate water resources during drought events.

The federal Safe Drinking Water Act Amendments of 1996 authorized the Secretary of the Army with the consent of the Authority, the City of Falls Church and Arlington County to either establish a non-federal public or private utility to receive title to operate, maintain and manage the Aqueduct or to allow the USACE to remain as owner and operator with the Authority, the City of Falls Church and Arlington County having some input into strategic operations, direction, operations and capital improvement of the Aqueduct. In May 1998, the Authority, the City of Falls Church, Arlington County and the USACE executed a Memorandum of Understanding that the USACE would continue to own and operate the Aqueduct facilities. In December 2013, the Authority, FCWA, Arlington County and the USACE executed a revised Memorandum of Understanding to include the FCWA as the successor in interest to the City of Falls Church.

The Aqueduct has developed a capital improvement program, including improvements to the Dalecarlia and McMillan Water Treatment Plants (each a “WTP”), raw water conduits, pumping stations and reservoirs. **[confirm/update]**: Over the next ten years, the Authority estimates that its share of the cost of the Aqueduct capital

improvements will be [\$254 million], which is accounted for in the CIP.] See “CAPITAL IMPROVEMENT PROGRAM – Categories of CIP Projects – Washington Aqueduct Projects.”

Water Sales Agreement

Pursuant to a Water Sales Agreement, dated as of July 31, 1997, by and between the Authority and the USACE (the “Water Sales Agreement”), the USACE sells and furnishes to the Authority all of the finished water that the Authority requires for the operation of the Water System to the extent that the USACE has water and facilities available at the Aqueduct. In accordance with the Water Sales Agreement, the Authority is obligated to make monthly payments into an escrow account to be used by the USACE to cover the Authority’s pro rata share, based on its consumption of water, of the costs of the operation and capital improvement of the Aqueduct. The Authority currently contributes approximately 73% of capital and operating expenditures of the Aqueduct. [update] [The Water Sales Agreement will remain in effect until September 30, 2023, unless earlier terminated in accordance with its terms. Thereafter, the Water Sales Agreement may continue until terminated by either party giving the other party not less than six months’ prior written notice.]

Water Supply

The Aqueduct obtains its water supply from two Potomac River intakes at Great Falls and Little Falls. Two other regional water suppliers, FCWA and WSSC, also obtain water from the same area of the Potomac River for processing at their drinking water treatment facilities. Water for the Authority is withdrawn at the Great Falls intake and flows by gravity through two nine-mile conduits and is then pumped to the Dalecarlia Reservoir. Water may also be withdrawn from the Little Falls intake and pumped to the Dalecarlia Reservoir. The Dalecarlia Reservoir acts as a presedimentation basin for water drawn into the Dalecarlia WTP and for water diverted to the Georgetown Reservoir for subsequent treatment at the McMillan WTP.

In 1978, the United States, the District, the State of Maryland, the Commonwealth of Virginia and the FCWA entered into a Low Flow Allocation Agreement to provide a basis for allocation of resources during severe drought conditions and outline procedures to be followed in such circumstances. Water supply reservoirs developed on Little Seneca Creek and the north branch of the Potomac River are designed to augment the natural flow of the Potomac River during low flow conditions and ensure that the Washington metropolitan area will have sufficient water for years to come.

Raw Water Supply Agreements

A series of agreements ensures the continuous adequate supply of water to the Aqueduct’s and the Authority’s customers. The following are the Authority’s raw water supply agreements:

The Savage Reservoir Maintenance and Operation Cost Sharing Agreement was executed in June 1982. Pursuant to the laws of the State of Maryland, the Upper Potomac River District contracted with the District, WSSC, FCWA and Allegheny County, Maryland, to share the operation, maintenance, repair and replacement costs of the Savage Reservoir project located in western Maryland. This agreement provides for releases from Savage Reservoir that mix with, and thereby reduce, the acidic nature of the Jennings Randolph Lake waters. The Savage Reservoir cost-sharing agreement was incorporated by reference into the Water Supply Coordination Agreement described below.

The Little Seneca Lake Cost Sharing Agreement was executed in July 1982 by and among the District, WSSC and FCWA to construct a dam and reservoir to provide an adequate supply of potable water continuing into the current century. This agreement calls for WSSC to finance, construct, operate and maintain Little Seneca Lake. The Authority’s share of the project and operating and maintenance costs under the agreement is 40%. The Little Seneca Lake Cost Sharing Agreement was incorporated by reference into the Water Supply Coordination Agreement described below.

The Water Supply Coordination Agreement was executed in July 1982 by and among WSSC, FCWA and the Aqueduct to provide for the coordinated operation of its water supply sources and cooperative regional management of the water supply system and the cost-sharing arrangement for any water supply projects for the Washington metropolitan area, if and when they are needed.

The Novation and Future Water Supply Storage Agreement was executed in July 1982, by and among the United States, the Maryland Potomac Water Authority, WSSC, FCWA and the District, to provide for initial water

supply storage in the Jennings Randolph Lake reservoir of approximately two billion gallons. The Novation and Future Water Supply Storage Agreement increased the amount of water supply storage to 13.4 billion gallons, or 32% of the reservoir's total storage. Of the remaining reservoir storage 40% is designated for water quality and 28% for flood control.

Water Treatment and Storage

The Authority receives finished water from the Dalecarlia and McMillan WTPs. The original Dalecarlia WTP was completed in 1928, and underwent major expansion and improvements in 1964. The McMillan WTP was constructed in 1985 on the site of the original 1905 plant. The design capacity of the Dalecarlia and McMillan WTPs was based on population growth and water use projections that are greater than have been realized to date. The total treatment capacity of the plants of 384 mgd currently exceeds the day-to-day demands and peak requirements of their respective service areas.

Finished water from the Dalecarlia WTP and McMillan WTPs is pumped by the Dalecarlia Pumping Station and Bryant Street Pumping Station, respectively, to the water distribution system. The water distribution system is also served by two pump stations (16th and Alaska Pump Station and Anacostia Pump Station), four underground reservoirs (Brentwood, Soldier's Home, Fort Reno No. 1, and Fort Stanton No.1), three elevated tanks (St. Elizabeth's Elevated Tank, Good Hope Elevated Tank and Boulevard Elevated Tank) operated by the Authority. Also, three reservoirs owned and operated by the Aqueduct (Foxhall, Van Ness and Fort Reno Reservoir No. 2) serve the water distribution system. The combined facilities can store up to 102 million gallons ("mg") of finished water. Flexibility in the distribution system is provided in that DaleCarlia and Bryant Street Pump Station each can pump to the reservoirs in the distribution system as circumstances warrant.

Sold vs. Pumped Ratio

The Authority regularly monitors the ratio of water billed to customers (sold water) versus water it purchases from the Aqueduct (pumped water). Unlike many other water utilities, the Authority does not adjust this ratio for water used in normal system activities, such as firefighting and system maintenance, including flushing of water mains and hydrant testing.

The sold versus pumped ratio increased from [update with most recent data available][71.22% in 2019 to 72.43% in 2020]. Water sales figures are derived from the operating budget of the Authority and may not be consistent with the audited financial statements for each year. The cost of unbilled water is not substantial relative to total annual expenses of the Authority.

Water System Regulation and Permits

Drinking Water Quality

The water operations of the Aqueduct and the Authority are subject to the requirements of the federal Safe Drinking Water Act of 1974, 42 U.S.C. § 300f et. seq., as amended in 1986 and 1996 by Congress. The 1986 amendments to the Safe Drinking Water Act extended the regulatory agenda of the EPA to include, among other things, the development of drinking water standards for 90 contaminants.

The Aqueduct and the Authority are in substantial compliance with all physical, chemical, radiological and bacteriological standards established by the regulations currently in effect under the Safe Drinking Water Act and are studying the potential impacts of proposed rules as well as those still under development by the EPA. As the EPA promulgates additional regulations, there is a potential that the Aqueduct or the Authority will be required to modify operations and/or construct facilities beyond those contemplated by the CIP. The Aqueduct and the Authority management believe, however, that planned capital projects should address all current regulatory requirements.

NPDES Permit and Water Treatment System Sediments

Until April 2003, during high flow periods, the Aqueduct discharged river sediments that are removed during the treatment process in the Potomac River. The NPDES Permit issued in March 2003 included discharge limitations on sediments. The Aqueduct entered into a Federal Facilities Compliance Agreement ("FFCA") with EPA Region III, which provides a legally mandated plan and an enforceable compliance schedule for achieving the effluent discharge limitations in the NPDES Permit. The Aqueduct evaluated various options for residuals collection, conveyance, processing and disposal and selected a process which dewater the residuals on site and transports them off-site for disposal. Construction on this project commenced in Fiscal Year 2008, was completed and placed into

service on November 22, 2012 at a cost to the Authority of \$98.6 million. See “CAPITAL IMPROVEMENT PROGRAM – Categories of CIP Projects – Washington Aqueduct Projects.”

Aqueduct Discharge

The Aqueduct approached the Authority in 2016 regarding the possibility of sending filter backwash to Blue Plains to meet the USEPA’s Filter Backwash Rule. The Authority agreed to accept the discharge at a nominal rate that would recover the costs of conveyance, treatment and disposal. The filter backwash has relatively weak waste characteristics; the Authority anticipates no significant impact on treatment and disposal expenses. All discharges will be interruptible during wet weather events; moderated through use of an equalization basin.

[update necessary?] The Authority authorized Raftelis to study the cost of handling the discharge: based on the results of that study, a new retail rate class and Backwash Rate was proposed beginning in Fiscal Year 2022. The Rate reflects a cost of service-based approach that is consistent in methodology with Board Rate-Setting Policy and with all existing retail rates.

Lead Levels

Pursuant to the Safe Drinking Water Act, the Lead and Copper Rule promulgated in 1991 by the EPA (the “Lead and Copper Rule”) establishes maximum contaminant level goals and action levels for lead and copper. Large water suppliers, such as the Authority, are required to perform periodic monitoring and optimize corrosion control of water so as to minimize leaching of lead and copper contaminants into drinking water. If more than 10% of the tap water samples contain lead above the “action level” of 15 micrograms per liter, the water supplier is required to perform public education and to optimize the corrosion control treatment. If, after optimal corrosion control treatment has been implemented, the lead level in water at the tap continues to exceed the action level, the supplier must annually replace 7% of existing lead service lines that it owns. Alternatively, the water supplier may demonstrate through testing that individual lead service lines that it owns do not have lead levels above the action level (called “sampling in lieu of replacement”). The supplier may perform a combination of these two actions to attain the 7% annual replacement level. In the District, property owners own the lead service lines.

In August 2002, the Authority reported to EPA Region III that results for the sampling period from July 2001 to June 2002 demonstrated lead levels in excess of the threshold for action established by the Lead and Copper Rule. Elevated lead levels were believed to be linked to changes in the Aqueduct’s water treatment methods. In November 2000, the Aqueduct had switched from free chlorine to chloramines disinfection to reduce the concentration of disinfection byproducts under the federal Disinfectant Byproducts Rule. Elevated lead levels began appearing within a year of the chlorine/chloramines switchover.

In February 2004, EPA Region III commenced an audit of the Authority’s compliance with the Lead and Copper Rule and found noncompliance with regard to sampling, monitoring, public notification and reporting requirements. In an Administrative Order dated June 17, 2004, as supplemented on January 14, 2005, and amended on June 8, 2005 (collectively, the “Administrative Order”), EPA Region III and the Authority agreed to remedies for the issues identified by the compliance audit. The Authority and the Aqueduct undertook appropriate measures to implement corrosion control treatment. Lead levels have consistently been below the action level since 2005 and the Authority is no longer subject to the Administrative Order from EPA Region III.

Pursuant to a Consent Agreement and Final Order (“CAFO”) executed on May 2, 2007, the Authority agreed to pay a civil penalty in the amount of \$10,000 to EPA Region III for certain alleged reporting violations of the Lead and Copper Rule. The CAFO resolved all of the civil claims in connection with these allegations. EPA Region III and the DOJ also conducted an investigation to determine whether any criminal violations occurred in connection with the Annual Report on Lead Service Replacement Program the Authority filed with EPA Region III in October 2003 and the two different methods the Authority used to test lead levels. In October 2008, EPA Region III and the DOJ informed the Authority that it would take no adverse action against the Authority, thereby resolving all criminal claims against the Authority in connection with this matter.

In addition to the measures undertaken by the Authority pursuant to the Administrative Order, in 2004 the Authority commenced a voluntary lead service replacement program, even though not legally required to do so under the Lead and Copper Rule. In order to reduce adverse impacts and costs to ratepayers, lead service replacement construction work was performed in conjunction with sewer laterals, small valves and water main repair work, and the replacement of broken or defective hydrants. However, this resulted in a large number of partial lead service

replacements because many property owners declined to replace the lead service line on their private property. In 2008, in response to research indicating that partial lead service replacements are not effective in reducing lead levels, the Authority discontinued its accelerated replacement program. In September 2009, the Board approved modifications of the Authority's lead service replacement policy to encourage full service line replacements and to manage costs. Under the modified policy, public lead service lines (between the main and the property line) will continue to be replaced with copper pipes in conjunction with: (i) the Authority's water main replacement projects when the Authority must replace the water service pipe to connect to a new water main, and (ii) when the customer replaces the private portion of lead service lines and requests that the Authority replace the public portion of the lead service line.

In December 2010, the CDC published a study of the District's water supply conducted from 1998 to 2006, which concluded that children living in the District were exposed to high levels of lead despite an attempt to prevent the water from being contaminated by partial lead service replacements. The 2010 CDC Study confirms information the Authority received in previous years which led the Authority in 2008 to discontinue the partial lead service line replacements. Partial line replacements can cause agitation that temporarily releases lead into the home, which can cause a temporary spike in lead levels. As described above, the Authority modified its lead service line replacement program in 2009 and continues its efforts to address lead in drinking water by: (i) monitoring household lead levels to ensure drinking water is in compliance with the EPA drinking water standards, (ii) conducting research on household plumbing characteristics, (iii) offering free lead testing, (iv) recommending full lead service replacements on public and private property, (v) providing free water filters and lead testing following a full or partial lead service line replacement, (vi) recommending that pregnant women and children under the age six should use filtered tap water for drinking and cooking until all sources of lead impacting water are removed, and (vii) participating in coordinated District interagency meetings and responses to lead in water issues.

[**update?**] [The Authority estimates the cost of the lead service line replacement program in the CIP at \$629.0 million over the next 10 years to remove all remaining lead service lines. From the inception of the Authority's earliest lead line replacement program through September 30, 2030, the Authority will expend \$812.5 million on lead replacement efforts captured under the Lead Free DC program. To achieve the removal of all lead service lines, additional funds captured separately from the \$629.0 million under the Lead Free DC program will be spent on projects to replace small diameter mains in conjunction with lead replacement as part of the program.]See "CAPITAL IMPROVEMENT PROGRAM – Categories of CIP Projects – Water Projects."

The Lead Water Service Line Replacement and Disclosure Amendment Act of 2018, D.C. Law 22-241, effective March 13, 2019 and as amended by D.C. Law 23-229 effective March 16, 2021 (the "Line Replacement Act"), established new programs that will fund the replacement of the lead service lines on private property. The Authority is strictly limited, however, from replacing only a portion of a lead water service line that is on public property and must conduct full replacements. The Line Replacement Act accomplishes five things:

- (1) Full Lead Water Service Line Replacement. The Line Replacement Act authorizes the Authority to use District appropriated funds to pay for the costs to replace the lead water service line on private property when the Authority is replacing the lead water service line in conjunction with water main replacements or after an emergency replacement of the water main or lead water service line;
- (2) Lead Water Service Line Replacement Payment Assistance Program. In cases where the water service line on public property is not lead, the District has budgeted appropriated funds to assist all District homeowners to provide 50% to 100% of the costs, depending on their household income, to pay for the lead water service line replacement on private property. This provision was funded by the District's budget and included in the Authority's Fiscal Year 2022 budget. Under this program, the Authority is responsible for certifying that the work is done, and paying the contractor from funds provided by the District;
- (3) Voluntary Lead Service Pipe Replacement Program. In cases when there are lead service lines on private property and in public space, but the District's funds are insufficient to cover the costs, or where the Authority does not have any planned activities to replace water mains and the lead water service lines connected to them within two years, or the street is not under a DDOT moratorium, the property owner may participate in the Authority's Voluntary Lead Service Pipe Replacement program. Under this program, the property owner agrees to pay the costs for the replacement of the lead pipe on private property and the Authority will replace the pipe in the public space at the same time; and

- (4) Education. Creates a new series of outreach, education and disclosure requirements for home sellers and real estate agents to increase awareness of lead service issues.
- (5) Notification. Establishes requirements for the Authority to notify the property owner of the intent to replace the public-side of a lead service line in advance of planned or emergency work to offer the property owner the opportunity to replace the private-side of the lead service line for free using District funds (see: (1) Full Lead Water Service Line Replacement).

[update?][The Authority’s proposed ten-year capital improvement program (CIP) includes \$629.0 million to replace all lead service lines by 2030. The CIP assumes that private side costs of approximately \$135.1 million will be paid for with outside sources, including funds from the District of Columbia and from the recently passed bipartisan infrastructure package. The Authority’s planned replacement of all lead service lines by 2030 exceeds the rate of replacement required by the EPA under new regulations finalized in December 2021.]

PFAS (Forever Chemicals)

[Preliminary draft disclosure below – subject to DC Water’s review in all respects]

Harmful per-and polyfluoroalkyl substances (PFAS), also known as Forever Chemicals, are a category of synthetic chemicals used in consumer products to create non-stick and water-resistant surfaces. They are also found in firefighting foams and industrial processes. Certain PFAS can cause serious health problems if humans are exposed to them over a long period of time or at certain critical life stages including pregnancy and early childhood.

On April 10, 2024, the EPA issued a final rule setting maximum contaminant levels for six different categories of PFAS in drinking water. Public water systems, including the Authority, have five years to address PFAS problems, if any – three years to sample their systems and establish the existing levels of PFAS, and an additional two years to install water treatment technologies if their levels are too high.

In October 2022, the Authority, using EPA approved methodology, found the Aqueduct contained an average of 1.9 ppt of Perfluorooctanesulfonic acid (PFOS), 2.4 ppt Perfluorooctanoic acid (PFOA), 2.7 ppt of Perfluorobutanesulfonic acid (PFBS) and nondetectable levels of Hexafluoropropylene Oxide (HFPO) Dimer Acid, all of which are below enforceable maximum contaminant levels in the new rule. The Authority did not test for other types of PFAS which are now controlled by the new rule including Perfluorononanoic acid (PFNA) and Perfluorohexane sulfonate (PFHxS).

As the new rule requires three years of sampling, the test results listed above are not predicative of future PFAS test results. The Authority is in the process of examining the scope and potential costs of its obligations under the new rule, which may necessitate significant new capital improvement as well as operating expenditures. As owner of the Aqueduct, USACE would be responsible for implementing any required mitigation measures subject to the Authority’s approval.

Protection of the Water System and Wastewater System

In 2000, the Authority developed and implemented an extensive security program in conjunction with the District’s Metropolitan Police Department and various federal agencies, including the Federal Bureau of Investigation and the Bureau of Alcohol, Tobacco and Firearms (the “2000 Security Program”). After the events of September 11, 2001, and in response to certain provisions of the Bioterrorism Act of 2002 and amendments to the Safe Drinking Water Act pertaining to security for community water systems, the Authority implemented additional security measures beyond the 2000 Security Program.

The Aqueduct and each of the Aqueduct Customers have independent obligations under law to protect the community water systems they operate. Both the Authority and the Aqueduct completed studies of Water System vulnerability using the Sandia National Laboratories RAM-W methodology. The vulnerability reports were submitted to EPA Region III in March 2003 to fulfill the Bioterrorism Act requirement for a vulnerability assessment.

Blue Plains and the primary water and wastewater distribution facilities it operates are fenced, gated and manned 24 hours a day by security officers. Major security technology video surveillance, intrusion alarm monitoring, and access control management system upgrades are utilized, with significant security technology upgrades in progress at several facilities and properties. The secondary distribution facilities are monitored by vehicular security

patrols as well as some security technologies. The Authority also employs cameras and other monitoring equipment at these facilities.

Access to facilities operated by the Aqueduct is also controlled, and the Aqueduct has increased security at both staffed and remotely operated facilities. In conformance with the requirements of the Safe Drinking Water Act, the Aqueduct contracted with the Interstate Commission on the Potomac River Basin to develop a source water assessment and monitoring program. The program was implemented in 2002. In 2003, the Aqueduct together with the Fairfax County Water Authority and the WSSC founded the Potomac River Drinking Water Source Protection Partnership to further the goals of watershed protection. In 2014, the Aqueduct and the Authority collaborated with the Metropolitan Washington Council of Governments to pilot a web-based regional source water assessment tool (“WaterSuite”) building on the static 2002 assessment prepared by the Interstate Commission on the Potomac River Basin. The WaterSuite tool emphasizes chemicals stored throughout the watershed and draws upon federal, state, and local databases for insights into potential chemical contaminants. The physical security of the Aqueduct facilities that (i) collect water from the Potomac River, (ii) process the water to Safe Drinking Water Act standards, and (iii) deliver the water into the Authority’s distribution system are all maintained via a wide variety of means including gated facilities, armed guards, video surveillance, and employee protocols. All Aqueduct employees have current federal background investigations that are required for their employment. The electronic business records of the Aqueduct are handled on systems accredited by the Department of Defense to give a high assurance of control over unauthorized intrusion. The industrial control systems that function to control treatment plant processes and data transfer operate in a contained environment (i.e., no connection to the Internet). These systems are also accredited by Department of Defense and Department of the Army agencies and are constantly monitored for possible compromise. The Aqueduct is currently revisiting its Capital Programming efforts and embarking on an Asset Management informed Capital Investment strategy that will classify both risk and consequence and prioritize its Capital Program and spending projections accordingly. [information current?]

For information regarding the cyber security measures taken to protect the Authority and the Water and Waste Water Systems, see “THE AUTHORITY – Risks from Unexpected Events – Ensure a Safe and Reliable Computing Environment.”

[Balance of page intentionally left blank]

CAPITAL IMPROVEMENT PROGRAM

General

The Authority utilizes an annually adopted ten-year Capital Improvement Program to plan and manage the capital investments necessary to fulfill its service missions, comply with regulatory requirements and preserve and upgrade its Water and Wastewater Systems. The Authority updates the CIP annually in conjunction with its budget process, based on detailed project review by engineering staff, external engineering consultants retained by the Authority and senior management.

The Authority evaluates and prioritizes capital projects based on specific criteria. These criteria are fundamental in developing a CIP based on demonstrated needs and are set forth in Table 4 and described below.

Table 4. Capital Improvement Program Criteria
(\$ in thousands)¹

Fiscal Year	Mandates ²	Health and Safety ³	Board Policy ⁴	Potential Failure ⁵	High Profile Good Neighbor ⁶	Good Engineering/High Payback ⁷	Good Engineering/Lower Payback ⁸	Total
FY 2024	\$120,058	\$12,459	\$111,587	\$47,443	\$1,532	\$152,003	\$69,644	\$514,727
FY 2025	\$213,048	\$29,558	\$152,417	\$43,254	\$681	\$158,313	\$134,867	\$732,139
FY 2026	\$222,641	\$58,599	\$170,665	\$29,537	\$674	\$191,862	\$167,837	\$841,815
FY 2027	\$227,487	\$12,338	\$180,177	\$32,980	\$1,792	\$191,723	\$182,735	\$829,232
FY 2028	\$189,057	\$6,679	\$187,840	\$48,222	\$6,195	\$230,815	\$220,083	\$888,890
FY 2029	\$147,147	\$860	\$198,183	\$68,145	\$3,123	\$353,180	\$246,827	\$1,017,465
FY 2030	\$77,719	\$2,081	\$216,909	\$65,608	\$0	\$287,281	\$259,388	\$908,987
FY 2031	\$0	\$1,197	\$145,298	\$43,075	\$0	\$255,140	\$264,798	\$709,507
FY 2032	\$0	\$969	\$123,631	\$34,039	\$1,490	\$294,518	\$220,821	\$675,467
FY 2033	\$1,490	\$0	\$125,191	\$28,147	\$0	\$276,140	\$194,038	\$625,006
Total	\$1,198,649	\$124,740	\$1,611,897	\$440,449	\$15,486	\$2,390,976	\$1,961,038	\$7,743,235
% of Total	15.5%	1.6%	20.8%	5.7%	0.2%	30.9%	25.3%	

¹ Column and row totals may not add due to rounding.

² Agreements, regulatory standards, court orders, issues and permits requirements, stipulated agreements, etc.

³ Projects required to address public safety.

⁴ Projects undertaken as a result of the Board's commitment to outside agencies.

⁵ Projects related to facilities in danger of failing or critical to meeting permit requirements.

⁶ Projects that address public concerns.

⁷ Projects that are necessary to fulfill mission and upgrade facilities.

⁸ Lower priority projects.

Source: Authority records.

Since its creation in 1996 through September 30, 2023, the Authority has expended approximately \$8.4 billion, on a cash disbursement basis, for capital improvement projects, including \$2.8 billion for projects at Blue Plains, \$1.3 billion for Water System infrastructure projects, \$2.7 billion for the DC Clean Rivers Project and combined sewer projects, \$562 million for sanitary sewer projects, \$55 million for stormwater projects, \$134 million for non-process facilities, \$115 million for meter replacement/Automated Meter Reading ("AMR") projects, \$350 million for capital equipment, and \$417 million for projects at the Aqueduct.

The Authority estimates the cost of the Fiscal Year 2024 - 2033 CIP at \$7.74 billion on a cash disbursement basis, including approximately \$1.33 billion for wastewater treatment projects at Blue Plains, \$1.23 billion for the DC Clean Rivers Project and combined sewer projects (Combined Sewer LTCP), \$2.35 billion for Water System infrastructure projects, \$1.86 billion for sanitary sewer projects, \$68.6 million for stormwater projects, \$197.5 million for non-process facilities, \$300.4 million for capital equipment, \$357.5 million for Washington Aqueduct Division projects and \$47.0 million for meter replacement/AMR projects. The CIP was presented to the Board on January 4, 2024 and the Board approved the CIP on March 7, 2024.

An overview of the CIP project categories and the sources of funding is set forth in Table 5.

**Table 5. Fiscal Year 2024-2033 Capital Improvement Program
Sources and Uses of Capital Funds
Fiscal Years ended/ending September 30
(\$ in thousands)^{1,2}**

	Actual(s) ³	Projected										Total (FY24- FY33)
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
BEGINNING BALANCE (A.)	\$494,562	\$366,735	\$184,103	\$118,297	\$112,313	\$121,549	\$101,070	\$103,939	\$103,175	\$101,788	\$97,946	\$366,735
SOURCES OF FUNDS:												
Proceeds from Revenue Bonds	0	0	325,000	460,620	404,627	409,246	525,195	423,386	238,406	259,463	218,050	3,263,993
Proceeds from WIFIA Loan	32,066	26,000	26,000	26,000	25,768	0	0	0	0	0	0	103,768
Curing Pad and Solar	0	0	0	1,000	5,387	1,925	2,648	1,853	1,763	1,677	1,595	17,848
System Availability Fee (SAF)	5,087	7,700	7,700	7,700	7,700	7,700	7,700	7,700	7,700	7,700	7,700	77,000
Transfer from Operations (CRIAC)	52,514	63,348	60,977	69,711	77,750	81,490	89,759	94,393	64,044	64,086	64,092	729,651
Transfer from Operations (Pay-Go)	131,737	145,526	127,369	127,997	154,010	165,298	182,047	193,514	232,509	253,586	270,350	1,852,207
Federal Grants - Infrastructure Funding	0	24,598	29,755	31,665	41,342	43,141	42,384	41,684	20,173	4,500	4,500	283,740
EPA Grants/FEMA Grants/DC												
Reimbursement	26,503	13,005	20,144	12,949	12,949	10,019	7,000	7,000	7,000	7,000	7,000	104,067
CSO Grants	8,000	0	0	0	0	0	0	0	0	0	0	0
Wholesale Customer Capital												
Contributions	41,865	77,404	88,796	118,945	136,154	176,522	189,662	165,517	164,737	101,668	83,772	1,303,177
Interest Income	9,550	7,946	10,592	9,244	2,782	3,069	3,939	3,175	1,788	1,946	1,635	46,117
Total Sources of Funds (B.)	\$307,322	\$365,527	\$696,333	\$865,831	\$868,468	\$898,410	\$1,050,334	\$938,224	\$738,120	\$701,626	\$658,695	\$7,781,568
USES OF FUNDS:												
Water Projects	118,381	158,736	222,494	252,395	250,278	266,256	268,591	279,184	207,235	219,880	227,979	2,353,028
Blue Plains Projects	50,359	65,150	103,291	133,487	146,143	164,601	194,637	185,233	174,807	91,587	74,666	1,333,603
Sanitary Sewer Projects	57,696	80,599	92,235	123,854	118,639	169,037	287,816	249,471	227,771	269,312	236,846	1,855,580
Combined Sewer Projects	1,392	4,880	9,375	10,933	4,032	4,693	7,653	14,644	4,041	0	0	60,249
Combined Sewer LTCP	92,366	118,913	204,033	220,390	212,583	189,057	147,147	77,719	0	0	0	1,169,843
Stormwater Projects	3,523	7,293	13,565	7,958	3,804	4,532	3,268	6,697	9,432	6,772	5,231	68,551
Non-Process Facilities	10,272	13,074	19,900	25,190	27,461	17,775	35,413	23,100	13,283	14,977	7,345	197,518
Washington Aqueduct Projects	74,728	35,546	35,770	35,770	35,770	35,770	35,770	35,770	35,770	35,770	35,770	357,472
Capital Equipment	24,680	26,937	24,532	25,010	25,290	33,102	33,102	33,102	33,102	33,102	33,102	300,382
Meter Replacement / AMR / CIS / ERP	1,750	3,598	6,944	6,829	5,233	4,067	4,067	4,067	4,067	4,067	4,067	47,008
Total Uses of Funds	\$435,149	\$514,727	\$732,139	\$841,815	\$829,232	\$888,890	\$1,017,465	\$908,987	\$709,507	\$675,467	\$625,006	\$7,743,235
Sources Minus Uses	(127,827)	(149,200)	(35,806)	24,016	39,236	9,520	32,869	29,237	28,612	26,159	33,689	38,332
Capital Contingency Reserve for LTCP	32,350	33,432	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Use of Capital Contingency Reserve for LTCP	0	(33,432)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(303,432)
Sources Minus Uses Net of Reserves	(160,178)	(216,063)	(95,806)	(35,984)	(20,764)	(50,480)	(27,131)	(30,763)	(31,388)	(33,841)	(26,311)	(295,099)
Ending Balance	\$366,735	\$184,103	\$118,297	\$112,313	\$121,549	\$101,070	\$103,939	\$103,175	\$101,788	\$97,946	\$101,635	\$101,635

¹ DC Water sets aside capital cash on hand from the above sources to serve as a contingency for the Clean Rivers Project. The Ending Balance shown above in each year is inclusive of these funds.

² Totals may not add due to rounding.

³ Preliminary results, unaudited.

Source: Authority records.

Categories of CIP Projects

Water System Projects. Projects in the water service area are designed to maintain an adequate and reliable potable water supply to customers and to provide required fire protection for the District. This work also includes the elimination of all lead service lines by 2030. Categories of projects include the rehabilitation and replacement of water mains, water service connections, storage facilities, and pumping stations. The Authority has completed several critical improvements to the Water System, including cross connection removal, and major pumping station and storage facility rehabilitation.

The CIP includes approximately \$2.35 billion in projected disbursements for Water System projects, including new system storage facilities, large diameter water main rehabilitation, 1% renewal of small diameter water mains (including ancillary items, such as fire hydrants, valves and service connections) DDOT-related water main projects, and significantly enhanced funding for the lead service line replacement program for the water distribution system. See “THE SYSTEM – The Water System – Water System Regulation and Permits – Lead Levels.”

Blue Plains – Wastewater Treatment Projects. Capital projects in the wastewater treatment service area are required to rehabilitate, upgrade or provide new facilities at Blue Plains to ensure that it can reliably meet its NPDES Permit requirements and produce a consistent, high-quality dewatered solids product for land application. The Authority has undertaken several major capital improvement projects to rehabilitate, replace or add new processes and capacity at Blue Plains in recent years, including: (i) a new facility was placed in service in 2015 to comply with NPDES requirements to reduce nitrogen in the plant effluent; (ii) facilities to digest solids after thermal hydrolysis treatment were placed in operation in 2015, reducing the volume by 50% (reducing hauling and recycling costs) and resulting in production of Class A biosolids, which can be applied to land without any pathogen-related restrictions at the site and also can be bagged and marketed to the public for application to lawns and gardens, thereby increasing beneficial reuse options; (iii) a combined heat and power facility to utilize digester gas produced by the process to generate electricity (up to one-third of plant needs) along with steam for the thermal hydrolysis and digestion process, and a belt filter press facility to dewater the Class A product were placed in service in 2016; (iv) a facility upgrade to improve secondary treatment performance for more efficient overall nitrogen removal capability was completed in 2018; (v) construction of a new facility to treat high nitrogen load dewatering recycles was completed in 2018; (vi) the design phase for an upgrade of a raw wastewater pump station, the filtration and disinfection facility and the gravity thickener complex that was completed in 2018; (vii) an upgrade of one of the influent pumping facilities, which was completed in 2019; and (viii) a tunnel dewatering pump station and enhanced clarification facilities to pump out and treat flows captured through the Authority’s ongoing combined sewer overflow projects were completed and placed in operation in 2018.

The projected ten-year disbursements for wastewater treatment projects are approximately \$1.33 billion, which includes approximately \$1.15 billion in disbursements for liquid, plant-wide and solids processing projects such as major improvements to filtration and pumping facilities, and \$61 million for the enhanced nitrogen removal facilities projects.

Sanitary Sewer Projects. The CIP includes approximately \$1.86 billion in projected disbursements for sanitary sewer projects including the rehabilitation of six sanitary sewer pumping stations – Potomac, Main & O, Swirl Facility, East Side, and 3rd & Constitution Avenue, as well as sewer condition assessments that cover 60 miles of the system per year through year 2026. Rehabilitation of the District’s major assets including the Potomac Interceptor, B Street/New Jersey Avenue Trunk Sewer, Northeast Boundary Trunk Sewer, Anacostia Force Main and portions of the other 35 major sewers are also included. Creekbed sewers and sewers under buildings will largely be rehabilitated as part of these projects. The program to rehabilitate other small and large diameter sewers including replacement and lining of laterals, and replacement of manholes, is an ongoing project of the Authority.

In 2016, the Authority completed a Sewer System Asset Management Plan. This Plan includes a risk tool that calculates the consequence of failure and likelihood of failure for each sewer in the system. This information can then be used to prioritize sewers for inspection/condition assessment and/or rehabilitation. The Plan also includes a high level risk assessment for all pumping stations in the system which can also be used to help prioritize proposed CIP projects for these facilities. The Sewer System Facilities Plan represents the culmination of an initiative involving sewer inspection and condition assessment, development of a sewer GIS database, hydraulic monitoring and modeling to assess system capacity and the development of prioritized activities for system improvement.

Combined Sewer Overflow Projects. The CIP includes \$1.23 billion for the DC Clean Rivers Project and combined sewer projects. The DC Clean Rivers Project is designed to control combined sewer overflow discharges

to prevent them from causing or contributing to violations of applicable water quality standards. See “THE SYSTEM – Wastewater Regulation and Permits – NPDES Permit.” Through the DC Clean Rivers Project, the Authority is constructing combined sewage storage/conveyance tunnels that are designed to intercept and store water until Blue Plains can receive and treat the combined sewage. The DC Clean Rivers Project includes a variety of capital improvement projects throughout the System including three large tunnel systems which will accommodate the storage of combined sewer overflows (“CSOs”) from storm events until they can be conveyed to Blue Plains for treatment. Approximately one-third of the System is served by a combined sewer system, in which both sanitary sewage and stormwater flow through the same pipes. When the collection system reaches capacity, typically during periods of heavy rainfall, the system is designed to overflow the excess diluted sewage or CSOs.

The DC Clean Rivers Project also includes the Authority’s green infrastructure initiative. See “THE SYSTEM – Wastewater Regulation and Permits.” The green infrastructure initiative is cost-neutral (as compared to the Authority’s tunnel options) and will reduce the size of the tunnels required to serve the Rock Creek and Potomac River by implementing new environmental technologies on a significant scale. Green infrastructure technologies capture, infiltrate, treat and reuse polluted stormwater runoff before it enters the sewer system. Examples of green infrastructure technologies include rain gardens, porous pavements, bioswales, green roofs, infiltration planters, trees and tree boxes, and rainwater harvesting for non-potable uses such as landscape irrigation.

When completed, the DC Clean Rivers Project will reduce the combined sewer overflows by at least 96% (exceeding the EPA standard of 85%), reducing pollution to the Potomac, Anacostia and Rock Creek waterways, improving water quality, and reducing locally generated debris from the combined sewer system and local waterways. The Authority expects to implement the DC Clean Rivers Project, which commenced in March 2005, over a 25-year period, at a total estimated cost (including funds spent prior to Fiscal Year 2021) of \$2.99 billion.

Stormwater Projects. The projected disbursements for the stormwater service area in the CIP are approximately \$68.6 million and include extensions to the system and relief of certain sewers as well as rehabilitation or replacement of deteriorated storm sewers. Also, included in the budget is the rehabilitation of the stormwater pumping stations operated and maintained by the District.

Non-Process Facilities Projects. This area accommodates projects approved under the non-process facilities master plan and related improvements necessary to support Authority critical operations. The CIP includes approximately \$197.5 million in projected disbursements for facility land use projects. In fiscal year 2019, the Authority completed its Administrative Headquarters Building at the Main & O Street Campus and relocated over 300 employees into the new LEED Platinum facility.

Washington Aqueduct Projects. The Aqueduct provides wholesale water treatment services to the Authority and other Aqueduct Customers. See “THE SYSTEM – The Water System – The Washington Aqueduct.” Under federal legislation enacted and a memorandum of understanding executed in 1997, the Aqueduct Customers have a role in the oversight of the Aqueduct’s operations and its capital improvement program. The Aqueduct successfully designed, constructed and implemented a new orthophosphate corrosion control system at its water treatment plants in 2005 that meets the optimal corrosion control requirements of the Lead and Copper Rule. The CIP includes approximately \$357.5 million for Aqueduct projects. See “THE SYSTEM – The Water System – Water System Regulation and Permits – NPDES Permit and Water Treatment System Sediments.”

Capital Equipment Projects. The CIP includes approximately \$300.4 million for major information technology projects, vehicle fleet upgrades, and large equipment projects at Blue Plains and the major water and sewer pumping stations.

Meter Replacement Projects. The CIP includes approximately \$47.0 million for ongoing meter replacements and continued automated meter reading system improvements and upgrades to the AMR equipment. These improvements are part of the Authority’s preventative maintenance program for the advanced meter infrastructure, which collects data from approximately 120,000 meter readings per day and is an essential asset to the Authority’s billing process.

CIP Financing Sources

The Authority expects to finance the CIP from multiple sources including (i) revenue bonds, (ii) income from certain fees and charges, pay-as-you-go funds and interest income (all of which constitute Revenues under the Indenture), as well as (iii) federal and other grants and wholesale customer contributions (which are excluded from the definition of Revenues under the Indenture). The CIP financing sources are summarized below.

Revenue Bonds/Commercial Paper Notes. The Authority expects to finance approximately \$3.26 billion, or 41.9%, of the sources of funds with new long-term debt. The Authority has used, and expects to use in the future, its Commercial Paper Notes and EMCP Notes to fund capital needs on an interim basis, followed by issuance of long-term revenue bonds (or other forms of indebtedness, as appropriate) to retire outstanding Commercial Paper Notes and EMCP Notes and provide permanent financing for CIP costs. As approved by the Board, the total amount of Commercial Paper Notes outstanding at any time cannot exceed \$150 million. As of the date of this official statement, there were no CP Notes outstanding. As approved by the Board, the total amount of Series A EMCP Notes outstanding at any one time cannot exceed \$100 million. As of the date of this Official Statement, \$50 million of the Series A EMCP Notes were outstanding.

WIFIA Loan. DC Water has secured a long-term, low interest loan (the “WIFIA Loan”) for up to \$156.4 million for infrastructure repair, rehabilitation and replacement pursuant to the Water Infrastructure Finance and Innovation Act of 2014 (“WIFIA”), a federal credit program administered by United States Environmental Protection Agency (“USEPA”). The interest rate on the WIFIA Loan is 1.87%; principal payments are assumed to begin in Fiscal Year 2028 and the final repayment is in Fiscal Year 2060. The Authority currently expects to finance \$103.8 million of the CIP, or 1.3%, from the proceeds of the WIFIA Loan.

Solar Energy and Curing Pad. Solar power is being generated at the Authority’s facilities through the installation of photovoltaic solar panels for purposes of green energy and solar renewable energy credits (SRECs). The Authority expects to receive revenue from the sale of SRECs and generate energy savings. The Blue Plains Phase I solar project began generating power in June of 2021. Based on current generation, the estimated savings are \$450,000/year.

The Curing Pad is a building that the Authority can use to produce and store a high value Bloom product, cured Bloom, that has a high demand and commands a higher price compared with uncured Bloom. This facility is expected to generate revenue from the increased volume of sale of this higher value product. The Authority currently expects to finance \$17.8 million, or 0.23%, of the sources of funds with revenues or net savings generated by Solar Energy and the Curing Pad.

System Availability Fee. On February 1, 2018, the Board approved a new System Availability Fee (“SAF”) to be effective June 1, 2018. The SAF is intended to be a one-time fee, assessed to a property owner of any premises, building or structure, to recover the cost of system capacity servicing all metered water service and sanitary sewer connections renovation or redevelopment projects that require an upsized meter size connection to the water and sewer system in the District. For a renovation or redevelopment project on a property that already has the Authority meters and accounts, credits will be applied for the older meters being removed from the system. Such fees are common in the industry and among utilities in the region. The SAF is based on meter size. The Authority currently expects to finance \$77 million, or 1.0%, of the sources of funds with revenues generated by the SAF.

Clean Rivers Impervious Area Charge. The Authority currently expects to finance about \$730 million, or 9.4%, of the sources of funds with revenues received from the Clean Rivers Impervious Area Charge (“CRIAC”), which was first implemented in Fiscal Year 2009 to recover the costs of the DC Clean Rivers Project. For more information regarding the CRIAC, see “CUSTOMER BASE, RATES AND CHARGES – Components of Retail Rates and Charges – Clean Rivers Impervious Area Charge.”

Pay-As-You-Go Funds. The Authority expects to finance approximately \$1.85 billion, or 23.8%, of the sources of funds with pay-as-you-go funds. Revenues in excess of those required to meet operating and maintenance expenses, to make debt service payments and to fund reserves can be used, at the discretion of the Authority, to fund a portion of the CIP. The projected financial operations of the Authority assume that such amounts are used as a source of funds for the CIP. In addition, the Authority established a separate line item in its operating budget beginning in Fiscal Year 2015 to provide funds for additional cash-financed capital construction, the defeasance of debt, or other uses at the discretion of the Authority. The projected financial operations of the Authority assume that the amounts in this line item are also used a source of funds for the CIP. The Board has also adopted a policy that authorizes any funds in excess of the operations and maintenance reserve and any other significant one-time cash infusions to be used to finance the CIP or to pay off higher cost debt. The projected financial operations of the Authority assume at this time that no funds are available from these potential sources.

Interest Income on Bond Proceeds. The Authority estimates that \$46 million in interest income, or 0.6%, will be available to finance the CIP. Subject to Federal tax law requirements relating to use of the proceeds of tax-

exempt bonds, the Authority uses interest earned on the proceeds of its bonds as a source of funds for the CIP. This interest income is treated as non-operating revenue of the Authority that is available to pay debt service, if needed. The use of this income for capital funding purposes represents another source of pay-as-you-go capital.

Federal and Other Grants. The Authority expects to finance approximately \$387.8 million, or 5.0%, of the sources of funds with federal and other grants. The Authority receives annual grants from the federal government under the Clean Water Act and Safe Drinking Water Act for a variety of projects at Blue Plains and for the Water System to improve drinking water supplies and wastewater treatment. Unlike most public water or wastewater utilities, the Authority receives appropriations in the form of grants and not as loans pursuant to a State Revolving Fund program. Under the terms of these grants, payments to the Authority are made on a reimbursable basis, with unclaimed appropriations remaining available to be obligated in subsequent years. In addition, the Authority has received a special Congressional appropriation for improvements to the combined sewer system. Under the Wet Weather Water Quality Act of 2000 that codified the EPA’s 1994 National CSO Policy, the U.S. Congress authorized grant funding for the DC Clean Rivers Project. These appropriations require a 50% match from the Authority.

In fiscal years 2021 through 2023, the Authority received \$8.0 million in grant funding for the DC Clean Rivers Project, and in Fiscal Years 2018 through 2020, the Authority received an average of \$8 million each year for such funding.] The Authority also expects to be reimbursed by the District for certain capital investments. Federal and other grants do not constitute Revenues under the Indenture.

Wholesale Customer Contributions. The Authority expects to finance approximately \$1.30 billion, or 16.7%, of the sources of funds with wholesale customer contributions. Under the terms of the 2012 IMA, the Authority’s wholesale customers share the cost of operating, maintaining and making capital improvements at Blue Plains. A separate agreement with the Loudoun County Sanitation Authority (“LCSA”) allows the Authority to recoup capital and operating costs from the LCSA on the same basis as provided for in the 2012 IMA. Contribution levels are governed by the agreements that provide for the pro-rata reimbursement for capital improvements based on the capacity allocated to each wholesale customer. As of the date of this Official Statement, all wholesale customers were current on their capital contributions payments. Wholesale customer contributions do not constitute Revenues under the Indenture.

Cost Estimates

Although actual bid prices for recent construction projects, on average, have been slightly below the engineering cost estimates for such projects, the costs shown in the CIP reflect the Authority’s practice of increasing construction cost estimates by 3% annually to the midpoint of construction. There are no assurances that the actual rate of inflation in construction costs will not increase significantly above the assumed rate of inflation or that such increases will not have an adverse impact on the financial operations of the Authority.

An additional consideration regarding the construction cost estimates is the value of change orders relative to the total cost of construction work performed. The cost of construction-related change orders executed by the Authority for contracts (excluding unplanned work performed for emergency repair contracts) closed during the five-year period from Fiscal Year 2019 through Fiscal Year 2023 was \$16,854,523 or 6.2% of the total original value of the contracts of \$273,446,159 for this period. The relatively low value of change orders compared to the total construction costs incurred is an indication that project designs are thorough and that projects are being effectively managed during construction.

CUSTOMER BASE, RATES AND CHARGES

Customer Categories and Accounts

As of September 30, 2023, the System had 127,033 active, metered water and wastewater accounts. Except for wholesale accounts, the majority of accounts receive both water and wastewater service. The Authority’s customer accounts are divided into three categories: (i) residential, multifamily and commercial, (ii) governmental and (iii) wholesale. The number of accounts in each of the categories as of September 30, 2023 is set forth in Table 6.

Table 6. Customer Categories and Accounts

<u>Customer Category</u>	<u>Number of Accounts</u>	<u>% of Total Operating Revenue</u>
--------------------------	---------------------------	-------------------------------------

62

1101273477\4\AMERICAS

Residential, Multifamily, Commercial	124,970	63%
Governmental (Federal, District and D.C. Housing Authority) ¹	2,056	16
Wholesale	7	17
Total	<u>127,033</u>	<u>96%²</u>

¹ The D.C. Housing Authority is the only District agency that is billed separately. The remaining District agencies are billed as part of a composite bill for the government.

² The remaining 4% of the Authority's operating revenue comes from capital contributions, interest income, and other revenue.

Source: Authority records and the Authority's Annual Report.

Customer Base

The Authority's customer and revenue base is diverse, consisting of a wide variety of residential, commercial and governmental customers, as well as wholesale wastewater customers. In Fiscal Year 2023, the residential, commercial and multifamily customer revenue represented approximately [56%] of total operating revenue.

The commercial portion of the customer base includes a variety of uses, including nationally recognized universities and regional hospitals, commercial office space with tenants that are national associations, lobbying firms, major law firms and large hotels. Table 7 reflects the Authority's ten largest commercial customer accounts in the last five fiscal years. In Fiscal Year 2023, the ten largest commercial customer accounts represented 2.94% of total operating revenues.

Table 7. Ten Largest Commercial Customers¹

	2023	2022	2021 ²	2020	2019
Howard University	\$4,765,717	\$3,663,172	\$3,065,479	\$3,710,923	\$3,898,131
George Washington University	3,809,717	3,456,763	2,285,071	3,268,007	2,998,442
Washington Hospital Center	3,379,146	3,188,277	2,728,267	2,455,804	2,078,916
Georgetown University	2,901,301	3,030,532	2,434,834	1,958,462	1,875,409
William C Smith & Co	2,874,585	3,149,593	2,767,263	2,496,772	2,441,968
Horning Brothers	2,271,422	2,235,641	2,276,290	2,076,006	1,697,812
Catholic University	1,751,633	1,570,521	-	-	1,174,396
Amtrak	1,686,500	-	-	-	1,924,967
Metropolitan Washington Airports Authority	1,567,382	-	-	-	-
Gallaudet University	1,449,858	1,491,808	1,278,783	-	-
American University ²	-	-	2,904,844	987,647	1,005,881
Children's Hospital	-	1,621,805	1,451,942	1,279,259	-
Medstar-Georgetown Medical Center	-	1,329,146	1,166,894	1,031,263	-
Cafritz	-	-	-	1,092,288	-
Georgetown University Hospital	-	-	-	-	1,010,696
Total	\$26,457,261	\$24,737,257	\$22,359,669	\$20,356,430	\$20,106,617
% of Total Operating Revenues	2.94%	2.97%	2.90%	2.76%	2.76%

¹ Years where no figure is shown indicate years where the customer was not among the ten largest commercial customers for the given year.

² Fiscal Year 2021 figure is result of overbilling, the correction is reflected in Fiscal Year 2022.

Source: DC Water Department of Customer Service

Table 8 reflects the Authority's ten largest government customers in last five fiscal years. In Fiscal Year 2023, the ten largest government customers represented 7.19% of total operating revenues.

Table 8. Ten Largest Government Customers¹

	2023	2022	2021	2020	2019
D.C. Housing Authority	\$15,094,266	\$12,574,996	\$11,345,071	\$9,921,080	\$9,203,222
U.S. General Services Administration	10,013,337	9,741,460	10,816,058	9,536,411	7,870,446
Federal Naval Research Lab	6,419,833	5,995,495	4,707,425	3,553,343	2,779,271
Bolling Air Force Base ²	7,286,112	5,703,529	12,567,892	4,798,312	4,279,384
Smithsonian Institution	5,527,940	4,802,274	4,146,701	6,138,774	4,967,305
U.S. Congress/Fed Legislative	5,570,008	4,659,746	3,391,970	6,157,111	5,447,393
D.C. Board of Education	3,756,702	4,116,350	3,876,997	2,908,559	1,866,303
Department Defense VA	3,848,500	3,567,662	4,018,325	4,003,435	2,834,531
Department of the Navy	2,497,750	3,388,084	-	1,894,810	1,951,907
National Park Service	4,621,394	3,287,476	2,839,593	2,707,685	2,342,203
D.C. Recreation and Parks	-	-	2,159,393	-	-
Total	\$64,635,841	\$57,837,072	\$59,869,426	\$51,619,519	\$43,541,966
% of Total Operating Revenues	7.19%	6.95%	7.19%	7.01%	6.17%

¹ Years where no figure is shown indicate years where the customer was not among the ten largest government customers for the given year.

² Increase in Fiscal Year 2021 from Fiscal Year 2020 is in part due to an account merger.

Source: DC Water Department of Customer Service

Customer Demand

Table 9 shows the average percentage of annual water consumption by customer category from Fiscal Year 2019 through Fiscal Year 2023. The results illustrate the diversification of the Authority's customer base.

Table 9. Average Annual Consumption By Customer Category¹
Fiscal Years 2019 – 2023
(millions of Ccf)

Customer	Average Annual Consumption	% of Total Consumption
Residential Single-Family	6.57	20.2%
Commercial ²	10.51	32.3%
Residential Multi-Family	9.05	27.8%
D. C. Municipal Government ³	1.13	3.5%
Federal Government	4.41	13.6%
D. C. Housing Authority	0.83	2.5%
Total Consumption	32.50	100.0%

¹ Totals may not add due to rounding.

² Includes consumption at commercial facilities and selected facilities at Soldiers' Home.

³ Reflects consumption at District of Columbia Government facilities and the Authority facilities.

Source: Authority Records.

Table 10 shows projected annual consumption for the Authority's customer categories for Fiscal Years 2024 through 2028. The Authority's use of the AMR program, including the replacement and repair of meters, significantly reduces estimated meter readings and improves the reporting of actual consumption.

Table 10. Projected Annual Consumption by Major Customer Category^{1,2}
Fiscal Years ending September 30
(millions of Ccf)

	2024	2025	2026	2027	2028
Residential Single-Family	6.09	6.03	5.97	5.91	5.85
Commercial ³	10.56	10.45	10.35	10.25	10.14
Residential Multi-Family	9.18	9.09	9.00	8.91	8.82
D. C. Municipal Government ⁴	1.20	1.18	1.17	1.16	1.15
Federal Government	4.31	4.26	4.22	4.18	4.14
D.C. Housing Authority	0.88	0.87	0.86	0.85	0.85
Total Consumption	32.21	31.89	31.57	31.25	30.94

¹ Totals may not add due to rounding.

² Total water consumption in Fiscal Years 2025 - 2028 reflects the assumption of a 1% annual decline.

³ Includes consumption at commercial facilities and selected facilities at Soldiers' Home.

⁴ Reflects consumption at District of Columbia Government facilities and the Authority facilities.

Source: Amawalk

Some fluctuation in consumption can occur in a given year due to variations in weather conditions and other factors such as billing adjustments. In Fiscal Year 2019, total consumption decreased by 1.8% versus the prior year. Consumption in Fiscal Years 2020 and 2021 was impacted by the pandemic, with significant decreases in non-residential customer usage compared to previous years. Total consumption in Fiscal Years 2020 and 2021 was 32.43 million Ccf and 31.80 million Ccf, respectively, representing declines from prior years of 3.0% and 2.0%. In Fiscal Years 2022 and 2023, total consumption was 32.20 million Ccf and 32.65 million Ccf, respectively, representing increases from prior years of 1.3% and 1.4%. See "– Rate-Setting Authority" for additional information.

The Authority assumes that consumption will total 32.21 million Ccf in Fiscal Year 2024, representing a decrease of 1.4% from the prior year. The Authority further assumes that long-term total water consumption will

decline at the rate of 1.0% per year beginning in Fiscal Year 2025. The expectation that future sales will decline is consistent with recent trends in the Washington, D.C. region as well as the projected sales in other large cities in the northeast United States.

There is some risk that consumption could be lower than anticipated during the Projection Period. The risk is mitigated to some extent in that revenues from the federal government are determined in advance and then subject to a true-up after the year is completed. In addition, the consumption risk is mitigated to a significant extent by retail revenue that is not consumption-related: customer receipts from the meter charge, the Water System Replacement Fee (as defined below) and the CRIAC, are unaffected by changes in the quantity of customer water use. Consumption-based retail water and wastewater revenues within the District are estimated to comprise about 62% of total revenues (excluding the PILOT/ROW Fee) in Fiscal Years 2024 through 2028. The Authority evaluates its water consumption projections annually in connection with its budget preparations and more frequently if the need arises.

Rate-Setting Authority

The Authority recovers the costs of operations, maintenance and debt service through retail rates and fees, wholesale customer charges and other miscellaneous non-operating income such as interest earnings. The Board establishes the Authority's rates, fees and charges. Only the six Board members representing the District vote on setting retail water and wastewater rates and fees for the retail customers who are customers within the District. No approvals from federal or local officials are required in order to set rates.

Retail Rates, Fees and Charges

The Authority's retail rate structure is designed align the Authority's revenues and expenditures by establishing customer class-based volumetric water rates based upon peaking factors, to create a progressive rate structure for its residential customers by establishing lifeline water rates that discount core consumption and to fund the Authority's water main replacement program by establishing the monthly, fixed Water System Replacement Fee (the "Water System Replacement Fee"). For a summary of the Authority's retail rates, fees and charges, see "-- Components of Retail Rates and Charges" and "-- Historical and Projected Retail Rates" below.

Since Fiscal Year 2017, the Authority has set retail rates and charges for two-year periods. The benefits of the multi-year rate setting include: greater revenue certainty, increased budget discipline, and better alignment between revenues and expenditures. The retail rates and charges are expected to change each year. See "-- Historical and Projected Retail Rates". If the Authority determines that revenues are materially less than expected and/or debt service or operating expenses are materially higher than budgeted, the Authority may adjust its retail rates and charges during the Fiscal Year. Historically, there has been no need for the Authority to make such changes during a Fiscal Year.

In calendar year 2019, the Authority modified the adopted wastewater rate and the CRIAC: the wastewater rate for Fiscal Year 2020 increased from the adopted rate and the CRIAC decreased from the adopted rate, with the resulting revenues being relatively unchanged. Further adjustments in the recovery of costs through the wastewater rate and the CRIAC are reflected in the actual and projected rates after Fiscal Year 2020.

The Authority receives annual grant funding under the Clean Water Act which requires the maintenance of wastewater charges sufficient to defray costs of operation, maintenance and replacement and surcharges for industrial discharges into the System's sewers levied in conformity with formulas set forth in the Clean Water Act and regulations thereunder. See "CAPITAL IMPROVEMENT PROGRAM - CIP Financing Sources."

Federal Government Charges

The Authority's forecasted water and wastewater charges for the federal government are prepared and included in the federal budget 18 months in advance of the commencement of the Authority's Fiscal Year based on the prevailing consumption estimates, projected retail rate increases as included in the current ten-year financial plan and adjustments for prior year true-ups. The federal government budgets for and pays its bills quarterly directly from the U.S. Treasury based on the estimates provided by the Authority in advance. Under the current billing process, any differences between the projected and the actual charges are netted against a future year's billing. Federal government revenues are expected to constitute approximately 7.8% of the Authority's total annual revenues during Fiscal Year 2024 through Fiscal Year 2028 (excluding the PILOT/ROW Fee and transfers from Rate Stabilization Fund).

Water consumption billed to Federal accounts in recent years has shown significant year to year fluctuation and an overall reduction compared to prior years. The Authority has adjusted its future forecasts for federal revenue primarily due to four factors:

- i. A previous executive order created a requirement for federal agencies to reduce potable water and landscaping use water by 2% annually through conservation measures until 2020; Authority conversations and investigations with federal property managers show that significant progress is being made toward this goal through plumbing fixture replacement.
- ii. In the District, the Telework Enhancement Act (the “Telework Act”) has resulted in a significant shift to employees working from home, reducing water used at the workplace, and, pursuant to the Telework Act, GSA has strategically reduced the number of buildings it owns and operates in the District in favor of placing employees in shared rental spaces. In the latter case, the water reduction observed in federal buildings is partially made up in the commercial customer billing of the Authority.
- iii. There have been significant adjustments made to federal bills as a result of property sales and transfers between the federal and District governments.
- iv. The Authority accelerated a testing and calibration program on large capacity meters installed at federal properties and observed that some of the meters had degraded and were measuring less water than was actually being consumed. Where possible, the Authority is retroactively billing for the difference in consumption.

Wholesale Customer Charges

The Authority provides wholesale wastewater treatment services to User Jurisdictions at Blue Plains. Each wholesale customer’s share of operating costs at Blue Plains is recovered in accordance with the Blue Plains Intermunicipal Agreement of 1985, the 2012 IMA, the Potomac Interceptor Agreements and the Loudoun County Sanitation Authority Agreement (as discussed in more detail in “THE SYSTEM – The Wastewater System”), and is based on actual costs of operating and maintaining the plant and the collection facilities, prorated to each User Jurisdiction based on its respective actual share of wastewater flows. A User Jurisdiction’s share of capital costs is based on its share of capacity allocations in the plant. Both operating and capital payments are made on a quarterly basis. Wholesale customer revenues are expected to constitute approximately 12.4% of the Authority’s total annual revenues during Fiscal Year 2024 through Fiscal Year 2028 (excluding the PILOT/ROW Fee and transfers from Rate Stabilization Fund).

Wholesale customers are billed based on the adopted budget for that Fiscal Year. Capital-related charges are billed quarterly with payments due on the 15th day of the second month following the end of the quarter. The operating and maintenance-related charges are billed annually by mid-October and payments are due each November, February, May and August. Following each Fiscal Year, the Authority prepares a reconciliation that determines the actual costs and each wholesale customer’s appropriate share of such costs. Adjustments are then billed or credited to the wholesale customers in the first quarter of the subsequent Fiscal Year.

Components of Retail Rates and Charges

The primary retail rates and fees include water and wastewater charges, the clean rivers impervious area charge, the PILOT/ROW Fee and the stormwater fee.

Water and Wastewater Charges

Water and Wastewater Consumption Rates. Water and wastewater consumption rates are based on metered water usage and are stated in terms of hundred cubic feet (“Ccf”). Through Fiscal Year 2015, each of the Authority’s three customer classes (i.e., Residential, Multi-Family and Non-Residential) were charged the same consumption rates. In Fiscal Year 2015, the Authority retained Raftelis Financial Consultants, Inc. (“RFC”) to analyze the allocation of costs between the water and wastewater rates, as well as the peak demand factors of its various customer classes, and to prepare a cost of service study (the “2015 COS Study”). Based on the findings of the 2015 COS Study, the Authority’s management recommended a restructuring of the rates, charges and fees to the Board to include water rate classes for Residential, Multi-Family and Non-Residential customers. Wastewater rates remain uniform for all customers. The Board adopted this new rate structure for Fiscal Year 2016, effective October 1, 2015.

The Authority undertakes a cost of service study every two years to ensure that its rates are appropriately capturing actual expenditures. The latest cost of service study was prepared by Raftelis Financial Consultants and results for fiscal years 2025 and 2026.] The cost of service study rate recommendations are intended to regularly rebalance retail rates and charges with the actual cost of providing services to customers. Tables 12 and 13 present historical and proposed rates and charges.

Customer Metering Fee. The Authority assesses a metering fee to recover costs associated with installing, operating and maintaining meters and the AMR system. The metering fee is charged as a separate line item on retail customer bills and varies by meter size. The metering fee was increased in Fiscal Year 2021 and in Fiscal Year 2022; it is assumed to remain unchanged in Fiscal Years 2024 through 2028, providing \$24.1 million in revenue per year each year.

Water System Replacement Fee. The Authority implemented the meter-based Water System Replacement Fee in Fiscal Year 2016 in order to recover the cost of the renewal and replacement program for water infrastructure. The Water System Replacement Fee is assumed to remain unchanged in Fiscal Years 2024 through 2028; generating \$40.7 million in revenue per year.

Clean Rivers Impervious Area Charge

Overview. In Fiscal Year 2009, the Authority approved the development and implementation of the CRIAC to recover the costs of the DC Clean Rivers Project, mandated by the EPA Region III pursuant to the 2005 LTCP Consent Decree. The DC Clean Rivers Project is being implemented over a 25-year period at a total cost of \$2.99 billion. See “THE SYSTEM – Wastewater Regulation and Permits – NPDES Permit.” Prior to the implementation of the CRIAC, the DC Clean Rivers Project cost was bundled in the wastewater rate based on the amount of water consumed.

The CRIAC is based on the amount of impervious area on a property, rather than on the amount of water consumption, which is a more equitable method of recovering the DC Clean Rivers Project costs. It allows the Authority to expand its customer base by charging all properties that generate stormwater, including those that may not use water (e.g., parking lots). An impervious area is a man-made surface that cannot be easily penetrated by water, such as a rooftop, a paved driveway, a patio, a swimming pool or a parking lot that impedes the percolation of water into the subsoil and plant growth. The Authority maintains a database in which it classifies each parcel located within the District as pervious or impervious. This database and the classifications therein provide the basis for the District’s billing of the CRIAC.

All residential customers are charged Equivalent Residential Units (“ERUs”) based upon six tiers that reflect the amount of impervious surface area on each residential lot. The tiers and the number of properties within each tier are shown as of September 30, 2023 in Table 11.

[update] Table 11. Equivalent Residential Unit Tiers

Tiers	Size of Impervious Area (square feet)	Equivalent Residential Unit	No. of Properties (as of September 30, 2021)
Tier 1	100 – 600	0.6	18,693
Tier 2	700 – 2,000	1.0	80,999
Tier 3	2,100 – 3,000	2.4	6,224
Tier 4	3,100 – 7,000	3.8	2,779
Tier 5	7,100 – 11,000	8.6	140
Tier 6	11,100 and more	13.5	63

Source: Authority records.

The CRIAC is applied to all lots, parcels, properties and private streets throughout the District that are greater than 100 square feet, except for District or federally owned rights-of-way. The CRIAC is added to the customer’s metered service bill and billed monthly unless the property is impervious only and has no other metered water or wastewater service. The CRIAC will be reviewed regularly and adjusted as appropriate by the Board.

CRIAC rates in Fiscal Year 2019 and each year thereafter through 2023 were lower than in 2018 and wastewater rates were higher due to both: a) increases in the cost of service, and b) an allocation of a portion of the costs of the LTCP to wastewater charges in lieu of the CRIAC. The allocation of a portion of LTCP costs to wastewater charges is based on an analysis prepared by the Authority which estimated the percentage of sanitary sewage in combined wastewater and stormwater. Amawalk reviewed the Authority's analysis and found it to be reasonable and consistent with industry practice. As a result of the changes in LTCP cost allocation, the CRIAC rate in Fiscal Year 2021, Fiscal Year 2022 and Fiscal Year 2023 were \$19.52 per ERU, \$18.40 per ERU and \$18.14 per ERU, respectively. In Fiscal Year 2024, the CRIAC rate is \$21.86 per ERU. In Fiscal Year 2025 and Fiscal Year 2026, the projected CRIAC rates are \$21.23 per ERU and \$24.23 per ERU, respectively. In Fiscal Year 2027 and Fiscal Year 2028, the projected CRIAC rates are \$26.99 per ERU and \$28.28 per ERU, respectively.

CRIAC Incentive Program. The Water and Sewer Authority Equitable Ratemaking Amendment Act of 2008 (the "2008 Amendment Act") authorized the Authority's CEO to restrict combined sewer flow into the District from Maryland and Virginia and required the Authority to, among other things, offer financial assistance programs to mitigate the impact of any increases in retail water and wastewater rates on low-income residents of the District, including a low-impact design incentive program. The 2008 Amendment Act also amended the District of Columbia Public Works Act of 1954 to broaden the bases for the determination of sanitary sewer service charges to include impervious surface area and to provide for an appeal process for the assessment of an impervious surface fee.

Pursuant to the 2008 Amendment Act, the Authority, together with the DOEE, established the CRIAC Incentive Program to incentive reducing the amount of stormwater runoff generated from a property. **[Confirm]** The CRIAC Incentive Program provides a [20% maximum] incentive credit to property owners, with the actual credit amount calculated based upon a formula provided by the DOEE.

CRIAC Credit. In Fiscal Year 2016, the Board adopted the expansion of the CAP for eligible single-family residential accounts and individually metered accounts to include a fifty percent (50%) or seventy-five percent (75%) credit of the monthly billed CRIAC depending on whether the customer qualifies under CAP, CAP2 or CAP3. Non-profit organizations may qualify for a credit of up to 90% of the CRIAC portion of the water bill. The CRIAC credit was first implemented in Fiscal Year 2017. See "-- Customer Assistance Programs" below.

PILOT/Right of Way Occupancy Fee

These fees recover the cost of the PILOT and Right of Way fees (collectively, the "PILOT/ROW Fee"), which are charges levied by the District for payments in lieu of taxes and occupancy or use of public spaces or rights of way including that used by the Authority for its underground infrastructure. The Authority passes the PILOT/ROW Fee through to retail customers based on metered water consumption as a separate line item on the bills. Effective October 1, 2023 (i.e., for Fiscal Year 2024), the Authority's PILOT/ROW Fee is \$0.80 per Ccf. The PILOT/ROW Fee is expected to increase gradually each year through Fiscal Year 2028.

Stormwater Fee

The Authority's retail water and wastewater bills also include a stormwater fee levied on behalf of the District government, which the Authority transfers to DOEE on a pass-through basis. The stormwater fee is charged as a separate line item on retail customer bills. The DOEE has rate-setting authority for stormwater services provided by the District and the Authority expects to work collaboratively with the DOEE to set future rates. See "THE AUTHORITY – Authority's Relationship to the District." The stormwater fee charged to retail customers is currently \$2.67 per ERU, which rate has been in effect since October 1, 2016. The stormwater fee is assumed to remain the same for Fiscal Years 2025 through 2028.

Although the Authority no longer administers the program, pursuant to the July 25, 2008 MOU with DOEE, the Authority retains a portion of the stormwater fee revenues to cover its share of District stormwater expenditures. See "THE AUTHORITY – Authority's Relationship to the District – *Memoranda of Understanding*" and "FINANCIAL OPERATIONS – System Revenues – *Stormwater Revenues*." The stormwater fees that are transferred to the District do not constitute Revenues under the Indenture, however, the stormwater fee revenues that are retained by the Authority to cover its share of stormwater expenditures are considered non-operating revenues of the Authority and do constitute Revenues under the Indenture.

Historical and Projected Retail Rates

The Board approves the Authority’s retail water and wastewater rates as part of the ten-year financial plan, which includes annual rate increases, in line with the Board’s policy of implementing rate increases in a gradual and predictable manner.

Table 12 sets forth historical water and wastewater rates and the CRIAC of the Authority. Table 13 sets forth the adopted water consumption and wastewater usage rates as well as the CRIAC of the Authority for Fiscal Year 2024 and the projected rates and CRIAC for Fiscal Years 2025 and 2026 and for Fiscal Years 2027 and 2028. Revenue resulting from the CRIAC will recover the majority of the cost of the LTCP for the period of Fiscal Year 2024 through Fiscal Year 2028. The Authority conducted a public hearing on May 8, 2024 for its proposed rates and charges for Fiscal Year 2025 and Fiscal Year 2026.

Federal government customers in Virginia pay the Arlington County retail rate, which was \$5.27 per 1,000 gallons for water in 2024 plus a base charge. Federal government customers in Maryland pay according to the WSSC rates, which include a fixed charge and a consumption-based charge that increases with higher levels of usage.

Table 12. Historical Water and Wastewater Retail Rates and Charges¹
 (\$ per Ccf for Water and Wastewater, Other Charges are \$ Per Unit as Noted)

Fiscal Year	Water Rate	Wastewater Rate	Combined Rate	Percent Increase ²	CRIAC Rate (Per ERU)	Meter Charge (Per 5/8" Meter) ³	Water System Replacement Fee (Per 5/8" Meter) ³
2019							
Residential – 0-4 Ccf	2.91	7.75	10.66	13.0%	23.00	3.86	6.30
Residential - >4 Ccf	3.90	7.75	11.65				
Multi-Family	3.37	7.75	11.12				
Non-Residential	4.05	7.75	11.80				
2020							
Residential – 0-4 Ccf	3.06	8.89	11.95	11.5%	20.94	3.86	6.30
Residential - >4 Ccf	4.10	8.89	12.99				
Multi-Family	3.54	8.89	12.43				
Non-Residential	4.25	8.89	13.14				
2021							
Residential – 0-4 Ccf	3.49	9.77	13.26	9.9%	19.52	4.96	6.30
Residential - >4 Ccf	4.50	9.77	14.27				
Multi-Family	3.96	9.77	13.73				
Non-Residential	4.65	9.77	14.42				
2022							
Residential – 0-4 Ccf	3.63	10.64	14.27	7.8%	18.40	7.75	6.30
Residential - >4 Ccf	4.74	10.64	15.38				
Multi-Family	4.15	10.64	14.79				
Non-Residential	4.91	10.64	15.55				
2023							
Residential – 0-4 Ccf	4.28	11.26	15.54	9.5%	18.14	7.75	6.30
Residential - >4 Ccf	5.58	11.26	16.84				
Multi-Family	4.90	11.26	16.16				
Non-Residential	5.78	11.26	17.04				

¹ Rates and charges are billed monthly.

² Percent increase reflects the overall average increase in water and wastewater charges for all customers; the increases for individual customers vary by customer class and consumption.

³ The Meter Charge and the Water System Replacement Fee as shown reflect a customer with a 5/8" meter. The Charge and the Fee vary by the size of the meter.

Source: Authority records.

Table 13. Current and Projected Retail Rates and Charges¹
 (\$ per Ccf for Water and Wastewater, Other Charges are \$ Per Unit as Noted)

	<u>Units</u>	<u>Current</u>	<u>Projected²</u>		<u>Projected²</u>	
		<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Water Rates						
Residential - 0-4 Ccf	Ccf	4.38	5.21	5.78	6.24	6.80
Residential - >4 Ccf	Ccf	5.70	6.81	7.60	8.21	8.95
Multi-Family	Ccf	5.00	5.82	6.47	6.99	7.92
Non-Residential	Ccf	5.89	7.03	7.84	8.47	9.23
Wastewater Rates	Ccf	11.70	12.07	12.52	13.52	14.74
Water & Sewer % Change ^{3,4}	%	3.25%	8.00%	6.00%	8.00%	9.00%
CRIAC	ERU	21.86	21.23	24.23	26.99	28.28
Meter Charge ⁵	5/8" Meter	7.75	7.75	7.75	7.75	7.75
Water System Replacement Fee ⁴	5/8" Meter	6.30	6.30	6.30	6.30	6.30

¹ Rates and charges are billed monthly.

² Rates for Fiscal Years 2025 through 2028 are projected and subject to change.

³ Percent increase reflects the overall average increase for all customers; the increases for individual customers vary by customer class and consumption.

⁴ As illustrated in Fiscal Year 2025, an increased percentage of the cost of the LTCP is recovered through sewer rates, resulting in higher wastewater rates and a decrease in the CRIAC compared to prior years.

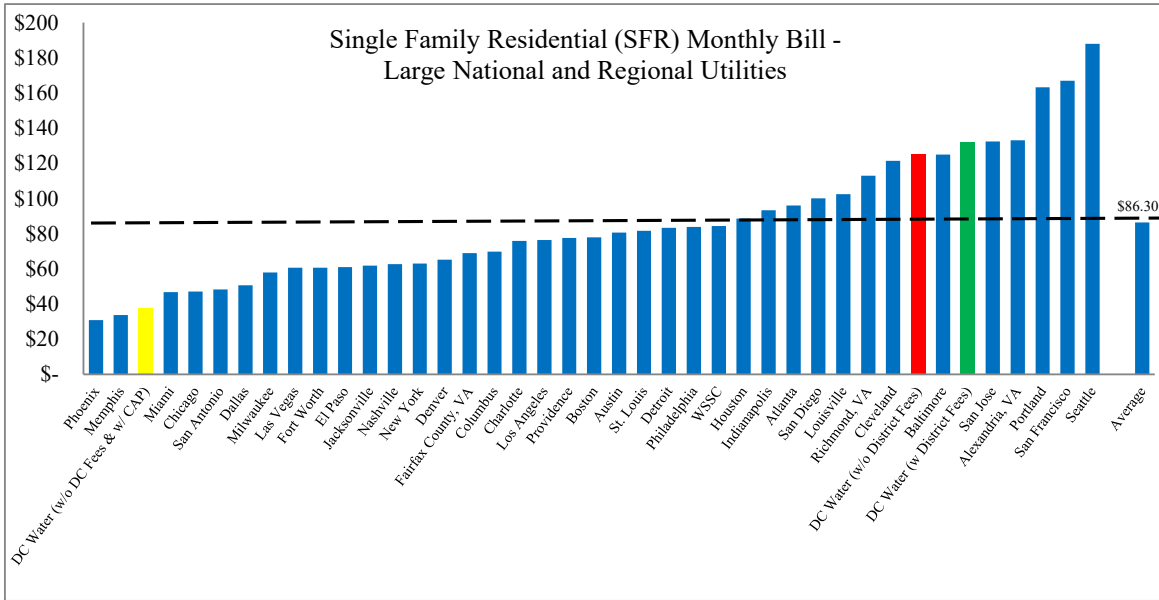
⁵ The Meter Charge and the Water System Replacement Fee as shown reflect a customer with a 5/8" meter. The Charge and the Fee vary by the size of the meter.

Retail Rate Comparison

The Authority’s retail rates are comparable to those of other utilities in the metropolitan Washington, D.C., region and other similar utilities in the eastern United States and nationally. Table 14 compares the Authority’s combined water, wastewater and impervious area residential charges to these utilities. The table reflects the Authority’s Fiscal Year 2024 rate and fee charges; rates for other utilities are as of November 1, 2023. The Authority’s Fiscal Year 2024 rate and fee charges are shown both with and without the pass-through of the District’s PILOT/ROW Fee in the amount of \$0.80 per Ccf, and the DOEE residential stormwater rate of \$2.67 per ERU per month.

The Authority offers robust assistance to qualifying low income ratepayers through its Customer Assistance Program (CAP). Table 14 also illustrates the monthly bill for a CAP customer with average Single Family Residential characteristics; CAP customer bills are significantly lower than the average Single Family Residential bill.

Table 14. Comparison of Average Authority Water and Wastewater Bill to Bills of Other Utilities^{1,2,3}



¹ Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month.

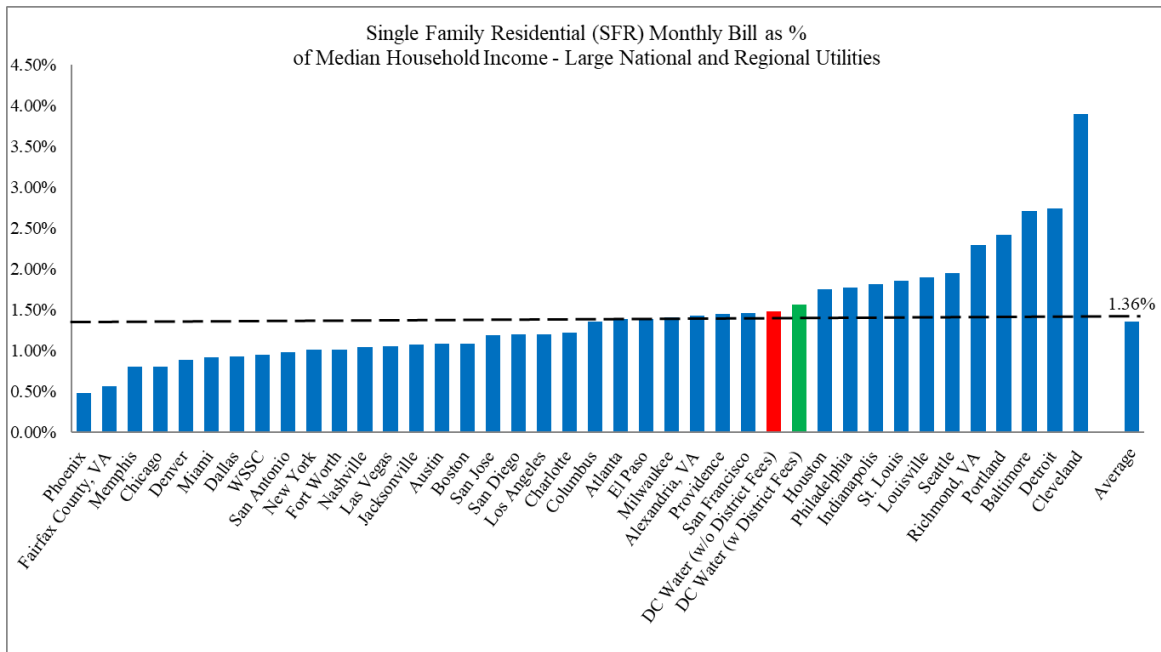
² User charges are based upon information provided by the identified cities and standardized assumptions regarding water consumption, wastewater discharge, stormwater drainage area and other factors. Actual charges in each city will vary in accordance with local usage patterns. There may be significant differences in typical single family residential usage among cities which results in charges that are different than shown above. Some cities bill for sewer use on the basis of winter water consumption which could affect sewer billings if a customer's use was not uniform throughout the year. Sewer charges include stormwater charges in those cities where separate stormwater fees are assessed. Some cities use property tax revenue or other revenues to pay for part of the cost of water, wastewater or stormwater services. In such situations, the user charges will not reflect the full cost of water, wastewater or stormwater services. Some cities impose charges that become part of the cost of water/sewer services. Water/sewer bills in some cities are subject to sales taxes, gross receipts taxes and/or other fees. Affordability programs are used by many cities to reduce the annual charges to eligible customers.

³ Charges for all utilities reflect rate schedules in effect on November 1, 2023. The Authority's charges with District fees include the PILOT/ROW fee totaling \$0.80 per Ccf and the DDOE residential stormwater rate of \$2.67 per ERU per month.

Source: Amawalk

The median income in the District is competitive with the median income in many other jurisdictions. Table 15 illustrates the Authority's charges for a single family residential customer as a percentage of median income compared to similar data for other water and wastewater utilities.

Table 15. Comparison of Average Authority Water and Wastewater Bill (As Percentage of Median Income) to Bills of Other Utilities^{1,2,3,4}



¹ Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month.

² User charges are based upon information provided by the identified cities and standardized assumptions regarding water consumption, wastewater discharge, stormwater drainage area and other factors. Actual charges in each city will vary in accordance with local usage patterns. There may be significant differences in typical single family residential usage among cities which results in charges that are different than shown above. Some cities bill for sewer use on the basis of winter water consumption which could affect sewer billings if a customer's use was not uniform throughout the year. Sewer charges include stormwater charges in those cities where separate stormwater fees are assessed. Some cities use property tax revenue or other revenues to pay for part of the cost of water, wastewater or stormwater services. In such situations, the user charges will not reflect the full cost of water, wastewater or stormwater services. Some cities impose charges that become part of the cost of water/sewer services. Water/sewer bills in some cities are subject to sales taxes, gross receipts taxes and/or other fees. Affordability programs are used by many cities to reduce the annual charges to eligible customers.

³ Charges for all utilities reflect rate schedules in effect on November 1, 2023. The Authority's charges with District fees include the PILOT/ROW fee totaling \$0.80 per Ccf and the DDOE residential stormwater rate of \$2.67 per ERU per month.

Source: Amawalk

Collections

The Authority has implemented policies and business practices intended to optimize the collection of customer billings. Measures are taken, including cross checks with property records, to ensure that all users of the Authority's system are being billed. With the implementation of the AMR system, the Authority can access customer usage data at any time and can alert customers to apparent leaks promptly. In September 2013, the Authority achieved the lowest 90-day receivable balance in the Authority's history at \$4.9 million. The Authority typically maintains a 90-day receivable balance of less than 2.0% of Operating Reserves. This is the result of a comprehensive strategy that integrates several consumer services functions along with an aggressive customer contact process that addresses collections issues early when outstanding balances are within the range of customers' ability to pay, improved lien processing for delinquent accounts, and enhanced coordination efforts with other District agencies.

The Authority's collection program includes: (i) assessing customers a 10% late fee if their bill is not paid by day 31 after the date of billing, and sending customers a friendly reminder notice; (ii) placing a call to the customer using an automatic notification call program on day 34; (iii) sending the customer notice of intent to disconnect service on day 39 (which, in accordance with District laws and regulations gives customer 15 days to pay the delinquent bill and maintain service); (iv) mailing to the owner of the property an intent to place a lien on the property on day 65 (which gives the owner 10 additional days to pay the bill before a lien is placed on their property) and imposing an

additional 1% penalty per month on all delinquent balances after 60 days; (v) placing a call to the customer on day 67 to inform him/her of the Authority’s intent to place a lien on the property if the delinquent bill is not paid; and (vi) placing a lien on the property on day 80. The lien becomes a part of the public record and appears on the owner’s credit report and adversely affects their FICO score. The Authority will remove a lien only if the delinquent account balance is paid in full, and/or if the lien was placed in error. Once paid, the lien is removed and reflected as “satisfied” on the credit report but the customer’s FICO score is not changed unless the customer contacts the credit bureau. The Authority’s liens are continuous, which entitles the Authority to collect the current outstanding balance owed by a customer regardless of the balance at the time the lien was placed.

The Authority utilizes collection analysts who make calls to owners of delinquent accounts with a focus on the top 250 delinquent accounts. The Authority also takes legal action to have delinquent multi-family apartment building owners placed in receivership. This may result in the Authority receiving a percentage of the tenants’ rent that is collected by a court-appointed Receiver before the owner can collect any rent. The account stays in receivership until paid in full.

After all efforts to collect have been exhausted, and as a last resort, the Authority will disconnect service for non-payment and not restore it until the delinquent bill is paid. The AMR system allows the Authority to know if water is being used after service has been disconnected due to non-payment. If this occurs, the meter will be removed or locked and service will not be restored until the delinquent amount, plus any applicable fees, are paid in full.

Table 16 shows the cumulative retail (including commercial) customer balances that were delinquent more than 90 days.

[update] Table 16. Retail Customer Cumulative Delinquent Balances
(\$ in millions)

As of September 30,	Amount¹	Percent of Operating Revenue
2019	10.6	1.5
2020	17.9	2.5
2021	26.3	3.7
2022	29.1	3.5
2023	28.0	3.1

¹ Amounts shown are as of the end of each Fiscal Year for amounts delinquent more than 90 days and do not include previously disputed amounts for Howard University (now resolved) and the Soldiers’ Home discussed below.

Source: Authority records.

Special Accounts

The Authority has historically provided some Armed Forces Retirement Home (AFRH) accounts with free water service in exchange for the use of certain parcels of AFRH property to maintain a reservoir that provides water to the District. In 2018, the Authority filed a lawsuit to resolve its claims against the AFRH regarding water and sewer service charges including retrospective charges for the period of 2012 to 2018 under the 1954 Public Works Act. On September 10, 2021, the court affirmed the Authority’s entitlement to \$1,747,090.49 for fiscal year 2021 sanitary sewer services, but denied the Authority’s claims of \$707,097.77 for stormwater charges and \$7,487,138.27 for retrospective charges. [update][As of the date of this Official Statement, less than \$200,000 remains in dispute and settlement negotiations are on-going.]

Other than ARFH, there are no exempt accounts, nor does the Authority anticipate the addition of any new exempted accounts.

Customer Assistance Programs

The Authority has several programs to assist low-income customers in paying their water bills: Customer Assistance Program (CAP, CAP II, and CAP III, a District funded program), Serving People by Lending A Supporting Hand (“S.P.L.A.S.H.”) funded by voluntary contributions, and programs launched to assist customers negatively

impacted by COVID. The Authority also works with the District to implement the District of Columbia Low-Income Household Water Assistance Program (LIHWAP) that provides bill payment assistance benefits to DC Water customers.

Customer Assistance Program. The Authority implemented the CAP in 2001 providing a discount of up to 4 Ccf per month of water service for single family residential homeowners that meet annual household income eligibility guidelines below sixty percent (60%) of the State Median Income (SMI) for the District of Columbia. The CAP has been enhanced in subsequent years, as summarized below. Enhancements were effective either on the first day of the Fiscal year or during the year shown.

<u>Fiscal Year</u>	<u>CAP Enhancement</u>
2004	Include tenants who meet the financial eligibility requirements and whose primary residence is separately metered by the Authority
2009	Provide a discount of 4 Ccf per month of water and sewer services
2011	Provide a discount of the first 4 Ccf of PILOT/ROW Fee
2016	Provide a 100% discount of the new Water System Replacement Fee (WSRF)
2017	Provide a 50% credit on the billed Clean Rivers Impervious Area Charge (CRIAC)
2018	Provide a discount of 3 Ccf per month of water and sewer services (excluding PILOT/ROW) for expanded income guidelines
2018	Provide a 50% credit on the billed Clean Rivers Impervious Area Charge (CRIAC) for expanded income guidelines
2018	Provide a 75% credit on the billed Clean Rivers Impervious Area Charge (CRIAC) for eligible customers under expanded income guidelines (excludes water and sewer services credits)
2018	Provide up to 90% credit on the billed Clean Rivers Impervious Area Charge (CRIAC) for eligible non-profit organizations, (CRIAC Non-Profit Relief Program, funded by the District)
2019	Enacted CAP II and CAP III program for customers not eligible for the CAP program
2020	Enacted Emergency Residential Relief Program for residential customers who have delinquent bills during the pandemic. In Fiscal Year 2020, the Authority’s Board adopted an increase in the CAP program maximum credit from 50% to 75%, effective October 1, 2020.
2021	Enacted Multi-Family Assistance and Residential Assistance programs to assist tenants during the pandemic.

Table 17A sets forth the number of customers assisted and the total discount provided through the CAP discount since Fiscal Year 2017. The projected revenues of the Authority take into consideration the discounts provided to low-income customers under the CAP and CAP II. CAP III and the CRIAC Non-Profit Relief Program are funded by the District.

CAP II expanded CAP in fiscal year 2019 for low-income residential customers who do not qualify for CAP with a household income up to 80% of the Area Median Income (AMI). Eligible customers receive a discount of up to 3 Ccf per month for water and sewer services and a 50% discount for the CRIAC. CAP III is a District-funded program that provides benefits to DC Water customers with household income greater than 80% and up to 100% Area Median Income (AMI) who do not qualify for CAP or CAP II. An eligible customer under CAP III receives a 75% discount for the CRIAC.

[update] Table 17A. Customer Assistance Program Discount

Fiscal Year	Customers Assisted	Water/Wastewater PILOT/ROW (\$)	WSRF Discount (\$)¹	CRIAC Credit (\$)¹	Total Amount
2017	4,244	810,295	195,328	129,674	1,135,297
2018	4,324	737,199	176,403	274,972	1,188,574
2019	4,436	841,325	180,277	269,196	1,290,797
2020	4,818	1,101,041	206,852	276,915	1,584,808
2021	5,630	1,603,620	272,823	501,884	2,378,326

¹ The CAP data for 2017 reflect partial-year benefits for the WSRF discount and CRIAC credit, as they became effective on May 1, 2017. Benefits provided after Fiscal Year 2017 will include the full effect of the WSRF discount and the CRIAC credit.

Source: Authority records.

Table 17B sets for the number of customers assisted and the total discount provided through the CAP II and CAP III discount Fiscal Year 2019 to Fiscal Year 2023. The District also funded the CRIAC Nonprofit Relief Program, which is designed to provide CRIAC credits to nonprofit organizations as determined by the DOEE. An eligible customer under the Nonprofit Relief Program receives up to a 90% discount for CRIAC.

[update] Table 17B. Customer Assistance Program II and III Discount

Fiscal Year	Customers Assisted	Water/Wastewater PILOT/ROW (\$)	WSRF Discount (\$)	CRIAC Credit (\$)	Total Amount
2019 – CAP II	191	33,344	-	14,147	47,490
2019 – CAP III	48	-	-	9,436	9,436
2020 – CAP II	681	127,319	-	46,517	173,837
2020 – CAP III	133	-	-	25,863	25,863
2021 – CAP II	835	172,555	-	73,082	245,637
2021 – CAP III	191	-	-	36,059	36,059
2022 – CAP II					
2022 – CAP III					
2023 – CAP II					
2023 – CAP III					

Source: Authority records

S.P.L.A.S.H. Through the S.P.L.A.S.H. program, the Authority offers assistance to families in need so that they can receive critical water services. S.P.L.A.S.H. is funded solely by contributions from the community, customers and from the Authority employees. The Authority has redesigned its water and sewer bills to make it easier for its customers to make contributions to S.P.L.A.S.H. The Authority pays all administrative costs of this program, which is administered directly by the Greater Washington Urban League (GWUL). All contributions are deposited in a bank account from which the (GWUL) makes payments on behalf of eligible customers with annual household incomes below sixty percent (60%) of the State Median Income (SMI) for the District of Columbia. Every dollar received by the Authority is distributed to eligible customers. Table 18 shows the number of customers assisted by the Authority and the total amount distributed through the S.P.L.A.S.H. program since Fiscal Year 2019.

Table 18. S.P.L.A.S.H Program Distribution

Fiscal Year	Participating Customers	S.P.L.A.S.H Value
2019	276	84,427
2020	133	74,323
2021	96	71,765
2022		
2023		

Source: Authority records.

[Program on-going?] [The Authority joined the District government in assisting customers who were impacted by the COVID-19 pandemic. Using funds from a budget surplus in fiscal year 2020, in 2021 the DC Water Board approved the Residential Assistance Program (RAP) and the Multi-Family Assistance Program (MAP), which supplement existing assistance programs for eligible households in single family homes and multi-family buildings respectively who are negatively impacted by the pandemic. Each program provides a maximum of \$2,000 to assist customers, provided they are income eligible. In 2021, the District government funded an additional emergency assistance program whereby income eligible households were eligible for an additional \$2,000 in assistance. The District’s StayDC program also provided assistance to renters.]

[Program on-going?] [On October 1, 2021, the District implemented the District of Columbia Low-Income Household Water Assistance Program (LIHWAP) to provide bill payment assistance to DC Water customers that meet certain annual household income eligibility requirements below sixty percent (60%) of the State Median Income (SMI) for the District of Columbia. The LIHWAP is a program funded through the U.S. Department of Health and Human Services, authorized by Section 2912 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2, 135 Stat. 4 (Mar. 11, 2021), and Section 533 of the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260, 134 Stat. 1182 (December 27, 2020). Federal funds awarded under this grant are used to provide funds to eligible customers to cover or reduce arrearages, rates and fees associated with reconnection or preventions of disconnection of service, and rate reductions.]

Customer Service Operations

The Department of Customer Services reports to the Chief Operating Officer and is responsible for meter installations, meter reading, meter testing, billing and collections. The Authority continuously evaluates its customer service offerings to ensure that customers receive the best possible service.

FINANCIAL OPERATIONS

COVID-19: Impact and Recovery

In response to the COVID-19 pandemic, the Authority implemented policies to prioritize customers, such as suspending disconnections for non-payment, reconnecting previously disconnected customers, providing payment plans and working with the District government to expand financial assistance for customers. The Authority took proactive steps to curtail spending, prioritize critical and COVID-related expenditures and achieve budget savings in response to a projected impact on revenue from increased customer delinquencies and reduced water consumption. The Authority reduced reliance on consultants, prioritized critical repair and maintenance work for sewer and water infrastructure and limited Authority-wide travel and training.

[TO BE UPDATED]:

Budget. The Authority took several actions through the first two years of the COVID-19 pandemic to align expenditures with anticipated revenues. The Authority is only hiring for positions deemed critical for the duration of the pandemic and instituted spending restrictions and reduced contract costs to only necessary work.

At the end of fiscal year 2021, total operating expenditures were \$51.1 million below budget. As a result of a decline in revenue from the growth in customer delinquencies and an overall reduction in water consumption, fiscal year 2021 revenues (through September 30, 2021), on a cash basis, were \$709.6 million, \$24.2 million below the budget of \$733.7 million. Revenues are improving in fiscal year 2022, which began on October 1, 2021. In the first quarter, revenues were \$240.6 million as compared to the budget of \$228.1 million.

In April 2020, the Authority entered into a purchase agreement to refinance approximately \$300 million in outstanding indebtedness. The anticipated impact of this refinancing is approximately \$4.2 million per year in debt service savings through 2036. Overall, \$61.4 million in gross cashflow savings is expected to be achieved.

Capital Improvement Program. The Authority temporarily delayed approximately \$170 million in capital projects through the first two years of the COVID-19 pandemic. **[update]** The Authority anticipates it will receive approximately \$30 million from the District for lead service line removal as a result of federal assistance. The CIP includes a corresponding increase in expenditures to reflect this assistance.

Collections. The Authority measures “90-Day delinquencies” as amounts not paid 90 days after the billing date. As a result of the pandemic, delinquencies of 90 days or longer increased from \$12.0 million in February 2020 to \$27.6 million as of December 31, 2021.

At the end of September 30, 2021 the Authority reported an allowance for doubtful accounts of \$29.0 million, an increase over the \$24.4 million at the end of September 30, 2020. The allowance is calculated by applying historical collection rates against balances. For residential, non-residential (commercial) and multi-family accounts it is estimated that 0% of balances 731 days and older than the bill date will be collected, 31% of balances between 365 and 730 days will be collected, and 93% of balances between 0 and 364 days from the bill date will be collected. The Authority assumes that 99% of municipal and housing authority bills will be collected and 100% of federal bills will be collected.

As of December 31, 2021, 2,788 customers had active payment plans. There are 2,382 residential, 167 non-residential (commercial) and 239 multi-family customer payment plans. For further information regarding collections, see “CUSTOMER BASE, RATES AND CHARGES – Collections.”]

Historical Financial Operations [to be updated]

The Authority derives its revenues primarily from retail customer payments for water, wastewater and stormwater services, which account for 82.0% of total revenues, and wholesale customer payments for wastewater treatment services, which account for 10.8% of total revenues (excluding the PILOT/ROW Fee for Fiscal Years 2022 through 2026). The Authority’s operating revenues have steadily increased since its creation, due largely to rate and fee increases approved by the Board, which are discussed in more detail in the section entitled “RATES AND CHARGES – Historical and Projected Water and Wastewater Retail Rates.”

The Authority is committed to optimizing the cost of service it offers and as a result places emphasis on managing its expenses. The Authority’s Budget Department closely monitors spending to ensure compliance with approved operating and capital budgets. This includes preparation of daily and monthly management reports for each operating unit and financial system controls that prevent overspending. The Authority’s Finance Department provides detailed monthly reports on cash and investments, revenues, operating budget and capital spending to the Board’s Finance and Budget Committee. In addition, the Authority’s Department of Engineering and Technical Services provides quarterly updates on the CIP status to the Board’s Environmental Quality and Sewerage Services and Water Quality and Water Services Committees, as well as to the Finance and Budget Committee.

Table 19 presents historical revenues, expenses and changes in net position using information contained in the audited financial statements for Fiscal Years 2019 through 2023. The Authority’s complete financial statements for the Fiscal Years ended September 30, 2022 and 2023, are attached hereto as APPENDIX B.

Table 19. Historical Revenues, Expenses and Change in Net Position
(\$ in thousands)

	Fiscal Year Ended September 30				
	2023	2022	2021	2020	2019
Operating revenues					
Residential, commercial and multi-family customers	\$ 562,351	\$ 522,057	\$ 474,380	\$ 459,572	\$ 443,481
Federal government	85,716	76,680	86,422	80,122	73,393
District government and DC Housing Authority	53,737	51,407	50,020	46,781	45,816
Charges for wholesale wastewater treatment	152,755	135,285	127,410	117,166	114,766
Other	44,204	46,781	32,325	33,187	27,691
Total Operating Revenues	<u>898,763</u>	<u>832,210</u>	<u>770,557</u>	<u>736,828</u>	<u>705,147</u>
Operating expenses					
Personnel services	156,336	149,655	142,352	135,005	141,040
Contractual services	81,150	69,308	73,227	74,064	75,818
Chemicals, supplies and small equipment	55,562	40,974	35,411	30,602	36,579
Utilities and rent	37,365	38,158	27,331	24,708	25,813
Depreciation and amortization	149,478	146,375	138,074	135,590	127,501
Water purchases	33,609	33,345	33,135	31,696	32,430
Payment in lieu of taxes and right of way fee	23,070	22,718	22,372	22,034	21,702
Total operating expenses	<u>536,570</u>	<u>500,533</u>	<u>471,902</u>	<u>453,699</u>	<u>460,883</u>
Operating income	362,193	331,677	298,655	283,129	244,264
Nonoperating revenue (expenses)					
Interest income	20,878	4,458	2,760	8,846	9,307
Interest expense and fiscal charges	(146,391)	(162,868)	(155,672)	(91,724)	(104,630)
Total nonoperating revenue (expenses)	<u>(125,513)</u>	<u>(158,410)</u>	<u>(152,912)</u>	<u>(82,878)</u>	<u>(95,323)</u>
Change in net position before Federal grants and contributions	236,680	173,267	145,743	200,251	148,941
Contributions of capital from Federal government	29,519	31,434	42,093	22,727	16,313
Change in net position	<u>266,199</u>	<u>204,701</u>	<u>187,836</u>	<u>222,978</u>	<u>165,254</u>
Net position, beginning of year	<u>2,866,305</u>	<u>2,661,604</u>	<u>2,473,433</u>	<u>2,250,455</u>	<u>2,085,201</u>
Net position, end of year	<u>\$3,132,504</u>	<u>\$2,866,305</u>	<u>\$2,661,269</u>	<u>\$2,473,433</u>	<u>\$2,250,455</u>

Source: Authority records.

[Balance of page intentionally left blank]

Historical Debt Service Coverage

The Authority has exceeded the Rate Covenant requirement of 1.20x Senior Debt service coverage set forth in the Indenture and the Authority's policy goal of 1.40x Senior Debt service coverage in each of the last five Fiscal Years, as shown in Table 20. On October 7, 2021, the Board adopted a revised statement of financial policies that strengthens the Authority's debt service coverage policy goal to 1.60x on a combined debt service coverage basis.

Table 20. Historical Debt Service Coverage¹
(\$ in thousands)

	Fiscal Year ended September 30				
	2023	2022	2021	2020	2019
Net Revenues (A)	\$853,333	\$833,595	\$709,568	\$681,303	\$694,437
Operating expenses (B)	389,376	348,402	332,830	300,187	314,529
Net Revenues available for debt service (C=A-B)	\$463,957	\$485,193	\$376,738	\$381,116	\$379,908
Debt Service:					
Senior debt service (D)	\$ 74,114	\$ 73,474	\$ 75,085	\$ 72,202	\$ 75,282
Subordinate debt service (E)	151,739	136,293	129,793	126,854	117,753
Total outstanding debt service (F=D+E)	\$225,852	\$209,767	\$204,878	\$199,056	\$193,035
Senior Debt Service Coverage (C/D)	6.31	6.53	5.08	5.24	4.82
Net revenue available for subordinate debt service (C-E)	\$393,661	\$406,308	\$306,199	\$306,156	\$287,933
Subordinate debt service coverage ((C-D)/E)	2.59	2.98	2.36	2.41	2.45
Combined debt service coverage (C/F)	2.07	2.29	1.86	1.90	1.88

¹ Prepared in accordance with the Indenture, which closely corresponds to cash basis accounting. Debt service on the Series 2010A Bonds (which is included in Subordinate Debt Service above) reflects the Direct Payments the Authority receives from the U.S. Treasury. The Authority has agreed to deposit the Direct Payments related to the Series 2010A Bonds directly into the Series 2010A Interest Account of the Subordinate Lien Bond Fund to pay interest when due on the Series 2010A Bonds. With respect to the effect of Sequestration on the receipt by the Authority of Direct Payments on its Series 2010A Bonds, see "SECURITY FOR THE SERIES 2024B BONDS – Direct Payments – Sequestration."

Source: Authority records.

Annual Budget*Annual Budget Process*

The Authority's budgetary process is based on an integrated approach that links its operating and capital requirements to its ten-year financial plan. Preparation of the Authority's budget begins with the preparation of the ten-year financial plan in the spring of each year. The Authority's operating budgets and the CIP are developed based on the financial parameters laid out in the financial plan and in Board policy. Management presents its proposed operating budgets, the CIP and the ten-year financial plan to the Board's Environmental Quality and Sewerage Services, Water Quality and Water Services, and Finance and Budget Committees for their review, with final action by the full Board typically scheduled for January of each year. Upon final approval by the Board, the Authority's budget is forwarded to the District for inclusion in its submission to the President as described below.

Under the Act and the Federal Act, the Authority is required to prepare and annually submit to the Mayor of the District for inclusion in the annual budget of the District estimates of the expenditures and appropriations necessary for the operation of the Authority for each Fiscal Year. All such estimates are required to be forwarded by the Mayor to the Council for its action without revision. The Council may comment or make recommendations concerning such annual estimates but has no authority to revise such estimates. Such annual estimates constitute a part of the annual budget of the District required to be submitted by the Mayor to the President of the United States for transmission by the President to the U.S. Congress. In accordance with the District's Home Rule Act, except as noted below, no amount may be obligated or expended by any officer or employee of the District, including the Authority, unless such amount has been approved by act of Congress and then only according to such act. Pursuant to the Federal Act, the limitation described in the preceding sentence is not applicable to expenditures by the Authority for any of the following purposes: (i) any amount obligated or expended from the proceeds of any revenue bonds of the Authority; (ii) any amount obligated or expended for debt service on such revenue bonds; (iii) any amount obligated or expended to secure any revenue bonds of the Authority; or (iv) any amount obligated or expended for repair, maintenance, or capital improvement to the System facilities financed by any revenue bonds of the Authority. In addition, pursuant to

Public Law 105-33 (D.C. Code Section 1-204.45a(b)), if the Authority has excess revenues, such excess revenues may be obligated or expended for capital projects.

The Approved Fiscal Year 2023 and Fiscal Year 2024 Budgets

The Board adopted the Fiscal Year 2023 operating budget (the “Fiscal Year 2023 Budget”) on March 3, 2022 and the Fiscal Year 2024 operating budget (the “Fiscal Year 2024 Budget”) on March 2, 2023.

[update] The Fiscal Year 2021 Budget for operating expenditures totals \$642.7 million, which is \$28.2 million or 4.6% higher than the Approved Fiscal Year 2020 Budget, primarily due to the increases in: debt service costs associated with the Authority’s CIP, personnel services, contractual services and chemicals and supplies. The Fiscal Year 2022 Budget for operating expenditures totals \$658.4 million, which is \$15.7 million or 2.4% higher than the Approved Fiscal Year 2021 Budget, primarily due to increases in debt service costs associated with the Authority’s CIP and an increase to the budgeted amount for cash-financed construction.

The Authority anticipates that the difference between actual and budgeted operating expenses will be less than in previous years due to budget planning that focuses on having actual expenses more closely aligned with budgeted expenses. Beginning in Fiscal Year 2015, the Authority includes a separate line item in its operating budget to provide funds for additional cash-financed capital construction, the defeasance of debt, or other uses at the discretion of the Authority. The amounts in this line item could alternatively be used by the Authority to help address potential shortfalls in cash receipts or increases in expenses, should the need arise. In addition, the Authority has the ability to adjust its rates, as necessary, to provide the required revenues in each year.

Projected Financial Operations

Table 21 was prepared by Amawalk in its capacity as the financial feasibility consultant to the Authority, and it shows (i) the actual (preliminary, unaudited) cash flows, cash reserves and debt service coverage for Fiscal Year 2023 and (ii) projected cash flows, cash reserves and debt service coverage for Fiscal Years 2024 through 2028. The projected revenues reflect the increases in rates and charges adopted by the Authority for Fiscal Year 2024 and the anticipated increases in rates and charges for Fiscal Years 2025 through 2028.

The projected financial results for Fiscal Years 2024 through 2028 incorporate assumptions as of the date of this Official Statement. The projected debt service requirements do not include the potential impacts on debt service of the Series 2024B Bonds. The Authority anticipates issuing approximately \$1.6 billion of new money bonds from Fiscal Year 2024 through and including Fiscal Year 2028. There are no deposits to the debt service reserve fund assumed for the Series 2024B Bonds, and any anticipated future bonds; the Authority may decide to make contributions to the debt service reserve fund in the future at its discretion.

The Authority has the option to issue future bonds as either Senior Debt or Subordinate Debt. The combined debt service coverage would remain the same if the Authority were to elect to issue Senior Debt in lieu of Subordinate Debt or vice versa in a given year. Decisions regarding the issuance of future debt as Senior Debt will be made by the Authority at the time of debt issuance.

For more information in respect of Amawalk’s analysis, see “FINANCIAL FEASIBILITY OPINION LETTER” in Appendix A.

Table 21. Analysis of Actual and Projected Financial Results
 Fiscal Years ended/ending September 30
 (\$ in thousands)¹

	Actual		Projected			
	2021 ²	2022	2023	2024	2025	2026
Revenues and Payment Obligations						
Revenues						
Retail Revenues ²	\$678,467	\$705,362	\$731,643	\$775,094	\$830,052	\$886,720
Wholesale Revenues	105,250	106,519	114,248	120,905	125,741	130,771
Other Non-Operating Revenues	69,616	76,678	78,370	81,457	86,916	92,862
Transfer from RSF	0	2,000	2,000	0	0	0
(Contributions to RSF)	0	0	0	0	0	0
Total Revenues	\$853,333	\$890,560	\$926,261	\$977,455	\$1,042,708	\$1,110,352
(Refund to)/Payment from IMA	4,742	(9,000)	(7,700)	(8,100)	0	0
Projected Billing Refunds	0	(2,000)	(2,000)	0	0	0
Prior Year Federal Billing Reconciliation	(4,188)	(6,256)	(13,813)	(7,000)	0	0
ACH Return for Previous Years	3,264	0	0	0	0	0
Net Revenues (A)	\$857,151	\$873,304	\$902,748	\$962,355	\$1,042,708	\$1,110,352
Operating Expenses (B)	389,376	401,954	420,411	440,777	458,408	476,744
Net Revenues Available for Debt Service (C=A-B)	467,775	471,350	482,337	521,579	584,301	633,608
Total Senior Debt Service (D) ^{4,5}	74,114	57,649	64,059	80,181	96,309	99,754
Total Subordinate Debt Service (E) ^{4,5,6,7,8,9}	151,739	163,986	185,436	196,819	210,980	240,426
Total Outstanding & Projected Debt Service (F=D+E)	\$225,852	\$221,635	\$249,495	\$277,000	\$307,289	\$340,180
Debt Service Coverage						
Calculation of Net Revenues Available for Senior Debt Service						
Senior Debt Service Coverage (C/D)	6.31x	8.18x	7.53x	6.51x	6.07x	6.35x
Calculation of Subordinate Debt Service Coverage						
Net Revenue Available for Senior Debt Service (C)	467,775	471,350	482,337	521,579	584,301	633,608
Less Senior Debt Service (D)	(74,114)	(57,649)	(64,059)	(80,181)	(96,309)	(99,754)
Net Revenue Available for Subordinate Debt Service (C-D)	393,661	413,701	418,278	441,398	487,992	533,855
Subordinate Debt Service Coverage [(C-D)/E]	2.59x	2.52x	2.26x	2.24x	2.31x	2.22x
Combined Debt Service Coverage (C/F)	2.07x	2.13x	1.93x	1.88x	1.90x	1.86x
Subordinated Payment Obligations						
Payment In Lieu of Taxes/Right of Way Fee (G)	23,070	23,430	23,796	24,170	24,552	24,941
Defeasance/Cash Financed Construction (H) ¹⁰	35,730	58,575	60,436	71,932	76,914	82,049
Revenues Less Disbursements (I=A-B-F-G-H)	183,123	167,710	148,609	148,476	175,546	186,439
Reserve Balances						
Beginning Cash Reserve Balance (J)	257,374	286,889	296,600	309,600	324,600	337,600
Cash Reserve Balance Breakdown						
Beginning Undesignated Reserve Balance	166,902	193,822	196,704	207,608	219,532	229,137
Additions to/(Transfers from) Undesignated Reserve						
Annual Balance from Operations	179,304	184,967	172,123	163,576	175,546	186,439
(Refund to)/Payment from IMA	4,742	(9,000)	(7,700)	(8,100)	0	0
Projected Billing Refunds	0	(2,000)	(2,000)	0	0	0
Prior Year Federal Billing Reconciliation	(4,188)	(6,256)	(13,813)	(7,000)	0	0
Transfer to CAP Fund	3,264	0	0	0	0	0
Curing Pad + ERP	0	0	0	0	0	0
Pay-Go Capital Financing	(153,607)	(158,000)	(135,609)	(133,476)	(162,546)	(172,439)
(Transfers to)/Transfers from 60-Day Reserve	(2,595)	(6,829)	(2,096)	(3,076)	(3,394)	(2,939)
Additions to/(Transfers from) Renewal & Replacement Reserve	0	0	0	0	0	0
Ending Undesignated Reserve Balance	193,822	196,704	207,608	219,532	229,137	240,199
Beginning 60-Day Operating Reserve Balance	55,472	58,067	64,896	66,992	70,068	73,463
Additions to/(Transfers from) 60-Day Reserve	2,595	6,829	2,096	3,076	3,394	2,939
60-Day Operating Reserve Balance	58,067	64,896	66,992	70,068	73,463	76,401
Beginning Renewal & Replacement Balance	35,000	35,000	35,000	35,000	35,000	35,000
Additions to/(Transfers from) Renewal & Replacement Reserve	0	0	0	0	0	0
Renewal & Replacement Balance	35,000	35,000	35,000	35,000	35,000	35,000
Ending Balance Cash Reserve	286,889	296,600	309,600	324,600	337,600	351,600

Finance and Budget Committee - 8. Action Items (John PappaJohn)

Cash Reserve Requirement Per Board Policy (250 Days of Cash on Hand Beginning in Fiscal Year 2022) ¹⁰	193,822	275,311	287,952	301,902	313,978	326,537
Beginning Rate Stabilization Fund Balance	35,644	35,644	33,644	31,644	31,644	31,644
Transfers from Operations (Additions to Rate Stabilization Fund)	0	0	0	0	0	0
Additions to Operations/(Transfers from) Rate Stabilization Fund	0	(2,000)	(2,000)	0	0	0
Rate Stabilization Fund Balance	35,644	33,644	31,644	31,644	31,644	31,644

¹ Totals may not add due to rounding.

² Includes retail revenue from water and wastewater charges as well as the Clean Rivers Impervious Area Charge.

³ Preliminary results, unaudited.

⁴ Debt service is shown on a cash basis, and may differ from the CAFR.

⁵ The Authority has received a loan to finance a portion of its CIP pursuant to the Water Infrastructure Finance and Innovation Act of 2014 (WIFIA), a federal credit program administered by EPA for eligible water and wastewater infrastructure projects. The loan amount is up to \$156 million to be disbursed over multiple years. The projected debt service includes repayment of the WIFIA loan as a senior obligation; the effective interest rate is 1.87% annually which is lower than the projected rate that would be required if the Authority issued bonds in lieu of accepting the loan proceeds.

⁶ Anticipated future bonds in Fiscal Year 2026 are currently assumed to be issued on a Senior lien basis. Anticipated future bonds in all other years of the Reporting Period are currently assumed to be issued on a subordinate lien basis. The Authority may decide in the future to issue bonds on a senior or subordinate basis. Debt service for anticipated future bonds beginning in Fiscal Year 2025 is calculated based on a term of 35 years and level annual debt service and assumed annual interest rates of 6.00%. The sizing of each anticipated bond issue includes an allowance of 1.5% of the proceeds for the cost of issuance. No deposits to the debt service reserve fund are assumed for the issuance of anticipated future bonds.

⁷ The proceeds of the Fiscal Year 2024 Series A Bonds are expected to be issued on a subordinate and basis and will be used to purchase the Tender Offer bonds and refund all or certain of the Series 2014C Bonds; the projected debt service does not reflect the anticipated debt service after the effects of the purchase and refunding.

⁸ The Total Subordinate Debt Service is net of the Build America Bonds (BABs) subsidies the Authority expects to receive from the United States Treasury equal to 32% of the interest payable on the Series 2010A Bonds. It reflects the reduction in BABs subsidy payments due to expected continuing effects of sequestration. See "SECURITY FOR THE SERIES 2024B BONDS - Direct Payments – Sequestration."

⁹ Subordinated debt service includes an allowance in each year for the interest costs of both Commercial Paper and Extendible Maturity Commercial Paper. In FY 2024 through FY 2028, subordinated debt service includes an allowance of \$2.15 million per year for interest on Taxable Commercial Paper plus \$2.89 million per year for interest on Tax-Exempt EMCP. See "DEBT SERVICE REQUIREMENTS."

¹⁰ The Authority includes funds in its annual budget that are intended to be used to defease outstanding debt or pay for construction on a cash basis. These funds are separate from the Pay-Go Capital Financing amounts referenced under Reserve Funds above and are presently assumed to be added to the Pay-Go amounts and deposited in total as a source of funds for the CIP. Alternatively, these funds could be used to cover unexpected declines in revenues or increases in expenses. The Authority reserves the right to modify the amount of the funds and the usage of funds during each year.

Source: Amawalk (Totals may not add due to rounding).

[Balance of page intentionally left blank]

System Revenues

The Authority collects revenues from retail and wholesale customers as well as other sources that include fees paid by developers and interest earnings on available funds. Authority revenues also include transfers from the Rate Stabilization Fund. Table 22 shows historical revenues of the Authority for Fiscal Year 2023, and the projected revenues for Fiscal Years 2024 through 2028.

Table 22. Historical and Projected Revenue on a Cash Basis

Fiscal Years ended/ending September 30

(\$ in thousands)^{1,2}

	Actual ³	Projected ⁴				
	2023	2024	2025	2026	2027	2028
Retail Revenue						
Residential, Commercial, Multi-Family	\$422,877	\$431,206	\$458,360	\$482,502	\$516,237	\$557,467
D.C. Municipal Government	13,984	14,529	15,624	16,492	17,633	19,028
Federal Government	65,986	69,935	70,254	72,788	77,824	83,980
D.C. Housing Authority	14,763	14,713	15,600	16,388	17,522	18,908
Groundwater ⁵	0	5	5	5	5	5
Metering Fee	24,104	24,083	24,083	24,083	24,083	24,083
Water System Replacement Fee	42,407	40,717	40,717	40,717	40,717	40,717
CRIAC	94,346	110,174	106,999	122,119	136,030	142,531
Total Retail Revenue	\$678,467	\$705,362	\$731,643	\$775,094	\$830,052	\$886,720
Wholesale Revenue						
Loudoun County & Potomac Interceptor	\$13,537	\$13,085	\$13,997	\$14,592	\$15,175	\$15,782
WSSC	73,648	74,959	79,591	84,441	87,818	91,331
Fairfax County	18,066	18,475	20,660	21,873	22,747	23,657
Total Wholesale Revenue	\$105,250	\$106,519	\$114,248	\$120,905	\$125,741	\$130,771
Other Revenues						
District Stormwater Revenues – Authority’s Share	1,038	1,107	1,107	1,107	1,107	1,107
Transfer from Rate Stabilization Fund	0	2,000	2,000	0	0	0
Miscellaneous Revenues	38,244	43,416	43,764	46,784	47,355	50,670
Aqueduct Debt Service Revenue from Falls Church and Arlington	193	193	193	193	193	193
Interest Income	6,381	8,533	9,493	9,217	13,709	15,951
PILOT/D.C. Right of Way Occupancy Fee	23,760	23,430	23,813	24,156	24,552	24,941
Total Other Revenue	\$69,616	\$78,678	\$80,370	\$81,457	\$86,916	\$92,862
Total Operating Cash Receipts	\$853,333	\$890,560	\$926,261	\$977,455	\$1,042,708	\$1,110,352
Less: Contributions to Rate Stabilization Fund	0	0	0	0	0	0
Total Operating Cash Receipts with RSF Transfers	\$853,333	\$890,560	\$926,261	\$977,455	\$1,042,708	\$1,110,352

¹ Totals may not add due to rounding.

² All figures are presented on a cash receipt basis.

³ Preliminary results, unaudited.

⁴ Fiscal Year 2024 - 2028 revenue projections are based on the Authority's financial plan. Revenues in each year are dependent upon several factors including: the rates as adopted by the Board, water consumption by customers, rates of bill collection and other matters.

⁵ Groundwater revenue refers to receipts from customers that pump groundwater into the sewer system.

Source: Amawalk.

An overview of the revenue components on a cash basis is provided below.

Retail Water and Wastewater Revenues

Retail revenues comprise the vast majority of all System revenues. In Fiscal Years 2021 through 2023, retail revenues accounted for approximately 82.2% of total revenue (excluding the PILOT/ROW Fee and the effects of withdrawals from the Rate Stabilization Fund), wholesale customer payments represented about 12.0% of total revenues, with the remaining 5.8% coming from a variety of sources, such as interest income, the District fire protection fee, IMA contributions for indirect costs and fees from service installations. Retail revenues are derived primarily from water and wastewater service charges of the Authority that are based on water consumption as described earlier in this Official Statement. Other sources of retail revenue include the customer metering fee, CRIAC, and Water System Replacement Fee. See “CUSTOMER BASE, RATES AND CHARGES – Components of Retail Rates and Charges.”

The Authority has projected that revenues from retail customers, excluding the PILOT/ROW Fees, will be \$705.4 million in Fiscal Year 2024, or 81.5% of the Authority’s total revenues (excluding the PILOT/ROW Fee and transfers from the Rate Stabilization Fund). This amount includes approximately \$110.2 million from the CRIAC and \$40.7 million from the Water System Replacement Fee. Excluding CRIAC and the Water System Replacement Fee, Fiscal Year 2024 projected revenue is expected to be \$12.8 million, or 2.4%, higher than the Fiscal Year 2023 revenues from retail customers. The projected increase in retail revenue assumes the consumption of retail customers will be lower in Fiscal Year 2024 compared to Fiscal Year 2023.

Revenues from retail customers are projected to be \$731.6 million in Fiscal Year 2025. This amount includes approximately \$107.0 million from the CRIAC and \$40.7 million from the Water System Replacement Fee and excludes the PILOT/ROW Fee. Without the effects of the CRIAC and the Water System Replacement Fee, the Fiscal Year 2025 projected revenue represents an increase of \$29.5 million or 5.3% compared to the projected Fiscal Year 2024 revenues.

Retail revenues in Fiscal Years 2026 through 2028 are anticipated to increase in each year reflecting both the effects of anticipated changes in rates (as illustrated in Table 13) as well as the expectation that water demand will decrease by 1% annually.

Clean Rivers Impervious Area Charge Revenues

The revenues from the CRIAC were \$94.3 million in Fiscal Year 2023. CRIAC revenues have increased or decreased in recent years due to rate adjustments to better reflect the cost of service. When rates and revenues from the CRIAC are expected to be lower, rates and revenues from wastewater charges are expected to be higher due to both: a) increases in the cost of service, and b) an allocation of a portion of the costs of the LTCP to wastewater charges in lieu of the CRIAC. The allocation of a portion of LTCP costs to wastewater charges is based on an analysis prepared by the Authority which estimates that sanitary sewage portion of combined wastewater and stormwater. Amawalk previously reviewed the Authority’s analysis and found it to be reasonable and consistent with industry practice. The revenues from the CRIAC in Fiscal Year 2024 and subsequent years are expected to change reflecting the effects of projected rate increases. Revenues from CRIAC are expected to be \$110.2 million in Fiscal Year 2024, \$107.0 million in Fiscal Year 2025, \$112.1 million in Fiscal Year 2026, \$136.0 million in Fiscal Year 2027 and \$142.5 million in Fiscal Year 2028.

Water System Replacement Fee

The revenues from Water System Replacement Fee were \$42.4 million in Fiscal Year 2023. It is assumed for projection purposes that the Water System Replacement Fee will generate \$40.7 million per year from Fiscal Year 2024 and through 2028.

Stormwater Revenues

In Fiscal Year 2023, the Authority collected \$1.04 million in stormwater fees from its retail accounts to cover its share of District stormwater expenditures, and it anticipates that it will collect \$1.11 million in each Fiscal Year from 2024 to 2028. The District Council has stormwater rate-setting authority for stormwater services provided by the District. The projected revenue from stormwater fees that are payable to the District are based on the current stormwater rate which is assumed to be constant during the projection period. For more information regarding the stormwater fee, see “CUSTOMER BASE, RATES AND CHARGES – Components of Retail Rates and Charges – Stormwater Fee.”

Wholesale Revenues

The Authority’s wholesale revenues for wastewater operations are stable and reflect modest increases in the cost of service and changes in the volumes of wastewater flow from suburban customers. In Fiscal Year 2023, the Authority received \$105.3 million in revenue from its wholesale customers pursuant to the IMA. Revenues from wholesale customers are expected

to increase to \$106.5 million in Fiscal Year 2024, \$114.2 million in Fiscal Year 2025, \$120.9 million in Fiscal Year 2026, \$125.7 million in Fiscal Year 2027 and \$130.8 million in Fiscal Year 2028. The revenues from the wholesale customers in Fiscal Years 2024 through 2028 are projected to increase reflecting the effects of projected cost increases for such customers as well as the expectation that water demand will decrease by 1% annually.

The preceding figures do not include the effects of prior year billing reconciliations in each year. Such figures also do not include the annual capital contributions of wholesale customers; the anticipated capital contributions are shown in the Sources of Funds section of Table 5 – Fiscal Year 2024-33 Capital Improvement Program.

Loan Repayment from Arlington County and Falls Church

The Authority provided a loan to the Aqueduct to finance certain improvements at the Aqueduct. This loan is repaid to the Authority by Arlington County, Virginia, and Falls Church, Virginia, as Aqueduct Customers, in the form of a credit that is issued to the Authority on the monthly water bills generated by the Aqueduct. The amount of the credit is determined by the Aqueduct in accordance with the Water Sales Agreement, and the annual amount is expected to be \$193,246 from Fiscal Year 2024 through Fiscal Year 2028.

Interest Income on Reserve Funds

Interest income is earned on the available funds of the Authority and a portion of the interest earnings may be used to pay operating and maintenance expenses or capital costs of the Authority.

Interest earnings will fluctuate from year to year based on changes in cash flow, reserve requirements, fund balances and market conditions affecting interest rates and other investment terms. In Fiscal Year 2023, the Authority received \$6.4 million in revenue from interest earnings. The Authority has projected interest earnings of \$8.5 million in Fiscal Year 2024, \$9.5 million in Fiscal Year 2025, \$9.2 million in Fiscal Year 2026, \$13.7 million in Fiscal Year 2027 and \$16.0 million in Fiscal Year 2028, including interest earned from the bond reserves. The assumed annual interest earnings rates for the funds are: 2.0% in Fiscal Years 2024 and 2025, 2.5% in Fiscal Year 2026, 2.75% in Fiscal Year 2027 and 3.0% in Fiscal Year 2028. Projected fund balances and interest rate assumptions are reviewed annually as part of the Authority's budget process. The Authority assumes for forecasting purposes that interest earnings rates will increase gradually over time while simultaneously assuming that borrowing rates for future Authority fixed rate debt in Fiscal Years 2025 through 2028 will be 0.50% higher than the assumed rates for Fiscal Year 2024.

Miscellaneous Revenue

The Authority realizes revenue from several sources classified as miscellaneous, such as charges for late payments by customers, service installation charges, service line repairs, engineering reviews, the sale of manuals, the conveyance and treatment of backwash water from the Washington Aqueduct, and fees charged to commercial waste haulers. Miscellaneous revenues in Fiscal Year 2023 were \$38.2 million. Revenues from these sources are expected to increase to \$43.4.5 million in Fiscal Year 2024. Miscellaneous revenues are expected to total \$43.8 million per year in Fiscal Year 2025, \$46.8 million in Fiscal Year 2026, \$47.4 million in Fiscal Year 2027, and \$50.7 million in Fiscal Year 2028.

These amounts also include payments for various development-related services provided by the Authority and charges to the District for fire protection services. The System Availability Fee and Fire Protection Fee are the largest sources of miscellaneous revenue at \$7.7 million and \$11.5 million, respectively, in Fiscal Year 2024. The Authority's annual investments (operating and capital) in fire protection assets and services increased significantly following the execution of the Memorandum of Understanding between the Authority and the District of Columbia Fire and EMS Department (FEMS) on October 25, 2007. The fees charged by the Authority are intended to recover the costs incurred by the Authority related to fire protection services provided by the water system including, but not limited to, the ability to deliver water for firefighting as well as maintaining and upgrading fire hydrants. The Authority's investments will continue in future years but at a pace that is much lower than the peak years of Fiscal Year 2008 and Fiscal Year 2009. The projected miscellaneous revenues assume that the District will make such payments in each year or that a combination of payments and credits against Authority payments to the District will result in the Authority receiving the full amounts expected from the District.

PILOT/ROW Fee

The total combined revenues from the PILOT/ROW Fee are assumed in the financial forecast to total \$23.4 million in Fiscal Year 2024, and increase gradually each year to \$24.9 million in Fiscal Year 2028. The Authority and the District have negotiated MOUs for both the PILOT and the ROW (see "THE AUTHORITY – Authority's Relationship to the District").

System Expenditures

Operating Expenses

Table 23 presents the historical Operating and Maintenance (“O&M”) expenses of the Authority for Fiscal Year 2023, approved (projected) O&M expense for Fiscal Year 2024, and the projected O&M expenses for Fiscal Years 2025 through 2028 on a cash disbursement basis.

The approved expenses for Fiscal Year 2024 represents a 3.2% increase over the expenses for Fiscal Year 2023, excluding the PILOT/ROW Fee payments to the District. The anticipated expenses for Fiscal Year 2025 reflect an annual increase of 4.6% over the projected expenses for Fiscal Year 2024, excluding the PILOT/ROW Fee payments to the District.

Table 23. Historical and Projected Operation and Maintenance Costs on a Cash Disbursement Basis
 Fiscal Years ended/ending September 30
 (\$ in thousands)^{1, 2}

	Actual³	Approved	Projected⁴			
	2023	2024	2025	2026	2027	2028
Personnel Services	\$161,261	\$169,607	\$175,530	\$182,551	\$189,853	\$197,447
Contractual Services	97,456	93,070	102,284	105,937	110,175	114,582
Water Purchases	32,765	44,039	45,330	48,556	50,498	52,518
Chemical & Supplies	61,931	54,568	55,585	60,698	63,126	65,651
Utilities & Rent	34,728	39,233	40,318	41,760	43,430	45,167
Small Equipment	1,236	1,437	1,364	1,274	1,325	1,378
Total O&M Expenses	\$389,376	\$401,954	\$420,411	\$440,777	\$458,408	\$476,744
PILOT & D.C. ROW Occupancy Fee	\$23,070	\$23,430	\$23,796	\$24,170	\$24,552	\$24,941
Total Expenses	\$412,447	\$425,383	\$444,207	\$464,947	\$482,959	\$501,685

¹ Totals may not add due to rounding.

² All figures are presented on a cash disbursement basis.

³ Preliminary results; unaudited.

⁴ Fiscal Year 2024 – 2028 cost projections are based on the Authority’s Financial Plan.

Source: Amawalk

Table 24 provides a comparison of the budgeted versus actual costs for Fiscal Years 2021, 2022 and 2023 on an accrual basis. As illustrated in Table 24, the Authority has historically under-spent its annual budget for O&M expenses as one component of the budget. Individual line items of expense may be higher or lower in a given year but aggregate expenses are historically less than budgeted.

Table 24. Budget to Actual Expense Comparison
Fiscal Years Ended September 30
(\$ in thousands)^{1,2}

Category	2021			2022			2023		
	Approved Budget	Actual Cost	Variance	Approved Budget	Actual Cost	Variance	Revised Budget ³	Actual Cost ²	Variance
Personnel Service	\$177,863	\$165,032	\$12,831	\$180,353	\$173,229	\$7,124	\$186,223	\$183,316	\$2,907
Contractual Service	88,532	73,575	14,957	88,504	75,878	12,626	88,504	88,309	195
Water Purchase	36,250	33,135	3,115	35,217	33,345	1,872	40,334	33,609	6,725
Chemical & Supplies	36,081	34,244	1,837	34,201	39,189	-4,988	54,628	53,082	1,546
Utilities & Rent	27,911	27,329	582	27,329	37,820	-10,491	37,799	37,361	438
Small Equipment	1,030	617	413	1108	862	246	1,108	1244	-136
Debt Service	222,268	204,878	17,390	231,164	209,768	21,396	231,232	225,852	5,380
Cash Financed Capital Improvements	30,355	30,355	0	37,830	37,830	0	23,505	35,730	-12225
PILOT/ROW	22,373	22,372	1	22,718	22,718	0	23,070	23,070	0
Total Budgetary Basis Expenditures	\$642,663	\$591,537	\$51,126	\$658,423	\$630,638	\$27,785	\$686,403	\$681,574	\$4,829

¹ All figures are presented on an accrual basis. Fiscal Year 2023 figures are subject to change pending final audit results.

² These figures include estimated incurred but unpaid invoices and are subject to revision during year-end closeout and final audit.

³ Indicates approved budget, as amended.

Source: Authority records.

Several factors affecting future expenses are described herein. The Authority has undertaken long-term initiatives to optimize the cost of service. Management's forecast of operations and maintenance expenses reflects continued emphasis on managing such expenses. Examples of historical and ongoing initiatives are outlined in the description of the major categories of expense. Management continually monitors expenditures and reports the results monthly to the Board's Finance and Budget Committee. The Authority also has the option, in any given year, to defer certain expenses in order to stay within its budget and conform to Board policy requirements.

Labor-Related Expenses

Personnel costs are directly affected by staffing levels, salaries and wages, fringe benefits including retirement contributions, overtime expenditures and other factors.

Certain individuals at the Authority are responsible for planning and implementing the CIP. The salaries, wages and fringe benefits of such personnel are charged to capital projects and are paid for through the sources of funds for the CIP.

Salaries and Fringe Benefits. The Authority provides its employees with a comprehensive fringe benefit package, including coverage for health insurance, group term life insurance, dental care, vision care, disability coverage and retirement plans. The fringe benefit component of total labor costs in recent years has been impacted by the increasing cost of health care coverage. Fringe benefits are budgeted to be 23% of the total personnel services budget in Fiscal Year 2021 and 22% of the total personnel services budget in Fiscal Year 2022.

While employed by the Authority, employees contribute to a retirement fund and the Authority contributes a proportional match. Once an employee retires, the Authority has no further financial obligations relating to those employees. Some retired employees may be eligible to receive a federal pension. In addition, the federal government also may assume the employer portion of the healthcare coverage for eligible employees. The Authority is and expects to continue to remain current with its benefit payments.

See "THE AUTHORITY – Employees and Labor Relations" herein for further information regarding the Authority's labor force and the status of collective bargaining agreements.

Overtime Expenses. The Authority uses overtime work by its employees to address unplanned repairs and service needs (e.g., to repair water main breaks that occur outside of normal business hours) as well as to provide resources to offset unfilled positions and to reduce the need for contractual labor. Overtime expenses in Fiscal Year 2021, including an allowance for fringe benefits, totaled \$8.2 million, or about 4.6% of total personnel services costs.

Total Personnel Expenses. On a cash basis, the Authority's personnel costs increased at an annual average of 3.1% per year from Fiscal Year 2017 through Fiscal Year 2021. In Fiscal Years 2022 and 2023, personnel expenses are expected to increase by 6.5% and 0.3%, respectively, from the prior year. Beginning in Fiscal Year 2024, personnel expenses are projected to increase at an average annual rate of 3.0%. The projected rate of increase is supported by the Authority's demonstrated ability to maintain adequate staffing levels and reduce overtime costs through improvements in its facilities and business practices, as

well as the expectation that new employees in the upcoming years will have lower salaries and benefits compared to the employees who will retire during that same period.

Non-Labor Operating Expenses

There are four major categories of non-labor related operating expenses: contractual services (which includes the processing and disposal of biosolids), water purchases, chemicals and supplies, and utilities and rent (which includes electricity needed to operate the Authority facilities). A brief overview of the four major categories of non-labor expenses is provided below.

Contractual Services. Contractual services include the outside services necessary for the Authority to operate and maintain facilities, including the hauling of biosolids from the Blue Plains treatment facility to the disposal location, building maintenance and repair, the maintenance of certain machinery, equipment and vehicles, and other contractual or professional services.

The actual cash basis costs for contractual services in FY 2021 were \$82.5 million. The budgeted amounts for contractual services in Fiscal Year 2022 and Fiscal Year 2023 are similar at \$88.5 million and \$88.5 million, respectively. Contractual services expenses are assumed to increase at the average annual rate of 3.1% for Fiscal Year 2024 and 3.0% in Fiscal Years 2025 and 2026.

Also included within contractual services is the Authority's purchase of annual insurance policies. The policies cover property, equipment, worker's compensation, umbrella and excess liability, crime and fidelity, public officials' liability, and fiduciary liability.

Water Purchases. The Authority purchases all of its treated drinking water from the Aqueduct on the basis of a 1997 agreement between the Authority and the Corps of Engineers, the operator of the Aqueduct. Under the terms of the agreement and based on its usage in relation to the other Aqueduct Customers, the Authority pays an average of approximately 75% of the Aqueduct's operating costs. The Authority's share of Aqueduct capital costs is reflected in the Authority's CIP.

The actual operating costs for water purchases in Fiscal Year 2021 were \$34.8 million on a cash basis. The budgeted amount for water purchases in Fiscal Year 2022 and the projected amount for Fiscal Year 2023 is \$35.2 million and \$40.3 million, respectively. An average annual increase in water supply costs of 3.0% is assumed in Fiscal Years 2024 through 2026.

Chemicals and Supplies. The chemicals and supplies component of the Authority's operating and maintenance expenses includes, but is not limited to, office, laboratory, custodial and maintenance supplies, automotive supplies, uniforms, and chemicals. Chemicals are the largest portion of this component. The Authority continues to implement a QA/QC program for managing dry polymer selection, procurement, and use. The most cost effective dry polymer products, for different process applications at Blue Plains, are selected based on laboratory and full scale tests. The selected products are "fingerprinted" to verify the consistency in the quality of future deliveries.

The actual expenses for chemicals and supplies in Fiscal Year 2021 on a cash basis were \$38.4 million. The budgeted expenses for chemicals and supplies in Fiscal Year 2022 and the projected amount for Fiscal Year 2023 are \$34.2 million and \$37.0 million, respectively. An average annual increase in costs for chemicals and supplies of 3.5%, 4.0% and 3.0% is assumed in Fiscal Years 2024, 2025 and 2026, respectively.

Utilities and Rent. The Authority is a major user of energy, primarily for the operation of the Blue Plains Wastewater Treatment Facilities. In Fiscal Year 2021, approximately 67% of the expenses associated with utilities and rent were attributable to the cost of power. The combined heat and power facility provides over 23% of the plant's energy needs. See "CAPITAL IMPROVEMENT PROGRAM – Categories of CIP Projects – Blue Plains – Wastewater Treatment Projects." The Authority has taken a proactive approach to the procurement of power and its pricing. On October 1, 2014, the Authority entered into a five-year full service electricity contract, with five optional years, to purchase power from Constellation New Energy, Inc., previously ConEdison Solutions. As part of its power purchasing strategy in the deregulated environment, this contract allows the Authority to lock in blocks of power at a fixed price when futures pricing meets budget targets. To the extent that the Authority has power needs that exceed the locked in fixed price blocks, the price of the additional power would be established each day at market rates with direct pass-through of all costs. This contract includes an enhanced process for block power purchases that gives the Authority access to the wholesale market. The Authority's Department of Finance, Accounting and Budget monitors the energy market on a continuous basis. The contract was modified and extended through September 30, 2022.

In June 2018, the Authority entered into a Solar Power Purchase Agreement ("Solar PPA") with Marbury Point Solar LLC, which is controlled by Ameresco, Inc., a renewable energy asset development company ("Ameresco"). Under this agreement, Ameresco now owns, operates, and maintains the solar photovoltaic distributed generation system at Blue Plains to

provide a portion of the electricity necessary for its operation. The Solar PPA has an initial term of 20 years, renewable at the discretion of the Authority for a one-time 5-year term addition. The Authority is committed to purchasing all of the energy output from the Solar PPA installation. Ameresco is committed to providing a specified minimum annual energy production obligation per the Solar PPA contract. The Authority may terminate the Solar PPA at any time at a specified value from \$24,972,127 through the twentieth year valued at \$1,048,575 by year. Upon expiration of the Solar PPA, the Authority may purchase the subject solar system from Ameresco at fair market value. The Blue Plains Phase I Solar Project began generating power in June 2021. The Authority, as dictated by the Solar PPA and adjusted by the 2017 Contract Administration Memorandum, pays a graduated price starting from the first year at \$0.0186/kWh to the twenty-fifth year at \$0.0317/kWh for the power and has avoided paying grid power costs, which were approximately \$0.10/kWh in December 2021. Based on current generation, the estimated savings is \$450,000/year and is expected to increase as energy costs increase.

Reserve Funds

The Authority maintains various reserve funds as previously described herein. See “SECURITY FOR THE SERIES 2024B BONDS – Certain Reserve Funds – Discretionary Reserves; – Operating Reserve Fund; – Rate Stabilization Fund; and – Renewal and Replacement Reserve Fund.”

Financial Policies

The Authority has developed a ten-year financial plan to ensure compliance with certain Indenture requirements and the Board’s financial policies. This plan is updated at least annually, taking into account revisions to the CIP, current and prior year financial performance and other changes. The Board adopted a series of financial policies in 1997 that the Authority utilizes to develop its ten-year financial plan, operating budgets and rate proposals. The policies summarized below reflect revisions adopted by the Board and effective October 7, 2021.

Financial Policies, Debt Policy and Guidelines

The policies are designed to promote sound financial management, achieve high quality investment grade bond ratings to help ensure the lowest cost of debt necessary to finance the Authority’s long-term capital program, guide day-to-day financial and management decisions by the Authority, and reduce financial risk associated with events that could interrupt customer payments or financial markets, or require a large unanticipated outlay of cash (major repairs).

- i. The Authority will maintain strong levels of Operating Cash Reserves that exceed the Master Indenture requirements. In the Financial Plan that is proposed by the CEO and General Manager and approved by the Board, 250 days of cash will be maintained in each fiscal year based on projected Operating Expenses. Days of Cash on Hand will be calculated on an average daily balance basis for the projections in the Financial Plan.
- ii. It is the policy of the Board that the Financial Plan developed by the CEO and General Manager and adopted by the Board will contain a minimum combined debt service coverage of 1.60x for the budget and all years of the Financial Plan. Debt service coverage will be calculated in accordance with the Master Indenture.
- iii. The Authority will, whenever possible, use the least costly type of financing for capital projects, based on a careful evaluation of the Authority’s capital and operating requirements and financial position for each year. The Authority will attempt to match the period of debt repayment, in total, with the lives of the assets financed by any such debt.
- iv. The Authority will use operating cash in excess of the Board’s Operating Cash Reserve requirement and any other significant one-time cash infusions for capital financing, repayment of higher cost debt (debt defeasance), or non-recurring expenses that reduce ongoing costs. The budget and the financial plan will be structurally balanced; the Authority will use onetime revenues for one-time expenses.

Rate-Setting Policies

The Authority’s rate-setting policies are based on the following principles:

- i. Rates and fees will be based on the actual cost to deliver each service.
- ii. Current rates must be sufficient to cover current costs and to meet all bond covenants.
- iii. The Authority will achieve a positive net income and cash flow each year.

- iv. Rates will be based on an annually updated ten-year financial plan (both operating and capital).
- v. Rate increases will be implemented in a gradual and predictable manner, avoiding large one-time rate increases.
- vi. Contributions to and usage of the Rate Stabilization Fund as needed to avoid “rate shock.” Each year, after reviewing financing improvements from cash and any other non-recurring financing uses of excess operating cash, the annual Rate Stabilization Fund deposit, if any, is determined.

Cash Management and Investment Policies

In January 2022, the Board amended its comprehensive Statement of Investment Policy. The statement outlines broad investment policies to include delegation of certain authority to the CEO, investment objectives, collateralization of deposits, selection of financial institutions, protection of funds, permitted investments, limits on maturities, investment of bond proceeds and investment reporting.

The Office of Treasury and Debt produces daily and monthly internal reports on all cash management and investment activities, with significant peer oversight within the Chief Financial Officer’s office, monthly reports to the CEO and quarterly reports to the Board’s Finance and Budget Committee that enables them to monitor compliance with Board policies.

Extendable Municipal Commercial Paper Policy

On October 1, 2015, the Board adopted a formal policy relating to the Authority’s EMCP Notes. The goal of this policy is to ensure that the Authority is able to pay (either from its own funds, the proceeds of a new issuance of Series A Notes, or a new issue of bonds or Commercial Paper Notes) the principal of and interest on any outstanding EMCP Notes on the original maturity date or extended maturity date thereof, as the case may be.

Green Bond Framework

On October 7, 2021 the Board adopted a Green Bond Framework to formalize the process and commitments that govern the Authority’s issuance of Green Bonds. The Green Bond Framework governs the use of Green Bond proceeds, project selection and evaluation processes, management of Green Bond proceeds and disclosure. At the time of issuance of a Green Bond, the Authority’s policy is to seek an independent Second Party Opinion on the sustainability of the Green Bond to be issued.

ENGINEERING FEASIBILITY REPORT

The Authority retained PEER Consultants, P.C. (“PEER”) to prepare the Independent Engineering Assessment of the DC Water Wastewater and Water Systems dated September 30, 2023 (the “Independent Engineering Assessment”), a copy of which is available on the Authority’s website at www.dewater.com. Pursuant to the Indenture requirement for an inspection of the System at least once every five years, an independent engineering inspection reviews the Authority’s progress in implementing capital projects and its plans to initiate additional capital improvements. The inspection evaluates the adequacy of the Authority’s CIP to maintain its water and wastewater infrastructure and to continue providing reliable service of a high quality to its customers. The Independent Engineering Assessment should be read in its entirety for a complete understanding of the assumptions, considerations, estimates and calculations upon which these conclusions are based.

FINANCIAL FEASIBILITY OPINION LETTER

[To be reviewed by Amawalk] The Authority retained Amawalk Consulting Group LLC as its financial feasibility consultant, in which capacity Amawalk prepared the Financial Feasibility Opinion Letter dated [_____, 2024], which is attached hereto as APPENDIX A. Amawalk provides financial and management consulting services to water and wastewater utilities, local governments and other organizations. Examples of the consulting services offered by the firm include: cost of service and rate studies; financial modeling; feasibility studies to support the issuance of debt; competitive assessments, including benchmarking and implementation of best practices; analyses supporting the consolidation of services; and the formation/start-up of public authorities including transition planning.

The conclusions set forth in the Financial Feasibility Opinion Letter reflect Amawalk’s analysis of the Authority’s anticipated financial results for Fiscal Years 2024 to 2028. Amawalk has assisted the Authority in preparing certain portions of this Official Statement relating to historical and projected financial performance of the Authority. The Financial Feasibility Opinion Letter has not been updated to reflect any changes occurring after the date of the Financial Feasibility Opinion Letter. The Financial Feasibility Opinion Letter presents findings and conclusions based upon the analysis of financial statements and

reports prepared by or for the Authority and other information provided by the Authority or others which is summarized or referred to therein, including conclusions, assumptions, considerations and recommendations regarding the operation of the System, the necessary improvements and betterments thereto and the steps that should be taken to assure adequate reliable bulk power supply at reasonable cost. Set forth below are Amawalk's principal conclusions. The Financial Feasibility Opinion Letter and this Official Statement should be read in its entirety for a complete understanding of the assumptions, considerations, estimates and calculations upon which these conclusions are based.

Amawalk concluded that the Authority has the ability to effectively execute its mission, operate its System to provide uninterrupted service, maintain regulatory compliance, and finance and implement its CIP within the parameters set forth in the Indenture and the applicable Board policies. In addition, Amawalk makes the following observations:

- The Authority's financial forecast is viable, consistent with industry standards, and its projections are expected to meet the Board's debt service coverage and reserve requirements and targets.
- Revenues of the Authority (including projected revenue increases resulting from anticipated future rate increases to be implemented by the Authority) in the Reporting Period will be sufficient to pay: (i) the actual Operating Expenses; (ii) Annual Debt Service on Senior Debt; (iii) any amount necessary to be deposited in any Account in the Debt Service Reserve Fund relating to a Series of Bonds to restore the amount on deposit therein to the Series Debt Service Reserve Requirement; (iv) the amount required to pay Annual Debt Service on the Subordinate Debt (including any reserves in connection therewith and the restoration thereof); (v) any amount necessary to be deposited in the Operating Reserve Fund and the Renewal and Replacement Reserve Fund to maintain the required balances therein; and (vi) any amount necessary to make any payments in lieu of taxes in such Fiscal Years. Sufficient funds are projected to be on deposit in each of the required reserve funds during the Reporting Period.
- On October 7, 2021, the Board approved a Statement of Financial Policies which established a minimum cash balance of 250 days of projected operating expenses and senior debt service coverage of 160%. On October 5, 2023 the Board approved a revised Statement of Financial Policies that set a cash target of 350 days of projected operating expenses to be achieved gradually by 2032 through the use of year-end surplus. Both the prior policy and the revised policy requirement significantly exceed the minimum Operating Reserve fund requirements set forth in the Indenture. As of September 30, 2023, the reserve funds of the Authority had a total balance of \$286.9 million, excluding the amount in the Rate Stabilization Fund ("RSF"). Actual cash on hand has exceeded the levels required by Board policy in recent years, including the amount on hand at the end of FY 2023. Amawalk reviewed the operating reserve policies of the Authority in 2023 and concluded that the current Board policy provides for an appropriate level of reserves.
- The water and wastewater rates, fees and charges of the Authority, including projected increases for FY 2025 through FY 2028, are somewhat higher than the average of other utilities. Relative to median household income, the single family residential charges of the Authority are reasonable and affordable compared to the charges of other major cities as well as utilities in the region. In addition, the Authority utilizes its well-established and robust affordability programs to assist low income customers in paying their bills.

In the analysis of the forecast of future operations summarized in this Official Statement, Amawalk has reviewed certain assumptions with respect to conditions, events and circumstances which may occur in the future. These assumptions are reasonable and attainable as of the date of the Financial Feasibility Opinion Letter, although actual results may differ from those forecast as influenced by the conditions, events and circumstances which actually occur.

TAX MATTERS

Series 2024B Bonds

In the opinion of Squire Patton Boggs (US) LLP and Bellamy Penn LLC, Co-Bond Counsel, under existing law: (i) interest on the Series 2024B Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; and (ii) the Series 2024B Bonds and the interest thereon are exempt from District taxation, except estate, inheritance and gift taxes. Co-Bond Counsel expresses no opinion as to any other tax consequences regarding the Series 2024B Bonds.

The opinion on federal tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Authority contained in the transcript of proceedings and

that are intended to evidence and assure the foregoing, including that the Series 2024B Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Co-Bond Counsel will not independently verify the accuracy of the Authority's representations and certifications or the continuing compliance with the Authority's covenants.

The opinion of Co-Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Co-Bond Counsel's legal judgment as to exclusion of interest on the Series 2024B Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (the "IRS") or any court. Co-Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the Authority may cause loss of such status and result in the interest on the Series 2024B Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2024B Bonds. The Authority has covenanted to take the actions required of it for the interest on the Series 2024B Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Series 2024B Bonds, Co-Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Co-Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2024B Bonds or the market value of the Series 2024B Bonds.

Interest on the Series 2024B Bonds may be subject: (1) to a federal branch profits tax imposed on certain foreign corporations doing business in the United States; (2) to a federal tax imposed on excess net passive income of certain S corporations; and (3) to the alternative minimum tax imposed under Section 55(b) of the Code on "applicable corporations" (within the meaning of Section 59(k) of the Code). Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Series 2024B Bonds. Co-Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Series 2024B Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel's engagement with respect to the Series 2024B Bonds ends with the issuance of the Series 2024B Bonds, and, unless separately engaged, Co-Bond Counsel is not obligated to defend the Authority or the owners of the Series 2024B Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2024B Bonds, under current IRS procedures, the IRS will treat the Authority as the taxpayer and the beneficial owners of the Series 2024B Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Series 2024B Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Series 2024B Bonds.

Prospective purchasers of the Series 2024B Bonds upon their original issuance at prices other than the respective prices indicated on the inside cover of this Official Statement, and prospective purchasers of the Series 2024B Bonds at other than their original issuance, should consult their own tax advisors regarding other tax considerations such as the consequences of market discount, as to all of which Co-Bond Counsel expresses no opinion.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the Council and State legislatures. Court proceedings may also be filed, the outcome of which could modify the

tax treatment of obligations such as the Series 2024B Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2024B Bonds will not have an adverse effect on the tax status of interest on the Series 2024B Bonds or the market value or marketability of the Series 2024B Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Series 2024B Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, federal tax legislation that was enacted on December 22, 2017 reduced corporate tax rates, modified individual tax rates, eliminated many deductions, repealed the corporate alternative minimum tax that was in effect at that time, and eliminated the tax-exempt advance refunding of tax-exempt bonds and tax-advantaged bonds, among other things. Additionally, investors in the Series 2024B Bonds should be aware that future legislative actions might increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Series 2024B Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Series 2024B Bonds may be affected and the ability of holders to sell their Bonds in the secondary market may be reduced.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

COVENANT BY THE DISTRICT OF COLUMBIA

Under the Act, the District pledges to the Authority and any holders of the bonds that, except as provided under the Act, the District will not limit or alter rights vested in the Authority to fulfill agreements made with holders of the bonds, or in any way impair the rights and remedies of the holders of the bonds until the bonds, together with interest thereon, with interest on any unpaid installments of interest and all costs and expenses in connection with any action or proceedings by or on behalf of the holders of the bonds, are fully met and discharged.

LITIGATION

There is not now pending or, to the best of the Authority's knowledge, threatened any litigation restraining or enjoining the issuance or delivery of the Series 2024B Bonds or questioning or affecting the validity of the Series 2024B Bonds, the proceedings and authority under which they are to be issued, nor is the creation, organization, or existence of the Authority being contested. Nor is there any litigation pending or, to the best of the Authority's knowledge, threatened which (i) in any manner questions the right of the Authority to operate the System or its right to conduct its activities in accordance with the provisions of the Act and of the Indenture or (ii) if determined adversely to the Authority, would have a material adverse impact on the financial condition of the Authority.

The Authority is subject to a variety of suits and proceedings arising out of its ordinary course of operations, some of which may be adjudicated adversely to the Authority. Any such litigation is of a routine nature which does not affect the right of the Authority to conduct its business or the validity of its obligations.

LEGAL MATTERS

Certain legal matters relating to the issuance of the Series 2024B Bonds are subject to the approving opinions of Squire Patton Boggs (US) LLP and Bellamy Penn LLC, Co-Bond Counsel, which will be furnished upon delivery of the Series 2024B Bonds, substantially in the form set forth as APPENDIX F. Squire Patton Boggs (US) LLP and Bellamy Penn LLC also serve as Co-Disclosure Counsel to the Authority in connection with the preparation of this Official Statement. Certain legal matters will be passed upon for the Authority by its Chief Legal Officer and Executive Vice President, Government & Legal Affairs, and for the Underwriters by their co-counsel, Orrick, Herrington & Sutcliffe LLP and McKenzie & Associates.

INDEPENDENT AUDITORS

The financial statements of the Authority for Fiscal Years ended September 30, 2019 and 2020 included in this Official Statement have been audited by KPMG LLP ("KPMG"). KPMG has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. KPMG also has not performed any procedures relating to this Official Statement.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

[placeholder]

THE TRUSTEE

The Authority has appointed Computershare Trust Company, N.A., a national banking association organized under the laws of the United States, to serve as Trustee. The Trustee is to carry out those duties assignable to it under the Master Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the nature, contents, accuracy or completeness of the information set forth in this Official Statement or for the recitals contained in the Indenture or the Series 2024B Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application of the proceeds of such Series 2024B Bonds by the Authority. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Series 2024B Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Series 2024B Bonds, the technical or financial feasibility of the Project, or the investment quality of the Series 2024B Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

RATINGS

Standard & Poor's Global Ratings Services ("S&P") Moody's Investors Service, Inc. ("Moody's") and Fitch Ratings ("Fitch"), have, respectively, assigned long-term municipal bond ratings of "___", "___" and "___" and short-term municipal bond ratings of "___", "___", and "___" to the Series 2024B Bonds. A securities rating is not a recommendation to buy, sell or hold the Series 2024B Bonds and may be subject to revision or withdrawal at any time. A rating reflects only the view of the rating agency giving such rating. An explanation of the significance of the ratings may be obtained from: S&P at 55 Water Street, New York, New York 10041; from Moody's at 7 World Trade Center, New York, New York 10007; and from Fitch Ratings at 300 West 57th Street New York, New York 10019. There is no assurance that a rating will apply for any given period of time, or that a rating will not be revised or withdrawn. A revision or withdrawal of a rating may have an effect on the market price of or the market for the Series 2024B Bonds.

CONTINUING DISCLOSURE

In accordance with the requirements of the Rule promulgated by the SEC, the Authority will enter into the Continuing Disclosure Agreement dated the date of delivery of the Series 2024B Bonds, which will constitute a written undertaking for the benefit of the Owners of the Series 2024B Bonds, solely to assist the Underwriters in complying with subsection (b)(5) of the Rule. Pursuant to the Continuing Disclosure Agreement, the Authority has covenanted to provide certain financial information on an annual basis and to provide notice of certain enumerated events. See APPENDIX D – "Form of the Continuing Disclosure Agreement" for detailed provisions of the Continuing Disclosure Agreement.

FINANCIAL ADVISORS

PFM Financial Advisors LLC and Sustainable Capital Advisors have served as co-financial advisors to the Authority with respect to the issuance of the Series 2024B Bonds.

UNDERWRITING

With respect to the Subseries 2024B-1 Bonds, BofA Securities, Inc. ("BofA"), New York, New York, has agreed to purchase from the Authority the Subseries 2024B-1 Bonds at an aggregate purchase price equal to \$_____ (which amount constitutes the aggregate principal amount of the Subseries 2024B-1 Bonds of \$[50,000,000].00, less the Underwriter's fee of \$_____).

The Bond Purchase Agreement by and between the Authority and BofA, dated July [30], 2024 (the “Subseries 2024B-1 Bond Purchase Agreement”), provides that BofA will purchase all of the Subseries 2024B-1 Bonds, if any are purchased, and the obligation to make such purchases is subject to certain terms and conditions set forth in the Subseries 2024B-1 Bond Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions.

With respect to the Subseries 2024B-2 Bonds, Loop Capital Markets LLC (“Loop Capital Markets” and, together with BofA, the “Underwriters”), has agreed to purchase from the Authority the Subseries 2024B-2 Bonds at an aggregate purchase price equal to \$_____ (which constitutes the aggregate principal amount of the Subseries 2024B-2 Bonds of \$[50,000,000].00, less the Underwriter’s fee of \$_____.

The Bond Purchase Agreement by and between the Authority and Loop Capital Markets, dated July [30], 2024 (the “Subseries 2024B-2 Bond Purchase Agreement”), provides that Loop Capital Markets will purchase all of the Subseries 2024B-2 bonds, if any are purchased, and the obligation to make such purchases is subject to certain terms and conditions set forth in the Subseries 2024B-2 Bond Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions.

The Series 2024B Bonds may be offered and sold to certain dealers (including dealers depositing the Series 2024B Bonds into investment trusts) at prices lower than the public offering prices and such public offering prices may be changed from time to time by the Underwriters.

Certain of the Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Authority for which they have received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority.

BofA has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”). As part of this arrangement, BofA may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA may compensate MLPF&S as a dealer for their selling efforts with respect to the Subseries 2024B-1 Bonds.

LEGALITY FOR INVESTMENT

The Act provides that the bonds of the Authority are legal instruments in which public officers and public bodies of the District, insurance companies, insurance company associations and other persons carrying on an insurance business, banks, bankers, banking institutions, including savings and loan associations, building and loan associations, trust companies, savings banks, savings associations, investment companies and other persons carrying on a banking business, administrators, guardians, executors, trustees and other fiduciaries and other persons authorized to invest in bonds or in other obligations of the District, may legally invest funds, including capital, in their control.

The bonds are also, by the Act, securities which legally may be deposited with, and received by, public officers and public bodies of the District or any agency of the District for any purpose for which the deposit of bonds or other obligations of the District is authorized by law.

RELATIONSHIP OF PARTIES

In addition to representing the Authority as Co-Bond Counsel and Co-Disclosure Counsel, Squire Patton Boggs (US) LLP from time to time represents the Authority in other matters, including environmental, regulatory and personnel matters. From time to time, Squire Patton Boggs (US) LLP also represents one or more members of the underwriting group as its or their counsel in municipal bond transactions and other matters, but not in any matters related to the Authority.

MISCELLANEOUS

All estimates, assumptions, statistical information and other statements contained herein, while taken from sources considered reliable, are not guaranteed. To the extent that any statements herein include matters of opinion, or estimates of future expenses and income, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

The agreement of the Authority with the holders of the Series 2024B Bonds is fully set forth in the Indenture. Neither any advertisement of the Series 2024B Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers of the Series 2024B Bonds.

The information contained herein should not be construed as representing all conditions affecting the Authority or the Series 2024B Bonds. The foregoing statements relating to the Act, the Federal Act, the Indenture and other documents are summaries of certain provisions thereof, and in all respects are subject to and qualified in their entirety by express reference to the provisions of such documents in their complete forms.

The attached Appendices A through G are integral parts of this Official Statement and should be read in their entirety, together with all of the foregoing statements.

**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

By: _____
Matthew T. Brown
Chief Financial Officer and Executive Vice
President, Finance Procurement and Compliance

APPENDIX A

**FINANCIAL FEASIBILITY OPINION LETTER OF
AMAWALK CONSULTING GROUP LLC
DATED [REDACTED], 2024]**

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY
FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2023**

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C
GLOSSARY AND SUMMARY OF THE INDENTURE

[THIS PAGE INTENTIONALLY LEFT BLANK]

GLOSSARY

In addition to the terms defined elsewhere in this Official Statement, the following are definitions of certain terms used in this Official Statement, and the Indenture. Terms used but not defined herein shall have the meanings set forth in the Master Indenture, as previously amended and supplemented and as further amended and supplemented by the Thirty-Fourth Supplemental Indenture.

“**Account**” shall mean any of the various Accounts, sometimes created within a fund, under the Indenture.

“**Annual Budget**” shall mean the budget by that name referred to in the Indenture.

“**Annual Debt Service**” shall mean the amount of payments required to be made for principal of and interest on any specified Indebtedness, including mandatory sinking fund redemptions and payments pursuant to agreements with providers of credit enhancement or liquidity support with respect to such Indebtedness, to reimburse such providers for debt service payments made, with respect to such Indebtedness, scheduled to come due within a specified Fiscal Year, but excluding any capitalized interest funded from proceeds of Bonds. For purposes of calculating Annual Debt Service, the following assumptions are to be used to calculate the principal and interest due in such specified Fiscal Year:

(a) In determining the principal amount due in the Fiscal Year, payment shall be assumed to be made in accordance with any amortization schedule established for such Indebtedness (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization), including any scheduled redemption of such specified Indebtedness on the basis of accreted value and, for such purpose, the redemption payment shall be deemed a principal payment;

(b) If any of the specified Indebtedness constitutes Tender Indebtedness, then Annual Debt Service on the options or obligations of the holders of such Indebtedness to tender the same for purchase or payment prior to their stated maturity or maturities shall be treated as a principal maturity occurring on the first date on which owners of such Indebtedness may or are required to tender such Indebtedness, except that any such option or obligation to tender Indebtedness shall be ignored and not treated as a principal maturity if (1) such Indebtedness is rated at least in the “A” rating category (without regard to any rating refinement or gradation by numerical modifier or otherwise) by a Rating Agency, or such Indebtedness is rated in the two highest short-term note or commercial paper rating categories by a Rating Agency, and (2) any obligation the Authority may have, other than its obligation on such Indebtedness, to reimburse any provider of a credit or liquidity facility or a bond insurance policy, or similar arrangement, shall either be subordinate to the obligation of the Authority on such Indebtedness, or shall have been incurred under and shall have met the tests and conditions for the issuance of such specified indebtedness set forth in the Indenture;

(c) If any of the specified Indebtedness constitutes Variable Rate Indebtedness, the interest rate on such Indebtedness shall be assumed to be 100% of the greater of (1) the daily average interest rate on such Indebtedness during the 12 months ending with the month preceding the date of calculation, or such shorter period that such Indebtedness shall have been Outstanding or (2) the rate of interest on such indebtedness on the date of calculation; provided that, with respect to any Variable Rate Indebtedness which is being issued on the date of computation, the initial rate of such indebtedness upon such issuance shall be used;

(d) If any of the specified Indebtedness constitutes Balloon Indebtedness, then, for purposes of determining the annual amount payable on account of principal of and interest on such Indebtedness, such Indebtedness that is or would be Balloon Indebtedness shall be amortized on a level debt service basis over the lesser of a term of 30 years or the actual term of the Indebtedness; and the interest rate used for such computation shall be the rate quoted in the 30-year revenue bond index, or revenue bond index related to the actual term of the Indebtedness, as applicable, published by The Bond Buyer no more than two weeks prior to the date of calculation, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to select a replacement index, an interest rate equal to 80% of the yield for outstanding United States Treasury bonds having an equivalent maturity as the Indebtedness on the date of issuance, or if there are no such Treasury bonds having equivalent maturities, 80% of the lowest prevailing prime rate of any of the five largest commercial banks in the United States of America ranked by assets;

(e) If any of the specified Indebtedness constitutes Short-Term Obligations, then for purposes of determining the Annual Debt Service on such Indebtedness, the Authority shall include the amount of any interest payments due on such Indebtedness if such interest is payable from Net Revenues during such Fiscal Year, and ignore any principal payments due on such Indebtedness if (1) such Indebtedness is rated at least in the “A” rating category

(without regard to any rating refinement or gradation by numerical modifier or otherwise) by a Rating Agency, or such Indebtedness is rated in the two highest short-term note or commercial paper rating categories by a Rating Agency, (2) there is in place a letter of credit, liquidity facility, a bond insurance policy, or similar arrangement (a “Credit Facility”), and the Authority’s obligation to reimburse the provider of such Credit Facility is subordinate to the Authority’s obligation to pay debt service on Bonds, and (3) there are no unreimbursed draws under any Credit Facility securing any Short-Term Obligations. If there are any unreimbursed draws under a Credit Facility related to such Indebtedness, the principal payment obligation due on such Indebtedness shall be determined to be the principal due under such Credit Facility and shall be calculated in accordance with the amortization schedule set forth with respect to such Credit Facility.

(f) If any of the specified Indebtedness constitutes Bond Anticipation Notes, then for purposes of determining the annual amount payable on account of principal of and interest on such Indebtedness, such Indebtedness shall be amortized on a level debt service basis over a term of 30 years. Interest on such Indebtedness shall equal the actual fixed rate of interest payable during the Fiscal Year. If such Indebtedness is Variable Rate Indebtedness, interest payable during such Fiscal Year shall be calculated in accordance with subsection (c) above.

(g) For any Indebtedness for which a binding commitment, letter of credit or other credit arrangement providing for the extension of such Indebtedness beyond its original maturity date exists, the computation of the annual amount payable on account of principal and interest on such Indebtedness shall, at the option of the Authority, be made on the assumption that such Indebtedness will be amortized in accordance with such credit arrangement; and

(h) Except for Hedge Agreements, Interest Rate Swaps are to be disregarded in calculating the Series Debt Service Reserve Requirement. Upon incurrence of a Hedge Agreement, all calculations, including for the annual amount on account of principal and interest on Indebtedness subject to the Hedge Agreement, shall be made using the Hedge Fixed Rate for the applicable period and such Indebtedness shall not be considered as Variable Rate Indebtedness for such period.

“**Authority**” shall mean the District of Columbia Water and Sewer Authority, an independent authority of the District.

“**Authorized Representative of the Authority**” shall mean such person or persons as may be designated to act on behalf of the Authority by a certificate executed by the Chair of the Board of Directors and on file with the Trustee.

“**Balloon Indebtedness**” shall mean indebtedness having a term of longer than 60 months and 25% or more of the principal of which matures on the same date and which portion of the principal of such indebtedness is not required to be amortized by payment or redemption prior to such date. If any indebtedness consists partially of Variable Rate Indebtedness and partially of indebtedness bearing interest at a fixed rate, the portion constituting Variable Rate Indebtedness and the portion bearing interest at a fixed rate shall be treated as separate issues for purposes of determining whether any such indebtedness constitutes Balloon indebtedness.

“**Board of Directors**” shall mean the board of directors that was established to govern the Authority pursuant to Section 204 of the WASA Act, codified, as amended, at D.C. Code Section 34-2202.04.

“**Bond Anticipation Notes**” shall mean any notes issued in anticipation of the issuance of Bonds.

“**Bond Counsel**” shall mean an attorney or firm of attorneys nationally recognized on the subject of municipal bonds.

“**Bond Fund**” shall mean the Bond Fund established in the Indenture.

“**Bondholders**” or “**holders**” of Bonds shall mean the registered owners of Bonds.

“**Bonds**” shall mean any bonds, notes or other obligations issued from time to time pursuant to Article III, including Bond Anticipation Notes, but not including Other System Indebtedness and Subordinate Debt.

“**Business Day**” shall mean a day other than (i) a Saturday or Sunday, (ii) a day on which commercial banks located in New York, New York or the cities in which the Designated Office of the Trustee, the Tender Agent, the Remarketing Agent or the Credit Facility Provider are located, are required or authorized by law or executive order to close, and (iii) a day on which the New York Stock Exchange is closed.

“**Cash Reserve Requirement**” shall mean those certain balances required to be maintained by the Authority pursuant to the annual credit policies established by the Authority.

“**Code**” shall mean the Internal Revenue Code of 1986, as amended, including applicable regulations, rulings and revenue procedures promulgated or applicable thereunder.

“**Connection Fees**” shall mean all nonrecurring fees that the Authority collects from developers, builders or others (1) to compensate the Authority for providing System capacity, and (2) to connect facilities related to installation of and expansion to the System.

“**Contracted Services**” shall mean (a) services rendered or facilities provided to the Authority in respect to the System or (b) the performance of functions for or on behalf of the Authority that are similar to those performed by the System, from a specific project or system, pursuant to a contract, lease, service agreement or another similar arrangement. No designation or characterization of payments pursuant to the terms of a particular Service Contract will affect the Authority’s right to make designations as to the Debt Service Component, Operating Component, and Remaining Component of the Cost of Contracted Services thereunder.

“**Construction Fund**” shall mean the Construction Fund established in the Indenture.

“**Consulting Engineer**” shall mean (a) an Independent Consulting Engineer or (b) the designated person(s) within the Authority or of any successor department who is (1) an engineer experienced in the field of water or wastewater or stormwater (as appropriate), and (2) licensed and registered as a professional engineer in the District.

“**Cost**” shall mean Cost as set forth in the Indenture.

“**Cost of Contracted Services**” shall mean the payments to be made by the Authority for Contracted Services under service contracts as set forth in the Indenture, which may consist of any of the following three components: a Debt Service Component, an Operating Component, and a Remaining Component, as designated by the CEO and General Manager or his designee for each Service Contract.

“**Debt Service Component**” shall mean the portion of the Cost of Contracted Services that an Authorized Representative of the Authority determines, in a certificate delivered to the Trustee, to be for the purpose of paying a fixed charge or the principal of or interest on the obligations, directly or indirectly associated with rendering the Contracted Services, of the person providing the Contracted Services.

“**Debt Service Reserve Fund**” shall mean the Debt Service Reserve Fund established in the Indenture.

“**Depository**” shall mean any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of book-entry interests in the Series 2024B Bonds, and to effect transfers of book-entry interests in the Series 2024B Bonds, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

“**Direct Payment**” means a credit payment allowed pursuant to Section 54AA(g) of the Code with respect to Direct Payment BABs that is payable to the Authority by the U.S. Treasury, as provided in Section 6431 of the Code, or any other payment by the U.S. Treasury to the Authority to subsidize or reimburse the Authority for all or a portion of the interest cost that the Authority may incur on Indebtedness that qualifies for such payment under any successor or substantially similar program to Direct Payment BABs.

“**Direct Payment BABs**” means Indebtedness that constitutes “Build America Bonds” within the meaning of Section 54AA(d) of the Code and that are qualified bonds within the meaning of Section 54AA(g), the interest on which is includible in gross income for federal income tax purposes and with respect to which the Authority shall have made an irrevocable election to receive one or more Direct Payments.

“**District General Obligation Bonds**” shall mean the District general obligation bonds issued to finance capital projects of the System and the Aqueduct.

“**District MOU relating to the Payment of General Obligation Debt**” shall mean the Memorandum of Understanding between the Office of the Chief Financial Officer of the District of Columbia and the Authority dated as of March 13, 1998.

“**District MOU relating to the PILOT**” shall mean the Memorandum of Understanding between the Office of the Chief Financial Officer of the District of Columbia and the Authority dated as of January 29, 1998, as amended, including, without limitation, pursuant to a September 4, 2014 Memorandum of Understanding, as further amended and restated on December 15, 2014.

“**EPA Grants**” shall mean grants provided by the Environmental Protection Agency for the construction of water and wastewater projects.

“**EPA Grant Account**” shall mean the EPA Grant Account established in the Indenture.

“**Event of Default**” shall mean any of the events enumerated in Section 901 of the Master Indenture or otherwise in the Indenture.

“**Fiscal Year**” shall mean the twelve-month period, beginning on October 1 of one year and ending on September 30 of the following year, or such other fiscal year of 12 months as may be selected by the Authority.

“**Fitch**” shall mean Fitch Ratings, Inc. or its successors.

“**Government Certificates**” shall mean certificates representing proportionate ownership of Government Obligations, which Government Obligations are held by a bank or trust company organized under the laws of the United States of America or any of its states in the capacity of custodian of such certificates.

“**Government Obligation**” shall mean (a) bonds, notes and other direct obligations of the United States of America, (b) securities unconditionally guaranteed as to the timely payment of principal, if applicable, and interest by the United States of America, or (c) bonds, notes and other obligations of any agency of the United States of America unconditionally guaranteed as to the timely payment of principal and interest by the United States of America.

“**Hedge Agreement**” shall mean an Interest Rate Swap, cap, collar, floor, forward or other hedging agreement, arrangement or security however denominated, expressly identified pursuant to its terms as being entered into in connection with and in order to hedge interest rate fluctuations on all or a portion of any Indebtedness where (a) interest on such Indebtedness or such portion of such Indebtedness is payable at a variable rate of interest for any future period of time or is calculated at a varying rate per annum, and (b) a fixed rate is specified by the Authority in such agreement, or such Indebtedness, taken together with such agreement, results in a net fixed rate payable by the Authority for such period of time (the “Hedge Fixed Rate”), assuming the Authority and the party(ies) with whom the Authority has entered into the agreement make all payments required to be made by the terms of the agreement, provided that no such agreement may be entered into by the Authority unless any termination or similar payment which may be payable by the Authority thereunder is expressly subordinate to the obligation of the Authority on the Indebtedness.

“**Holder**” shall mean the owner of Bonds, Other System Indebtedness or the Subordinate Debt, as the case may be.

“**Home Rule Act**” shall mean the District of Columbia Home Rule Act, approved December 24, 1973 (P.L.93-198; 87 Stat. 774; D.C. Official Code §§ 1-201.01 et. seq.), as amended.

“**IMA Capital Payments**” shall mean the payments made to the Authority for shared capital costs of the wastewater portion of the System by the signatories to the Blue Plains Intermunicipal Agreement of 1985.

“**Indebtedness**” shall mean Senior Debt and Subordinate Debt.

“**Indenture**” shall mean the Master Indenture, as supplemented or amended by one or more Supplemental Indentures, including the Thirty-Fourth Supplemental Indenture.

“**Independent Consulting Engineer**” shall mean an independent engineer, who is not an employee of the Authority, but is experienced in the field of water, wastewater or stormwater (as appropriate) and licensed and registered as a professional engineer in the District.

“**Interest Account**” shall mean the Interest Account in the Bond Fund established in the Indenture.

“**Interest Payment Dates**” shall mean (i) when the Series 2024B Bonds bear interest at a Daily Rate, a Weekly Rate or an Index Rate, the first Business Day of each calendar month; (ii) when the Series 2024B Bonds bear interest at a Fixed Rate or Long-Term Rate, each April 1 and October 1 or such other date or dates as are specified in the applicable notice of conversion, commencing, during the Initial Period, on October 1, 2024; (iii) when the Series 2024B Bonds bear interest at a Short-Term Rate, the last day of the Short-Term Rate Period; (iv) with respect to Credit Facility Provider Bonds, the interest payment dates set forth in the Credit Facility and/or Reimbursement Agreement; provided (unless otherwise provided in the Reimbursement Agreement with respect to Credit Facility Provider Bonds) that, if any such day is not a Business Day, any payment due on such date may be made on the next Business Day,

without additional interest and with the same force and effect as if made on the specified date for such payment; and (v) each Conversion Date.

“Interest Rate Swap” shall mean a contract pursuant to which a party (the “Counterparty”) has agreed to make payments to the Authority during a particular period equal to the interest payable on specified Indebtedness or on a specified nominal amount at the actual rate or rates or, if on a nominal amount at a stated rate or rates, payable thereon and, in consideration therefor, the party obligated on the Indebtedness or otherwise executing the agreement agrees to make payments to the Counterparty equal to the interest required to be paid on the specified Indebtedness or stated to be due on the nominal amount during the period calculated as if the specified Indebtedness or nominal amount bore an assumed rate of interest specified in the contract.

“Master Indenture” shall mean the Master Indenture of Trust dated as of April 1, 1998, by and between the Authority and the Trustee.

“Moody’s” shall mean Moody’s Investors Service, Inc., New York, New York, or its successors.

“Net Proceeds” shall mean the gross proceeds from any insurance recovery or recovery in any condemnation proceeding remaining after payment of attorneys’ fees, fees and all other expenses incurred in collection of such gross proceeds.

“Net Revenues” shall mean Revenues less Operating Expenses.

“Operating Component” shall mean the portion of the Cost of Contracted Services (excluding any Debt Service Component) reasonably determined by an Authorized Representative of the Authority, in a certificate delivered to the Trustee from time to time, to be directly or indirectly attributable to the portion of the Costs of Contracted Services that represents operating expense for the provision of the Contracted Services; provided, however, if no such determination is made, all of the Cost of Contracted Services (excluding any Debt Service Component) will be treated as Operating Component.

“Operating Expenses” shall mean all current expenses directly or indirectly attributable to the ownership or operation of the System, including reasonable and necessary usual expenses of administration, operation, maintenance and repair, costs for billing and collecting the rates, fees and other charges for the use of or the services furnished by the System, the cost of purchased water, amounts to reimburse the Authority for administrative expenses incurred in connection with the System, insurance and surety bond premiums, credit enhancement and liquidity support fees, legal, engineering, auditing and financial advisory expenses, expenses and compensation of the Trustee, and deposits into a self-insurance program as described in the Indenture. Operating Expenses shall not include any payments in lieu of taxes, allowance for depreciation and amortization. Operating Expenses shall also exclude expenses which constitute extraordinary, nonrecurring and non-continuing expenses of the System in the written opinion of the Qualified Independent Consultant.

“Operating Fund” shall mean the Operating Fund established in the Indenture.

“Operating Reserve Fund” shall mean the Operating Reserve Fund established in the Indenture.

“Operating Reserve Requirement” shall mean an amount equal to 60 days of Operating Expenses based on the Operating Expenses relating to the Fiscal Year prior to such calculation, or an amount determined by a Qualified Independent Consultant.

“Opinion of Counsel” shall mean an opinion of any attorney or firm of attorneys acceptable to the Trustee, who may be counsel for the Authority, but who shall not be an employee of either the Authority or the Trustee.

“Other System Indebtedness” shall mean (a) any Debt Service Component that the Authority is required, or has elected, to treat as payable on a parity with the Bonds with respect to the pledge of Net Revenues, and (b) any other Indebtedness incurred by the Authority pursuant to the Indenture that the Authority is required, or has elected, to treat as payable on a parity with the Bonds with respect to the pledge of Net Revenues, including, but not limited to, the Treasury Loans.

“Outstanding” shall mean, when used as descriptive of obligations, that such obligations have been authorized, issued, authenticated and delivered under the Indenture or a different document and have not been canceled or surrendered to the Trustee or a comparable trustee for cancellation, deemed to have been paid as provided in the Indenture, have had other obligations issued in exchange therefor or had their principal become due and moneys sufficient for their payment deposited with the Trustee as provided in the Indenture or, for Indebtedness other than

Bonds or Subordinate Debt issued under the Indenture, otherwise so treated under comparable issuance documents. In determining whether holders of a requisite aggregate principal amount of the Outstanding Indebtedness have concurred in any request, demand, authorization, direction, notice, consent or waiver under the Indenture or other documents, words referring to or connoting “principal of” or “principal amount of” Outstanding Indebtedness shall be deemed also to be references to, to connote and to include the accreted value of Indebtedness of any Series as of the immediately preceding interest compounding date for such Indebtedness. Indebtedness that is owned by the Authority shall be disregarded and deemed not to be Outstanding for the purpose of any such determination.

“Permitted Investments” shall mean: (i) direct obligations of the United States of America (including obligations issued or held, in book-entry only form on the books of the Department of the Treasury of the United States of America and including certificates or other instruments evidencing ownership interests in such direct obligations of the United States of America) or obligations the timely payment of the principal of and interest on which are fully guaranteed by the United States of America; (ii) obligations issued or guaranteed by Federal Home Loan Bank System, Export-Import Bank of the United States, Federal Financing Banks, Government National Mortgage Association, Federal National Mortgage Association, Farmer’s Home Administration, Federal Home Loan Mortgage Corporation or Federal Housing Administration; or by any agency, department or instrumentality of the United States if such obligations are rated in one of the two highest rating categories by Fitch, S&P and Moody’s if in any such case the timely payment of principal and interest on such obligations is backed by the full faith and credit of the United States of America; (iii) investment agreements meeting the investment criteria issued by a credit enhancer; (iv) interest-bearing bankers acceptances or certificates of deposit of, or time deposits in any bank (including the Trustee), lead bank of a parent holding company, or any savings and loan associations whose unsecured obligations are rated in one of the two highest rating categories by Fitch, S&P and Moody’s, provided such deposits are either (a) secured at all times, in the manner and to the extent provided by law, by collateral security (described in clause (i) or (ii) of this definition) of a market value of no less than the amount of moneys so invested or (b) fully insured by the Federal Deposit Insurance Corporation; (v) repurchase agreements which satisfy the following criteria: (a) repurchase agreement which provides for the transfer of securities from dealer banks or securities firms to the Trustee or its agents, and the transfer of cash from the Trustee to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash, plus a yield to the Trustee, in exchange for the securities at a specified date; (b) repurchase agreement must be between the Trustee and a dealer bank or securities firm which are either a primary dealer on the Federal Reserve reporting dealer list or a bank rated “A” or above by Fitch, S&P and Moody’s; (c) the written repurchase agreement must include the following terms: (1) securities which are acceptable for transfer are (A) direct United States government obligations, or (B) obligations of federal agencies backed by the full faith and credit of the United States government; (2) with respect to control of the collateral, if the dealer bank or securities firm supplied the collateral pursuant to the repurchase agreement, it may not retain possession of such collateral and the collateral must be delivered to the Trustee (unless the Trustee is supplying the collateral) or a third party acting as agent for the Trustee before or simultaneous with payment; and (3) the securities must be valued weekly, marked-to-market at current market price plus accrued interest, the value of collateral must be equal to 102% of the amount of cash transferred by the Trustee to the dealer bank or securities firm under the repurchase agreement, plus accrued interest, and if the value of securities held as collateral is less than 102% of the value of the cash transferred by Trustee, then additional cash and/or acceptable securities must be transferred; and (d) to the extent required by a credit enhancer, an opinion of Bond Counsel, to the effect that such repurchase agreements are obligations in which public funds are permitted to be invested under District law, shall be delivered to the Trustee, with a copy to the Series 1998 Bond Insurer; (vi) commercial paper of “prime” quality of the highest ranking or the highest rating category as provided by Fitch, S&P and Moody’s; (vii) obligations, the interest on which is exempt from federal income taxation, and which, if rated by the Rating Agencies, are rated by Fitch, Moody’s and S&P in one of the two highest rating categories of such rating agencies; (viii) a time deposit account drawn on the Trustee for amounts whose aggregation is less than \$5,000; (ix) mutual funds, including any such fund of the Trustee or any affiliate of the Trustee, which invest exclusively in any investment described in clauses (i) through (viii) otherwise left uninvested in the funds; and (x) Federally tax-exempt bonds which are not subject to the AMT for individuals and subject to a put option at par at least semi-annually and rated at least “double-A” by Moody’s, S&P or Fitch, and in the highest short-term rating category by such rating agency.

“Principal Account” shall mean the Principal Account in the Bond Fund established in the Indenture.

“Qualified Independent Consultant” shall mean an independent professional consultant having the skill and experience necessary to provide the particular certificate, report or approval required by the Indenture or any

Supplemental Indenture in which such requirement appears, including an Independent Consulting Engineer and an independent certified public accountant.

“Rate Covenant” shall mean the obligation of the Authority to fix, charge, collect and revise rates, fees and other charges for the use of, and the services furnished by, the System sufficient to meet the requirements of the Indenture.

“Rate Stabilization Fund” shall mean the fund so designated which is established pursuant to the Indenture.

“Rating Agency” or **“Rating Agencies”** shall mean Fitch, Moody’s or Standard & Poor’s, or any of them, and their successors. The Authority may seek a rating from any other nationally recognized securities rating agency.

“Remaining Component” shall mean the portion of the Cost of Contracted Services which is not embraced in the definition of Debt Service Component or Operating Component.

“Renewal and Replacement Reserve Fund” shall mean the Renewal and Replacement Reserve Fund established in the Indenture.

“Renewal and Replacement Reserve Requirement” shall mean \$35,000,000 or such other amount as may be determined by a Qualified Independent Consultant, subject to approval by the Board of Directors.

“Reserve Determination Date” shall mean (a) each interest payment date for the Bonds, or (b) any other date established in writing by an Authorized Representative of the Authority for the valuation of obligations on deposit in any Series Debt Service Reserve Account.

“Revenues” shall mean all moneys received as income, rates, fees, charges, receipts, profits and other moneys derived by the Authority from its ownership and operation of the System, and for the use of and for the services furnished by the System, including Connection Fees, transfers from the Rate Stabilization Fund to the Revenue Fund, proceeds of any business interruption insurance, and investment earnings on all of the funds held by the Trustee under the Indenture and the Authority, except any rebate fund that may be created under the Indenture. Revenues shall not include refundable customer deposits, the IMA Capital Payments or other payments solely in aid of construction, the EPA Grants or similar payments, or the proceeds resulting from the sale of all or a portion of the System. For purposes of determining the total amount of Revenues in any year, there shall be deducted an amount equal to the amount transferred from the System Fund to the Rate Stabilization Fund pursuant to the Indenture.

“Senior Debt” shall mean Bonds, including the Series 1998 Bonds, the Series 2014A Bonds, the Series 2017A Bonds, the Series 2017B Bonds, the Series 2018A Bonds, and the Series 2018B Bonds and Other System Indebtedness.

“Series” or **“Series of Bonds”** shall mean a separate series of Bonds issued under the Indenture and a Supplemental Indenture.

“Series Debt Service Reserve Requirement” for any Series of Bonds shall have the meaning set forth in the Supplemental Indenture authorizing such Series of Bonds.

“Series 2024B Bonds” shall mean the Authority’s Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024B, issued pursuant to the Thirty-Fourth Supplemental Indenture.

“Series 2024B Construction Account” shall mean the Series 2024B Construction Account established by the Thirty-Fourth Supplemental Indenture in the Construction Fund.]

“Series 2024B Costs of Issuance Subaccount” shall mean the Series 2024B Costs of Issuance Subaccount established by the Thirty-Fourth Supplemental Indenture in the Series 2024B Construction Account of the Construction Fund.

“Series 2024B Rebate Fund” shall mean the Series 2024B Rebate Fund established by the Thirty-Fourth Supplemental Indenture.

“Series 2024B Resolution” shall mean the Resolution adopted by the Authority’s Board on [_____, 2024] authorizing the Series 2024B Bonds.

“Series 2024B Subordinate Bonds Interest Subaccount” shall mean the Series 2024B Subordinate Bonds Interest Subaccount established by the Thirty-Fourth Supplemental Indenture in the Interest Account in the Bond Fund.

“Series 2024B Subordinate Bonds Principal Subaccount” shall mean the Series 2024B Subordinate Bonds Principal Subaccount established by the Thirty-Fourth Supplemental Indenture in the Principal Account in the Bond Fund.

“Series 2024B Escrow Account” shall mean the Series 2024B Escrow Account established by this Thirty-Fourth Supplemental Indenture.]

“Service Contracts” shall mean any contracts or agreements for Contacted Services entered into by the Authority from time to time.

“Short-Term Obligations” shall mean Subordinate Debt issued pursuant to the Indenture, the payment of principal of which is scheduled to be payable within one year from the date of issuance and is contemplated to be refinanced either (a) through the issuance of additional Short-Term Obligations pursuant to a commercial paper or other similar program, or (b) through the issuance of Indebtedness.

“Sinking Fund Account” shall mean the Sinking Fund Account in the Bond Fund created in the Indenture.

“Standard and Poor’s” shall mean Standard & Poor’s Global Ratings Services, New York, New York, or its successors.

“Subordinate Bond Fund” shall mean the Subordinate Bond Fund created in the Indenture.

“Subordinate Debt” shall mean the Series 2010A Bonds, the Series 2014B Bonds, [the Series 2014C Bonds], the Series 2015A Bonds, the Series 2015B Bonds, the Series 2016A Bonds, the Series 2019A Bonds, the Series 2019B Bonds, [the Series 2019C Bonds], [the Series 2019D Bonds], the Series 2022A Bonds, the Series 2022B Bonds, the Series 2022C-1 Bonds, the Series 2022C-2 Bonds, the [Series 2022D Bonds], the Series 2022E Bonds and the Series A EMCP Notes, and any other bonds, notes or other obligations issued in connection with the System (a) which are expected to be paid from Net Revenues and designated by the Authority as Subordinate Debt, and (b) which have pledged to their payment Net Revenues as a subordinate lien pledge after the pledge of Net Revenues to Senior Debt, including but not limited to any Debt Service Component and Remaining Component that the Authority is required, or has elected, to treat as Subordinate Debt, and the District General Obligation Bonds.

“Subordinate Debt Service Reserve Fund” shall mean the Subordinate Debt Service Reserve Fund created in the Indenture.

“Supplemental Indenture” shall mean any Supplemental Indenture supplementing or modifying the provisions of the Indenture entered into by the Authority and the Trustee pursuant to the Indenture.

“System” shall mean all plants, systems, facilities, equipment, real and personal property and tangible and intangible property, together with all future extensions, improvements, enlargements and additions thereto, and all replacements thereof, used, or to be used, in connection with the collection, transmission, treatment and disposal of wastewater and stormwater flow, and the supply, treatment, storage and distribution of water.

“Tender Indebtedness” shall mean any indebtedness a feature of which is an option or obligation on the part of the holders of such indebtedness to tender all or a portion of such indebtedness to a fiduciary for purchase or redemption prior to the stated maturity date of such indebtedness, which may include Variable Rate Indebtedness with such a feature.

“Term Bonds” shall mean any Bonds stated to mature on a specified date and required to be redeemed in part prior to maturity according to a sinking fund schedule.

“Treasury Loans” shall mean those certain obligations of the Authority to make payments related to debt service on certain promissory notes from the Secretary of the Army to the United States Treasury set forth in the Water Sales Agreement and any future obligations of the Authority to the United States of America consistent therewith.

“Trustee” shall mean Computershare Trust Company, National Association, as successor to Norwest Bank Minnesota, National Association, or its successors serving as such under the Indenture.

“Trustee’s Fees and Expenses” shall mean an initial acceptance fee and an annual administrative fee plus expenses in accordance with the fee schedule set forth in an agreement between the Trustee and the Authority, as the same may be renegotiated from time to time.

“Thirty-Fourth Supplemental Indenture” shall mean the Thirty-Fourth Supplemental Indenture of Trust, dated [_____], 2024 by and between the Authority and the Trustee.

“Variable Rate Indebtedness” shall mean any indebtedness the interest rate on which is not established at the time of incurrence at a fixed or constant rate, provided that (a) the maximum interest rate on such indebtedness and the maximum rate payable to any liquidity provider with respect to such indebtedness shall be specified at the time of issuance of such indebtedness; (b) any liquidity facility of any liquidity provider shall cause such indebtedness to be rated by a Rating Agency in one of the two highest short-term rating categories of such Rating Agency; (c) any accelerated principal payments or any interest in excess of the bond interest rate payable to such liquidity provider shall be subordinate to the payment of debt service on Bonds, and (d) any two or more series of Bonds that are issued on the same date, the interest on which when such series are considered in the aggregate shall be a fixed or constant rate, shall not be considered Variable Rate Indebtedness.

“WASA Act” shall mean the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996, as amended, D.C. Code Sections 34-2201.01 et seq.

“Water Sales Agreement” shall mean the Water Sales Agreement dated as of July 31, 1997, by and between the United States of America, acting through the Secretary of the Army, and the Authority.

SUMMARY OF INDENTURE

The following is a summary of certain provisions of the Indenture. It is not a complete recital of the terms of the Indenture. Unless otherwise noted, section numbers shown parenthetically refer to the Master Indenture; those preceded by the prefix "TSI" refer to the Thirty-Fourth Supplemental Indenture.

Security (Granting Clauses)

The Authority, to provide for the payment of each Series of Bonds and Subordinate Debt issued under the Indenture and to secure the performance and observance of all the covenants, agreements and conditions in such Bonds, Subordinate Debt, Other System Indebtedness or credit enhancement agreements, does grant a security interest in, assign, transfer, pledge and grant and convey unto the Trustee and its successors and assigns forever, for the benefit of the holders of the Indebtedness and credit enhancers, if any, until the applicable credit enhancement is no longer outstanding and no amounts are due under the related documents, the following property: (A) amounts on deposit from time to time, and any investment earnings thereon, in the Bond Fund and Debt Service Reserve Fund (with respect to related Senior Debt), in the Subordinate Bond Fund and the Subordinate Debt Service Reserve Fund (with respect to related Subordinate Debt) and any other funds and accounts created pursuant to the Indenture, including the earnings thereon, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein; provided, however, that there expressly is excluded from any pledge, assignment, lien or security interest created by the Indenture any amount on deposit in the Operating Fund; (B) amounts constituting Net Revenues pledged pursuant to the Indenture; (C) any and all other property of any kind from time to time thereafter by delivery or by writing of any kind specifically conveyed, pledged, assigned or transferred, as and for additional security under the Indenture for the Bonds, by the Authority or by anyone on its behalf or with its written consent in favor of the Trustee, which is authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture; and (D) all right, title and interest of the Authority owned or hereafter acquired in and to proceeds from the sale of Bonds or Subordinate Debt issued under the Indenture required to be deposited in the Construction Account pursuant to the provisions of the Indenture (except as limited by the following provisos) and all right, title, and interest in and to the investments held in the Construction Account (except as limited by the following provisos) pursuant to the provisions of the Indenture; provided, however, that the Authority may establish one or more separate accounts in the Construction Account to be funded with proceeds of any particular Series of Bonds or Subordinate Debt issue, which accounts and the proceeds of the particular Series of Bonds deposited therein (together with all investments thereof and investment income earned thereon) may be pledged solely to the payment of one or more designated Series of Bonds or Subordinate Debt issue for any designated periods, or otherwise, all as permitted in the Indenture, including any Supplemental Indenture.

To have and to hold all properties pledged, assigned and conveyed by the Authority under the Indenture including all additional property which by the terms thereof has or may become subject to the encumbrance thereof, unto the Trustee and its successors in trust and its assigns forever, subject, however, to the rights reserved under the Indenture.

To have and to hold in trust upon the terms and trusts set forth in the Indenture for the equal and proportionate benefit, security and protection of all Holders from time to time of all Senior Debt issued thereunder or under other documents and secured by the Indenture, without privilege, priority or distinction as to lien or otherwise of any of the Senior Debt over any of the others except as otherwise provided in the Indenture, and on a basis subordinate and junior thereto, upon the terms and trusts therein set forth for the equal and proportionate benefit, security and protection of all Holders and related credit enhancers from time to time of all Subordinate Debt issued under the Indenture or under other documents and secured by the Indenture, without privilege, priority or distinction as to lien or otherwise of any of the Subordinate Debt over any of the others, except as otherwise provided in the Indenture.

However, if the Authority shall pay fully and promptly when due all liabilities, obligations and sums at any time secured thereby or provide for the payment thereof in accordance with the Indenture, and shall promptly, faithfully and strictly keep, perform and observe, or cause to be kept, performed and observed, all of the covenants, warranties and agreements of the Indenture and related documents, then the Indenture shall be and become void and of no further force and effect; otherwise, the same shall remain in full force and effect, and upon the trusts and subject to the covenants and conditions set forth in the Indenture.

Purposes of Bonds (Section 301)

Bonds may be issued (a) to pay Costs, (b) to refund any Indebtedness secured by or payable from Net Revenues, including any Bonds, or (c) for a combination of such purposes.

Parity Senior Debt (Section 302)

The Indenture constitutes a continuing irrevocable pledge of Net Revenues to secure payment of the principal of, premium, if any, and interest on all Senior Debt that may from time to time be issued and Outstanding. Each Senior Debt issue shall be issued pursuant to a Supplemental Indenture or evidenced by other documents and shall be equally and ratably secured by the pledge of Net Revenues under the Indenture, without preference, priority or distinction; provided, however, that the moneys in any Series Debt Service Reserve Account shall only secure the applicable Series of Senior Debt, and provided further that any Senior Debt may have additional revenues or other security pledged to its payment. Nothing in the Indenture shall be construed, as (a) requiring that any Senior Debt bear interest at the same rate or in the same manner as any other Senior Debt, have the same, or an earlier or later, maturity, or be subject to mandatory, optional or extraordinary redemption prior to maturity on the same basis as any other Senior Debt, (b) prohibiting the Authority from entering into financial arrangements designed to assure that moneys will be available for the payment of certain Senior Debt at its maturity, or (c) prohibiting the Authority from pledging moneys or assets of the Authority other than those pledged in the Indenture for the benefit of certain Senior Debt.

Conditions for Issuing Bonds (Section 303)

The Indenture requires that certain documents be filed with the Trustee prior to the issuance and authentication of any Series of Bonds. These requirements include a requirement that if the Bonds are issued to pay Costs, except in the case of the initial Series of Bonds issued under the Indenture, the Authority provide the Trustee with (1) evidence that upon issuance of such Bonds, each Series Debt Service Reserve Account within the Debt Service Reserve Fund will contain the applicable Series Debt Service Reserve Requirement, and (2) either (A) a certificate of the CEO and General Manager, the Chief Financial Officer or Authorized Representative of the Authority, stating that based on the Authority's financial records for any 12 consecutive months of the last 18 months prior to the issuance of such Bonds, the Authority would have been able to meet the Rate Covenant, taking into account (i) the maximum Annual Debt Service on the proposed additional Series of Bonds in the current or any future Fiscal Year, and (ii) the rates, fees and other charges which are in effect and any future changes therein as have been approved by the Board of Directors at the time of the delivery of the proposed additional Series of Bonds, or (B) a written statement of a Qualified Independent Consultant that projects Operating Expenses, Revenues and Net Revenues for five full Fiscal Years following the date of issuance of such proposed additional Series of Bonds and that demonstrates that, on the basis of such projection, the Authority can comply with the Rate Covenant, taking into account those rates, fees and other charges which are in effect at the time of the delivery of the proposed additional Series of Bonds and any future changes therein as have been approved by the Board of Directors of the Authority at the time of the delivery of the proposed additional Series of Bonds.

The Indenture also requires as a condition of issuance where Bonds are issued to refund any Indebtedness, the following: (1) evidence that the Authority has made provision as required by the Indenture for the payment or redemption of all indebtedness to be refunded; (2) either (A) a written determination by the CEO and General Manager, the Chief Financial Officer, or Authorized Representative of the Authority, or other evidence satisfactory to the Trustee that after the issuance of such Bonds and the provision for payment or redemption of all Indebtedness to be refunded, the Annual Debt Service requirements for each Fiscal Year in which there will be Outstanding Indebtedness not to be refunded will not increase more than 5% over what the Annual Debt Service requirements for such Fiscal Year would have been on all Senior Debt immediately prior to the issuance of such Bonds, including the Indebtedness to be refunded (if such Indebtedness was Senior Debt), and that the final maturity of Indebtedness being refunded has not been extended, or (B) a certificate of the CEO and General Manager, the Chief Financial Officer or Authorized Representative of the Authority, stating that based on the Authority's financial records for any 12 consecutive months of the last 18 months prior to the issuance of such Bonds, the Authority would have been able to meet the Rate Covenant, taking into account (i) the maximum Annual Debt Service on the proposed additional Series of Bonds in the current or any future Fiscal Year, but not the actual debt service on the Indebtedness to be refunded, and (ii) the rates, fees and other charges which are in effect and any future changes therein as have been approved by the Board of Directors at the time of the delivery of the proposed additional Series of Bonds, or (C) a written statement

of a Qualified Independent Consultant that projects Operating Expenses, Revenues and Net Revenues for five full Fiscal Years following the date of issuance of such proposed additional Series of Bonds, which such projection does not include the actual debt service for any Indebtedness to be refunded, and demonstrates, on the basis of such projection, that the Authority can comply with the Rate Covenant, taking into account those rates, fees and other charges which are in effect at the time of the delivery of the proposed additional Series of Bonds and any future changes therein as have been approved by the Board of Directors at the time of the delivery of the proposed additional Series of Bonds.

Other System Indebtedness (Section 304)

The Authority may incur or refinance Other System Indebtedness provided that (1) the documents relating to the Other System Indebtedness acknowledge that such debt constitutes Other System Indebtedness under the Indenture and is subject to the applicable terms and conditions thereof, specify the amounts and due dates of Annual Debt Service with respect to the Other System Indebtedness, (2) certain requirements of the Indenture for issuing Bonds described under “Conditions for Issuing Bonds (Section 303)” have been met as if the Other System Indebtedness was an additional Series of Bonds, (3) the Trustee receives written notice of the issuance of the Other System Indebtedness and the material terms and conditions thereof, and the Trustee shall register the holder as owner thereof as such on its books and records, and (4) the Trustee receives an Opinion of Counsel that the documents creating the Other System Indebtedness have been duly authorized, executed and delivered on behalf of the Authority and constitute valid, binding and enforceable obligations. In connection with the incurrence of any Other System Indebtedness, the Trustee shall enter into an intercreditor arrangement with the holder of such Other System Indebtedness, the terms of which shall be determined at the time of incurrence of such Other System Indebtedness. The Authority shall fulfill its obligations under all contracts or agreements creating Other System Indebtedness as they may exist from time to time.

Parity Subordinate Debt (Section 305)

Notwithstanding anything in the Indenture to the contrary, the Authority may at any time issue additional Subordinate Debt on a parity with the Outstanding Subordinate Debt and pledge Net Revenues thereto so long as rates, fees and charges are in effect or scheduled to go into effect to meet the Rate Covenant immediately after the issuance of such Subordinate Debt. Subordinate Debt may not be accelerated if any Senior Debt is outstanding.

Treatment of Direct Payments in Connection with Additional Indebtedness (Section 306)

For the purposes of computing Annual Debt Service on any Direct Payment BABs or other Indebtedness as to which Direct Payments are expected to be made (whether previously issued or proposed to be issued by the Authority) in connection with any proposed issuance of additional Subordinate Debt, the amount of any Direct Payment expected to be received by the Authority or the Trustee in the then current or any future Fiscal Year shall be credited against the Annual Debt Service on such Direct Payment BABs.

Custody and Application of Bond Proceeds (Section 501; TSI Section 501)

The proceeds of Bonds which are issued to pay Costs of the System shall be held in trust by the Trustee and used solely to pay Costs of the System. The proceeds of Bonds which are issued to refund any Indebtedness secured by or payable from Net Revenues, shall be held by the Trustee, an escrow agent or other party, as specifically provided in the Supplemental Indenture related to such refunding. The Indenture establishes a Construction Fund, to be held by the Authority. Amounts on deposit in the Construction Fund shall be used to pay Costs. The Trustee established a Construction Account, for the benefit of the holders of the Bonds which shall be considered part of the Construction Fund. The Authority established an EPA Grant Account and a Payments in Aid of the Construction Account in the Construction Fund to be held by the Authority. The proceeds of a Series of Bonds shall be deposited in the related Series Construction Subaccount. Reimbursements from EPA Grants and similar payments shall be deposited in the EPA Grant Account, IMA Capital Payments and other payments in aid of construction shall be deposited in the Payments in Aid of Construction Account. The Authority may establish additional Accounts and subaccounts within the Construction Fund as may be provided in a Supplemental Indenture. The Thirty-Fourth Supplemental Indenture establishes the Series 2024B Construction Account in the Construction Fund, which shall be used for payment of the Costs of the System, and within the Series 2024B Construction Account, a Series 2024B Cost of Issuance Subaccount, which shall be used for the payment of costs of issuance of the Series 2024B Bonds. (TSI Section 501).

Deposits shall be made to the credit of the Construction Fund and any Accounts and subaccounts as provided in the applicable Supplemental Indenture. All earnings on moneys in each Account and subaccount shall be credited to such Account and subaccount. Payments from the Construction Account may be made upon submittal by the Chief Financial Officer of an appropriate requisition form to the Trustee on a bi-weekly, or less often basis. The Trustee shall pay the costs listed in the requisition within 2 days of receipt thereof. The Trustee shall retain copies of all such requisitions and shall pay the obligations set forth in the requisition out of money in the applicable Series Subaccount in the Construction Account. When all items of Costs have been paid or moneys have been reserved to pay all remaining unpaid Costs, the balance of any Bond proceeds remaining in excess of the amount to be reserved for payment of unpaid Costs shall be (a) transferred to the Bond Fund to be used solely to pay principal of and interest on the Series of Bonds which provided such proceeds to the extent approved by Bond Counsel, or (b) used to pay all or any portion of the Costs designated by the Authority and approved by Bond Counsel, but the balance of any Series 2024B Bond proceeds remaining in excess of the amount to be reserved for payment of unpaid Costs shall be deposited in the Bond Fund to be used solely to pay principal of and interest on the Series 2024B Bonds, to the extent approved by Bond Counsel.

Costs of the System (Section 502)

Costs shall mean any and all reasonable expenses related to the purposes or activities of the Authority including expenses for operating and maintenance activities; expenses for preconstruction and construction, acquisition, alteration, improvement, enlargement of furnishing, fixturing and equipping, reconstruction and rehabilitation of the water distribution and wastewater and stormwater collection, treatment, and disposal systems of the Authority, including without limitation, the purchase or lease expense for all lands, structures, real or personal property, rights, rights-of-way, roads, franchises, easements, and interest acquired or used for, or in connection with the Authority; the expenses of demolishing or removing buildings or structures on land acquired by the Authority, including the expenses incurred for acquiring any lands to which the buildings may be moved or located; the expenses incurred for all utility lines, structures or equipment charges, and interest on financial obligations incurred for a period as the Authority may reasonably determine to be necessary for the effective functioning of the water distribution and wastewater and stormwater collection, treatment, and disposal systems; provisions for reserves, enlargements, additions, and improvements; expenses incurred for architecture, engineering, energy efficiency technology, design and consulting, financial and legal services, letters of credit, bond insurance, debt service or debt service reserve insurance, surety bonds or similar credit enhancement instruments, plans, specification studies, surveys, and estimates of expenses and of revenues; expenses necessary or incident to determining the feasibility of improvements to the water distribution and wastewater and stormwater collection, treatment, and disposal systems, the financing of such improvements, including a proper allowance for contingencies, and the provision of reasonable initial working capital for operating the improved systems and expenses for obtaining potable water for distribution.

Rate Covenant (Section 601)

The Authority shall fix, charge and collect such rates, fees and other charges for the use of and the services furnished by the System and shall, from time to time and as often as shall appear necessary, revise such rates, fees and other charges so as to meet the following two independent requirements:

(1) Revenues, shall be sufficient in each Fiscal Year to pay (A) the actual Operating Expenses for such Fiscal Year, (B) the amount required to pay Annual Debt Service on Senior Debt in such Fiscal Year, (C) any amount necessary to be deposited in any Series Debt Service Reserve Account to restore the amount on deposit therein to the amount of the Series Debt Service Reserve Requirement, (D) the amount required to pay Annual Debt Service on Subordinate Debt in such Fiscal Year (including reserves in connection therewith and the restoration thereof), (E) any amount necessary to be deposited in the Operating Reserve Fund and the Renewal and Replacement Reserve Fund to maintain the required balances therein, and (F) any amount necessary to make any payments in lieu of taxes in such Fiscal Year.

(2) Net Revenues shall be sufficient in each Fiscal Year to be at least equal to the sum of (A) 120% of the Annual Debt Service with respect to Senior Debt for such Fiscal Year, and (B) 100% of Annual Debt Service with respect to Subordinate Debt for such Fiscal Year.

From and after the date of the Twelfth Supplemental Indenture, for purposes of determining the Authority's compliance with the Rate Covenant (but not for the purposes of determining compliance with the Indenture's restrictions on the Authority's issuance of additional Senior Debt or additional Subordinate Debt), the amount of any

Direct Payment received by the Authority or the Trustee in any Fiscal Year shall be credited against (i) Annual Debt Service on Senior Debt in such Fiscal Year if such Direct Payment related to Senior Debt or (ii) Annual Debt Service on Subordinate Debt in such Fiscal Year if such Direct Payment related to Subordinate Debt.

If at the end of any Fiscal Year the Authority is not in compliance with the Rate Covenant, or if the Authority fails for three consecutive months to make the deposits required under "Disposition of Revenues" to the Interest Account and the Principal Account (or the Sinking Fund Account, as applicable) or there is a deficiency in a Series Debt Service Reserve Account for longer than three consecutive months, the Authority shall immediately request a Qualified Independent Consultant to submit a written report and recommendations with respect to increases in the Authority's rates, fees and other charges and improvements in the operations of and the services rendered by the System and the Authority's accounting and billing procedures necessary to bring the Authority into compliance with the Rate Covenant. The report and recommendations shall be filed with the Trustee and the Authority within 120 days from the date of discovery of noncompliance with the Rate Covenant. The Authority shall promptly revise its rates, fees and charges, and alter its operations and services to conform with the report and recommendations of the Qualified Independent Consultant to the extent permitted by law. If the Authority promptly revises its rates, fees, charges, operations, services and procedures in conformity with the report and recommendations of the Qualified Independent Consultant and otherwise follows such recommendations to the extent permitted by law so that the Authority is expected to be, when its actions become fully effective, in compliance with the Rate Covenant, then any failure to meet the Rate Covenant will not constitute an Event of Default under the Indenture so long as no other Event of Default has occurred and is continuing.

Annual Budget (Section 602)

Before the beginning of each Fiscal Year, the Authority shall adopt a budget for the operation of the System for the ensuing Fiscal Year, which shall be called the Annual Budget. The Annual Budget shall be prepared in such manner as to show in reasonable detail (1) Revenues estimated to be received during such Fiscal Year, (2) Operating Expenses expected to be incurred during such Fiscal Year, (3) the amount of principal of, premium, if any, and interest on the Bonds that will become due during such Fiscal Year, (4) the amount of principal of, premium, if any, and interest on Other System Indebtedness that will become due during such Fiscal Year, (5) any amount necessary to be deposited in the Debt Service Reserve Fund to restore the amount on deposit in each Account therein to the amount of the applicable Series Debt Service Reserve Requirement, (6) any amount necessary to be deposited in the Operating Reserve Fund to restore the amount on deposit therein to the amount of the Operating Reserve Requirement, (7) any amount necessary to be deposited in the Renewal and Replacement Reserve Fund to restore the amount on deposit therein to the amount of the Renewal and Replacement Reserve Requirement, (8) the amount of principal of, premium, if any, and interest on the Subordinate Debt that will become due during such Fiscal Year, (9) any amount necessary to be deposited in the Subordinate Debt Service Reserve Fund to restore the amount on deposit therein to the amount of the Subordinate Debt Service Reserve Requirement, and (10) the amount of Net Revenues available during such Fiscal Year to meet the Rate Covenant. The Annual Budget shall be prepared in sufficient detail to show the amounts to be deposited in the various funds, Accounts and subaccounts created by or under the Indenture or funds and accounts otherwise required to be maintained on behalf of the System. The Authority may amend the Annual Budget at any time during the Fiscal Year. If for any reason an Annual Budget has not been adopted within the time required in the Indenture, the last previously adopted Annual Budget shall be deemed to provide for and regulate and control expenditures during such Fiscal Year until an Annual Budget for such Fiscal Year has been adopted. A copy of the Annual Budget and any amendments thereto shall be filed promptly with the Trustee.

Funds and Accounts (Section 603)

The Indenture establishes the following funds and Accounts to be held by the Authority or Trustee, as applicable: (a) Revenue Fund to be held by the Authority, subject to the lien of the Indenture (the Water and Sewer Authority Enterprise Fund created pursuant to Section 207 of the WASA Act, codified, as amended, at D.C. Code Section 34-2202.07, constitutes the Revenue Fund); (b) Operating Fund to be held by the Authority not subject to the lien of the Indenture (the Operating and Maintenance Account created pursuant to Section 154 of Public Law 104-134, codified at D.C. Code Section 34-2202.41, constitutes the Operating Fund); (c) Bond Fund, in which there shall be established an Interest Account, a Principal Account and a Sinking Fund Account, and a separate subaccount in each such Account with respect to each Series of Bonds or Other System Indebtedness issued under the Indenture, as applicable, to be held by the Trustee, subject to the lien of the Indenture; (d) Debt Service Reserve Fund, in which there shall be established a Series Debt Service Reserve Account for each Series of Bonds or Other System

Indebtedness issue which has a Series Debt Service Reserve Requirement, to be held by the Trustee, subject to the lien of the Indenture; (e) Operating Reserve Fund to be held by the Authority, subject to the lien of the Indenture; (f) Renewal and Replacement Reserve Fund to be held by the Authority, subject to the lien of the Indenture; (g) Subordinate Bond Fund to be held by the Trustee, subject to the lien of the Indenture; (h) Subordinate Debt Service Reserve Fund to be held by the Trustee, subject to the lien of the Indenture; (i) Rate Stabilization Fund to be held by the Authority, subject to the lien of the Indenture; and (j) System Fund to be held by the Authority, subject to the Lien of the Indenture.

Disposition of Revenues (Section 604)

All Revenues shall be deposited in the Revenue Fund to be held by the Authority; provided, however, that upon an Event of Default, the Authority will transfer all amounts in all the Authority held funds to the Trustee, and the Trustee shall hold such moneys in trust for the beneficiaries under the Indenture. From and after the occurrence of such Event of Default, the Authority shall deliver all Revenues to the Trustee as and when received. Prior to any such Event of Default, throughout the month, but no later than the last Business Day of each month, the Authority shall transfer from the Revenue Fund to the Operating Fund an amount sufficient to pay Operating Expenses during such month. Thereafter, Net Revenues shall be disbursed on the last Business Day of each month in the following order (except that no distinction or preference shall exist in the use in an amount sufficient to make the following deposits of Net Revenues for payment into the Interest Account, the Principal Account or the Sinking Fund Account of the Bond Fund, such accounts being on a parity with each other as to payment from Net Revenues):

(a) To the Bond Fund:

(1) to the subaccounts established for each Series of Bonds or Other System Indebtedness in the Interest Account, the amounts, if any, set forth in the applicable Supplemental Indenture with respect to each Series of Bonds or Other System Indebtedness; provided, however, that if such Other System Indebtedness is evidenced by documents other than a Supplemental Indenture, to the related interest accounts set forth therein, as applicable; and such deposits shall be adjusted to give credit for any other available money then in such interest account or subaccount, or otherwise available and designated to be used for such purpose. Moneys in the Interest Account shall be used to pay interest required to be paid on any interest payment date related to such Series of Bonds or Other System Indebtedness, as applicable.

(2) to the subaccounts established for each Series of Bonds or Other System Indebtedness in the Principal Account and Sinking Fund Account, the amounts, if any, set forth in the applicable Supplemental Indentures with respect to each Series of Bonds or Other System Indebtedness; provided, however, that if such Other System Indebtedness is evidenced by documents other than a Supplemental Indenture, to the related principal account and sinking fund account set forth therein, as applicable; and such deposits shall be adjusted to give credit for any other available money then in the principal or sinking fund account or subaccount or otherwise available and designated to be used for such purpose. Moneys in the Principal Account shall be used to pay principal required to be paid on any principal payment date related to such Series of Bonds or Other System Indebtedness, as applicable. Moneys in the Sinking Fund Account shall be used to pay the amount required for mandatory sinking fund redemption on the applicable redemption date related to such Series of Bonds or Other System Indebtedness, as applicable,

(b) To the applicable Account in the Debt Service Reserve Fund with respect to each Series of Bonds, the amounts, if any, necessary to restore the amount on deposit therein to the related Series Debt Service Reserve Requirement; and to the extent applicable, amounts necessary to restore the amount on deposit in the debt service reserve fund related to Other System. Indebtedness to the amounts required to be on deposit therein, and such amounts shall be transferred to such fund.

(c) To the Operating Reserve Fund, the amounts, if any, necessary to restore the amounts on deposit therein to the Operating Reserve Requirement. Such amounts shall be funded within 24 months of withdrawal by depositing in such fund 1/24 of the Operating Reserve Requirement on the last Business Day of each month after such withdrawal, if necessary. Moneys in the Operating Reserve Fund shall be used to pay, to the extent necessary, Operating Expenses of the Authority. In addition, to the extent that moneys on deposit in the Bond Fund are insufficient to make the required interest and principal payments, moneys in the Operating Reserve Fund shall be used prior to any withdrawal from the Debt Service Reserve Fund, to satisfy any such deficiencies.

(d) To the Renewal and Replacement Reserve Fund, an amount equal to the Renewal and Replacement Reserve Requirement. Such amounts shall be funded within 24 months of the applicable Closing Date to the extent not already deposited by depositing 1/24 of the Renewal and Replacement Reserve Requirement on the last Business Day of each month in such fund. In addition, to the extent that there has been a withdrawal from such fund, the Trustee shall deposit Net Revenues to the fund, in the amounts necessary to make the amounts on the deposit therein equal to the Renewal and Replacement Reserve Requirement. Such withdrawn amounts shall be funded within 24 months by depositing in such fund 1/24 of the Renewal and Replacement Reserve Requirement on the last Business Day of each month after such withdrawal. Moneys in the Renewal and Replacement Reserve Fund may be used to pay for any capital expenditures related to the System. In addition, to the extent that moneys on deposit in the Bond Fund and the Operating Reserve Fund are insufficient to make the required interest and principal payments, moneys in the Renewal and Replacement Reserve Fund shall be used prior to any withdrawal from the Debt Service Reserve Fund to satisfy any such deficiencies.

(e) To the Subordinate Bond Fund, the amount equal to the deposits to such funds and accounts required by the related Supplemental Indenture or other documents evidencing such debt. To the extent that Subordinate Debt is issued pursuant to Subordinate Debt documents, applicable amounts shall be transferred to the respective Subordinate Debt trustee.

(f) To the applicable Account, if any, in the Subordinate Debt Service Reserve Fund with respect to each Subordinate Debt issue, the amounts, if any, necessary to restore the amount on deposit therein to the related debt service reserve requirement or to reimburse the provider of any Qualified Reserve Credit Facility for amounts drawn thereunder and to pay related costs. To the extent that the Subordinate Debt is issued pursuant to Subordinate Debt Documents, applicable amounts shall be transferred to the respective Subordinate Debt trustee.

(g) To the System Fund, any moneys remaining in the Revenue Fund after all deposits and transfers required by subsections (a) through (f) of Section 604 have been made. Moneys in the System Fund may be used for any authorized purpose. On the following dates, moneys on deposit in the System Fund were required or are required be used to make the following payments:

(1) on each May 15 and quarterly thereafter, to the District to make the payment in lieu of taxes required by the District MOU relating to the PILOT;

(2) on September 1, 1998, an amount retained by the Authority in the System Fund necessary to satisfy the Cash Reserve Requirement;

(3) on each September 1, commencing September 1, 1999: (a) an amount to the District to make those certain principal and interest prepayments related to the District General Obligation Bonds pursuant to the District MOU relating to the Payment of General Obligation Debt; and (b) an amount retained by the Authority in the System Fund necessary to satisfy the Cash Reserve Requirement; and

(4) at any time to the Rate Stabilization Fund, the amount that the CEO and General Manager may determine, in his discretion, to transfer to the Rate Stabilization Fund.

With respect to prepayments made pursuant to section (g)(3)(a) above, if the Authority does not have Net Revenues sufficient to make such payment on September 1 of such fiscal year, the Authority must make such payment no later than November 1 of such fiscal year. Failure to make such payment prior to November 1 shall not constitute an Event of Default.

The Authority shall provide the Trustee with a monthly certificate which certifies that the transfers required by subsections (c), (d) and (g) have been made and sets forth the respective balances of such funds. If the Authority fails to make the transfers required by subsections (a) through (g) the Trustee shall give notice of such failure to the Authority within 10 days of such failure. Notwithstanding anything in the Indenture to the contrary, at any time that the Authority is required to make transfers pursuant to subsections (a) through (g), and there are insufficient Net Revenues to make all required transfers pursuant to such subsections, the Authority shall make the transfers in the order set forth above first from Net Revenues, then from any other legally available monies. In the event the balance on deposit in the Principal Account, Sinking Fund Account or the Interest Account is insufficient for the purposes thereof, the Authority shall transfer to the Trustee for deposit in such Accounts such amounts as may be necessary therefor first from the Operating Reserve Fund, second from the Renewal and Replacement Fund, and then from the

applicable Series Debt Service Reserve Account pursuant to the section entitled “Debt Service Reserve Fund (Section 606)”. The Trustee shall provide for a mandatory sinking fund redemption of any Term Bonds in accordance with the schedules set forth in the Supplemental Indenture for such Bonds; provided, however, that on or before the 70th day next preceding any such sinking fund payment date, the Authority may: (1) deliver to the Trustee for cancellation Term Bonds of the maturity required to be redeemed on such sinking fund payment date in any aggregate principal amount desired; or (2) instruct the Trustee to apply a credit against the Authority’s next sinking fund redemption obligation for any such Term Bonds that previously have been redeemed (other than through the operation of the sinking fund) and canceled but not theretofore applied as a credit against any sinking fund redemption obligation. Upon the occurrence of any of the events described in the subsections (1) or (2) above, the Trustee shall credit against the Authority’s sinking fund redemption obligation on the next sinking fund payment date the amount of such Term Bonds so delivered or previously redeemed. Any principal amount of such Term Bonds in excess of the principal amount required to be redeemed on such sinking fund payment date shall be similarly credited in such order as may be determined by the Authority against future payments to the Sinking Fund Account and shall similarly reduce the principal amount of the Term Bonds of the applicable Series to be redeemed on the next sinking fund payment date. Within seven days of receipt of such Term Bonds or instructions to apply as a credit, any amounts remaining in the Sinking Fund Account in excess of the amount required to fulfill the remaining required sinking fund redemption obligation on the next sinking fund payment date shall be used in such manner as determined at the direction of the Authority. In the event the amount on deposit in the Interest Account on any interest payment date shall exceed the amount required to pay interest on the Senior Debt on the next interest payment date, the Authority shall, if the amount on deposit in any Series Debt Service Reserve Account is less than the applicable Series Debt Service Reserve Requirement, instruct the Trustee to transfer such excess to any Series Debt Service Reserve Account to the extent of such deficiency, and otherwise retain any remaining excess in the Interest Account or instruct the Trustee to transfer any remaining excess to the related Principal Account to be credited against subsequent required deposits thereto, as determined by the Authority.

If the amount on deposit in the Principal Account or Sinking Fund Account on any principal or mandatory redemption payment date exceeds the amount required on such date to pay Bonds at maturity or to redeem Term Bonds pursuant to mandatory sinking fund requirements, the Authority shall, if the amount on deposit in any Series Debt Service Reserve Account is less than the applicable Series Debt Service Reserve Requirement, instruct the Trustee to transfer such excess to the Series Debt Service Reserve Account to the extent of such deficiency, and otherwise retain such excess in the Principal Account or instruct the Trustee to transfer such excess to the Interest Account to be credited against subsequent required deposits thereto, as determined by the Authority.

With respect to the Direct Payments by providing that, upon receipt of any Direct Payment, the Authority or the Trustee shall cause it to be deposited (i) in the appropriate subaccounts in the Interest Account in the Bond Fund if such Direct Payment relates to Bonds or Other System Indebtedness, and (ii) in the appropriate subaccount in the Subordinate Interest Account in the Subordinate Bond Fund if such Direct Payment relates to Subordinate Debt, and shall cause it to be applied solely to the purposes to which the Indenture permits funds in such subaccount, account and fund to be applied.

Rate Stabilization Fund (Section 605)

The Rate Stabilization Fund authorized by the Indenture shall be held by the Authority in an Account separate and apart from all other funds and Accounts of the Authority and payments therefrom shall be made as provided in the Indenture. Moneys may be transferred by the Authority to the Rate Stabilization Fund from the System Fund as provided in the section captioned “Disposition of Revenues (Section 604)” as determined by the Authority. At any time the Authority may transfer from the Rate Stabilization Fund to the Revenue Fund the amount determined by the Authority to be transferred from the Rate Stabilization Fund.

Debt Service Reserve Fund (Section 606)

Each Supplemental Indenture under which a Series of Bonds is issued shall establish an Account in the Debt Service Reserve Fund related to such Series of Bonds that shall be funded pursuant to the terms of a Supplemental Indenture. The Series Debt Service Reserve Requirement shall be deposited in the Account related to such Series. Amounts in each Account in the Debt Service Reserve Fund shall be used to pay debt service on the related Series of Bonds on the date such debt service is due when insufficient funds for that purpose are available in the Bond Fund; provided, however, that all amounts in an Account in the Debt Service Reserve Fund shall be used, together with other amounts available for such purpose under the Indenture, to provide for payment of the related Series of Bonds when

the aggregate of such amounts is sufficient for such purpose. Amounts in each Account of the Debt Service Reserve Fund shall be pledged to Holders of Bonds of the related Series. The Debt Service Reserve Fund has not been pledged as security for the payment of any Subordinate Debt.

In lieu of or in addition to cash or investments, at any time the Authority may cause to be deposited to the credit of any Series Debt Service Reserve Account any form of credit facility, including a surety bond, in the amount of all or a portion of the Series Debt Service Reserve Requirement, irrevocably payable to the Trustee as beneficiary for the Holders of the respective Series of Bonds, provided that the Trustee has received evidence satisfactory to it that (a) the provider of the credit facility has a credit rating in one of the two highest credit rating categories by two Rating Agencies, (b) the obligation of the Authority to pay the fees of and to reimburse the provider of the credit facility is subordinate to its obligation to pay debt service on the respective Series of Bonds, (c) the term of the credit facility is at least 36 months, (d) the only condition to a drawing under the credit facility is insufficient amounts in the applicable funds and Accounts held by the Trustee with respect to such Series of Bonds when needed to pay debt service on such Series or the expiration of the credit facility, and (e) the provider of the credit facility shall notify the Authority and the Trustee at least 24 months prior to the expiration of the credit facility. If (1) the Authority receives such expiration notice and the provider of such credit facility does not extend its expiration date, (2) the Authority receives notice of the termination of the credit facility, or (3) the Authority receives notice that the provider of such credit facility no longer has a credit rating in one of the two highest credit rating categories by two Rating Agencies, the Authority immediately shall (A) provide a substitute credit facility that meets the requirements set forth in the foregoing sentences, (B) deposit the Series Debt Service Reserve Requirement to the respective Series Debt Service Reserve Account (i) in equal monthly installments over the next succeeding 24 months in the case of receipt of an expiration notice, (ii) prior to the termination date in the case of receipt of a termination notice, or (iii) immediately in the case of such reduction in credit rating, or (C) instruct the Trustee to draw on such credit facility in the amount of the Series Debt Service Reserve Requirement (i) 12 months prior to expiration of the credit facility in the case of receipt of an expiration notice, (ii) prior to the termination date in the case of receipt of a termination notice, or (iii) immediately in the case of such reduction in credit rating and deposit the amount drawn to the Series Debt Service Reserve Account.

If a disbursement is made pursuant to any credit facility, the Authority shall either (a) reinstate the maximum limits of such credit facility, or (b) deposit to the credit of the applicable Series Debt Service Reserve Account moneys in the amount of the disbursement made under such credit facility from available Net Revenues. To the extent such moneys are still insufficient, then the Authority shall transfer to the Trustee from any legally available moneys the amount of such deficiency as soon as practicable and in any event within 24 months by depositing one-twenty-fourth of the required amount each month.

Amounts, if any, released from any Series Debt Service Reserve Account, upon deposit to the credit of such Account of a credit facility, upon designation by an Authorized Representative of the Authority and accompanied by an Opinion of Bond Counsel that such use will not adversely affect the exclusion from gross income of interest on the respective Series of Bonds, shall be transferred (a) to the subaccount of the Principal Account with respect to such Series of Bonds and used to pay principal of or to redeem such Bonds, or (b) to the Authority to be used to pay all or any portion of the Costs designated by the Authority and approved by Bond Counsel.

On or within five days after each Reserve Determination Date, the Trustee shall determine if the balance on deposit in each Series Debt Service Reserve Account was, as of the Reserve Determination Date, at least equal to the applicable Series Debt Service Reserve Requirement. In making such determination, any obligations in the Series Debt Service Reserve Account shall be valued in accordance with the Indenture. In the event the amount on deposit in a Series Debt Service Reserve Account exceeds the applicable Series Debt Service Reserve Requirement, the Trustee shall (a) transfer such excess to the Bond Fund to be deposited in the related Series subaccount in the Interest Account and the related Series subaccount in the Principal Account to the extent amounts in such subaccounts are less than the amounts required to be paid on the next interest payment date and principal payment date, respectively, (b) thereafter transfer such excess to the Bond Fund to be deposited, as directed by an Authorized Representative of the Authority, in the Interest Account or the Principal Account to the extent amounts in such accounts are less than the amounts required to be paid on the next interest payment date and principal payment date, respectively, and (c) transfer such excess to the Authority to be used to pay all or any portion of Costs designated by the Authority and approved by Bond Counsel; provided, however, that if an Authorized Representative of the Authority calls for a Reserve Determination Date in connection with the refunding and/or defeasance of a Series of Bonds, then the Trustee is authorized to take such refunding and/or defeasance into account in valuing the Series Debt Service Reserve Account securing such Series of Bonds and is further authorized to apply the amount of any surplus arising from such

valuation to reduce the amount of the refunding bonds and/or to provide for the defeasance of the Series of Bonds in such manner as the Authorized Representative of the Authority may direct.

Payments in Aid of Construction (Section 607)

The Authority shall use any payments made to the Authority by any persons as payment for constructing water, wastewater or stormwater facilities at the request of such persons, whether such payments are made prior to or after such construction, only to pay the cost of such construction. After completion of such construction, the Authority may use any moneys remaining after such construction is completed to pay all or any portion of Costs designated by the Authority and approved by Bond Counsel.

Other Funds and Accounts (Section 608)

The Authority may establish in each Supplemental Indenture such other funds and Accounts within funds as the Authority may determine to be desirable.

Pledge of Net Revenues and Certain Funds and Accounts (Section 609; TSI Section 601)

Net Revenues are pledged equally and ratably to the payment of principal of and interest on all Senior Debt, subject only to the right of the Authority to make application thereof to other purposes as provided in the Indenture. All funds created under the Indenture other than the Operating Fund shall be trust funds and are pledged (except as provided in the next sentence and as described in the next paragraph hereof) equally and ratably to the payment of the principal of and interest on all Senior Debt, subject only to the right of the Authority to make application thereof, or to direct the Trustee to make application thereof, to other purposes as provided in the Indenture. The lien and trust created under the Indenture are for the benefit of the Holders of Senior Debt and for their additional security until all the Senior Debt has been paid; provided, however, that the moneys in each Series Debt Service Reserve Account and each Series Construction Account or subaccount shall only secure the applicable Series of Bonds that provided such moneys, and moneys in any account of the Bond Fund relating to a particular Senior Debt shall only secure such Senior Debt. Notwithstanding the foregoing and anything else in the Indenture to the contrary, pursuant to the terms of the Water Sales Agreement, to the extent that the United States of America, acting through the Secretary of the Army, requires that the Authority establish a special fund consisting of separately identifiable fees, charges, rents and rates (the "Special Revenues") assessed by the Authority on its retail customers after the effective date of the Indenture in order to pay for the principal and interest due on the Treasury Loans, the Department of the Treasury shall have a security interest in such Special Revenues only, and the Treasury Loans shall no longer be secured by the remaining Net Revenues, nor be considered Indebtedness for the purposes of the Indenture. The Treasury Loan holder shall have an interest senior to the interest of holders of Indebtedness in such Special Revenues. All further terms and conditions of such Special Fund shall be set forth in a Supplemental Indenture related thereto.

The Series 2024B Bonds are secured as Subordinate Debt under the Indenture and, as such, are secured by a pledge of (i) 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 Subordinate Debt, including, without limitation, any other Subordinate Debt that the Authority may issue in the future, without preference, priority or distinction of any Series 2024B Bond over any other Series 2024B Bond or of any Subordinate Debt over any other Subordinate Debt, as provided in the Indenture; and (ii) the moneys and Permitted Investments in the Subordinate Bond Fund on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, any other Subordinate Debt that the Authority may issue in the future, without preference, priority or distinction of any Series 2024B Bond over any other Series 2024B Bond or of any Subordinate Debt over any other Subordinate Debt, as provided in the Indenture. (TSI Section 601).

Covenant of the District of Columbia (TSI Section 601)

Under to the WASA Act, the District pledges to the Authority and any holders of its bonds that, except as provided in the WASA Act, the District will not limit or alter rights vested in the Authority to fulfill agreements made with holders of the bonds, or in any way impair the rights and remedies of the holders of the bonds until the bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of the holders of the bonds are fully met and discharged.

Payment of Indebtedness; Limited Obligations (Section 801)

The Authority shall promptly pay or cause to be paid when due the principal of (whether at maturity, by acceleration, call for redemption or otherwise), premium, if any, and interest on the Indebtedness at the places, on the dates and in the manner provided in the Indenture and in the Indebtedness according to the true intent and meaning thereof; provided, however, that such obligations are not general obligations of the Authority, but are limited obligations payable solely from Net Revenues, except to the extent payable from the proceeds of Indebtedness, the income, if any, derived from the investment thereof, certain reserves, proceeds of credit enhancement, income from investments pursuant to the Indenture or proceeds of Insurance, which Net Revenues and other moneys are specifically pledged to such purposes in the manner and to the extent provided in the Indenture. The Series 2024B Bonds are special and limited obligations of the District. The Series 2024B Bonds shall be without recourse to the District. The Series 2024B Bonds shall not be general obligations of the District, shall not be a pledge of or involve the faith and credit or the taxing power of the District, and shall not constitute lending of the public credit for private undertakings.

Limitations on Indebtedness (Section 802)

The Authority shall not issue any bonds, notes or other obligations that shall be secured by a pledge of Net Revenues (a) senior to the pledge of Net Revenues securing the Senior Debt, (b) except in compliance with the Indenture, on a parity with the pledge of Net Revenues securing the Senior Debt, or (c) except in compliance with the section captioned "Subordinate Debt (Section 305)", subordinate to the pledge of Net Revenues securing the Senior Debt. The Authority shall not issue Bonds, Other System Indebtedness or Subordinate Debt unless the Authority complies with the Indenture, including those provisions described in "Conditions for Issuing Bonds (Section 303)," "System Indebtedness (Section 304)" and "Subordinate Debt (Section 305)," as applicable.

Covenants and Representations of the Authority (Section 803)

The Authority shall faithfully observe and perform all covenants, conditions and agreements on its part contained in the Indenture, in every issue of Indebtedness issued thereunder and in all proceedings of the Authority pertaining thereto. The Authority represents that it is duly authorized under the WASA Act to issue the Indebtedness, to execute the Indenture, and to pledge Net Revenues in the manner and to the extent set forth in the Indenture. The Authority covenants that it will take all action necessary for issuance of the Indebtedness and the execution of the Indenture, and that upon issuance the Indebtedness will be valid and enforceable obligations of the Authority according to the import thereof.

Covenants with Credit Banks, Insurers, etc. (Section 804)

The Authority may make such covenants and agreements in a Supplemental Indenture as it may determine to be appropriate with any Insurer, credit bank or other financial institution that agrees to insure or to provide credit or liquidity support to enhance the security or the value of any Indebtedness. Such covenants and agreements may be set forth in the applicable Supplemental Indenture and shall be binding on the Authority and all the holders of Indebtedness the same as if such covenants were set forth in full in the Indenture.

Operation and Maintenance (Section 805)

The Authority shall establish and enforce reasonable rules and regulations governing the use of and the services furnished by the System, shall maintain and operate the System in an efficient and economical manner, shall maintain the same in good repair and sound operating condition and shall make all necessary repairs, replacements and renewals. All compensation, salaries, fees and wages paid by the Authority in connection with the operation and maintenance of the System shall be reasonable. The Authority shall observe and perform all of the terms and conditions contained in the WASA Act and the Water Sales Agreement and shall comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the System or the Authority.

Free Service, Competing Service, Billing and Enforcement of Charges (Section 806)

The Authority shall not permit connections to or use of the System or provide any services of the System without making a charge therefor in accordance with the Authority's schedule of rates, fees and charges for the System other than those connections, use or services already in existence; provided, however, the Authority may accept

proffers and other forms of payment in lieu of cash payments that the Authority deems are in its best interest to accept, provided that such proffers do not cause a violation of the Rate Covenant. The Authority shall not provide, grant any franchise to provide, or give consent for anyone else to provide any services which would compete with the System unless the Authority determines that such franchise or provision of services would provide services that the Authority has determined are not in its best interest to provide and would not materially impair the interests of the holders of Indebtedness.

The Authority shall bill customers for the services of the System no less frequently than quarterly. If any rates, fees or other charges for the use of or for the services furnished by the System shall not be paid within 60 days after the same shall become due and payable, or within such shorter time as may be determined by the Authority, the Authority shall at the expiration of such period, to the extent permitted by applicable laws and regulations, disconnect the premises from the System or otherwise suspend service to such premises until such delinquent rates, fees or other charges and any interest, penalties or charges for reconnection of service to such delinquent customer shall have been paid in accordance with the policies of the Authority, or a payment plan with respect to such amounts has become effective. The Authority shall take all such action as may be necessary to perfect liens upon real estate for the amount of any unpaid rates, fees or other charges described in Section 806 of the Indenture or any unpaid connection charges or other charges so that such liens will be binding upon subsequent bona fide purchasers for valuable consideration without actual notice thereof.

Sale or Encumbrance of System (Section 807)

Neither the System nor any integral part thereof shall be leased, sold, mortgaged or otherwise disposed of without an Independent Consulting Engineer's certification that such disposition will not have a negative impact on the overall viability of the System unless the proceeds of such disposition, together with any other legally available moneys, are sufficient to pay the principal of, premium, if any, and interest on all Indebtedness then Outstanding and the proceeds are used for such purpose; provided, that the Authority may from time to time sell, exchange or otherwise dispose of any equipment, motor vehicles, machinery, fixtures, apparatus, tools, instruments or other movable property if it determines that such articles are no longer needed or are no longer useful in connection with the System, and the proceeds thereof may be used for any lawful purpose determined by the Authority. The Authority shall not create or suffer to be created any lien or charge upon the System or any part thereof or any lien or charge upon Net Revenues and other moneys pledged herein ranking equally with, prior to, or subordinate to the lien and charge of the Indebtedness, except as provided in the Indenture. Notwithstanding anything in the Indenture to the contrary, the Authority may acquire items of personal property constituting part of the System under lease purchase agreements or similar financing arrangements entered into in the ordinary course of business which may be subject to purchase money security interests or other liens in an aggregate amount not to exceed five percent (5%) of the net amount of plant, property and equipment.

Notwithstanding the provisions of the preceding paragraph, the Authority may sell, transfer or otherwise dispose of all or substantially all of the System for purposes of consolidating the System with or merging the System into one or more regional water, wastewater or stormwater systems of which the Authority is a participating member jurisdiction if: (1) the successor entity assumes in writing all of the Indebtedness then Outstanding, (2) the successor entity covenants in writing to comply with the Rate Covenant, (3) the Authority obtains an opinion of Bond Counsel, subject to the customary exceptions and qualifications, substantially to the effect that the assumption by the successor entity of all of the Indebtedness then Outstanding shall not have an adverse effect on the tax-exempt status of the interest on any such Indebtedness the interest on which was excludable from gross income for purposes of Federal income taxation when issued, and (4) the ratings on the Indebtedness then Outstanding will not adversely be affected by such assumption.

Notwithstanding the provisions of the preceding paragraph, the Authority may lease or sell the Blue Plains Wastewater Treatment Plant if: (1) the lessor [sic] or purchaser entity assumes in writing all of the Indebtedness then Outstanding relating to the plant, (2) the successor entity covenants in writing to comply with the Rate Covenant, as applicable, (3) the Authority obtains an opinion of Bond Counsel, subject to the customary exceptions and qualifications, substantially to the effect that the assumption by the lessor [sic] or purchaser entity of all of the Indebtedness then Outstanding shall not have an adverse effect on the tax-exempt status of the interest on any such Indebtedness the interest on which was excludable from gross income for purposes of Federal income taxation when issued, and (4) the ratings on such Indebtedness then Outstanding will not adversely be affected by such assumption.

Insurance (Section 808)

The Authority shall continuously maintain insurance with recognized responsible commercial insurance companies against such risks and in such amounts as are customary for public bodies owning and operating similar systems, including (a) insurance against loss or damage to the System, (b) public liability insurance against liability for bodily injury, including death resulting therefrom, and for damage to property, including loss of use thereof, arising out of the ownership or operation of the System, and (c) workers' compensation insurance with respect to the System. In lieu of insurance written by commercial insurance companies, the Authority may maintain a program of self-insurance or participate in group risk financing programs, including sponsored insurance programs, risk pools, risk retention groups, purchasing groups and captive insurance companies, and in state or Federal insurance programs; provided, however, that the Authority shall obtain and maintain on file a tri-annual favorable written opinion of a Qualified Independent Consultant that such alternative is reasonably acceptable with respect to the coverages under all the circumstances.

Damage, Destruction, Condemnation and Loss of Title (Section 809)

If all or any part of the System is destroyed or damaged by fire or other casualty, condemned or lost by failure of title, the Authority shall restore promptly the property destroyed or damaged to substantially the same condition as before such destruction, damage, condemnation or loss of title with such alterations and additions as the Authority may determine and which will not impair the capacity or character of the System for the purpose for which it is then being used or is intended to be used. The Authority shall apply so much as may be necessary of such Net Proceeds received on account of any such destruction, damage, condemnation or loss of title to payment of the cost of such restoration, either on completion or as the work progresses. If such Net Proceeds are not sufficient to pay in full the cost of such restoration, the Authority shall pay so much of the cost as may be in excess of such Net Proceeds from any legally available moneys. Any balance of such Net Proceeds remaining after payment of the cost of such restoration shall be deposited in the Bond Fund.

Records and Accounts; Inspections and Reports (Section 810)

The Authority shall keep proper books of records and accounts, separate from any of its other records and accounts, showing complete and correct entries of all transactions relating to the System, and the Trustee shall have the right at all reasonable times to inspect the System and all records, accounts and data relating thereto. The Authority shall also cause a certified audit of its records and accounts to be made in accordance with generally accepted accounting principles by an independent certified public accountant at the end of each Fiscal Year which shall reflect in reasonable detail the financial condition and results of operation of the System and whether the Authority has complied with the Rate Covenant and to deliver such report to the Trustee. The Authority shall cause an Independent Consulting Engineer at least once every five years to inspect the System and make a written report thereof which shall include such Independent Engineer's findings and recommendations as to the maintenance of the System and the construction of additions, extensions and improvements to the System and capital replacements thereof. Such report shall be completed in sufficient time so that the Authority may take into account any recommendations thereof in preparing its next Annual Budget.

Capital Budget (Section 811)

The Authority shall annually adopt a multiyear financial plan for capital expenses encompassing at least the forthcoming five fiscal years.

Service Contracts (Section 812)

The Authority may enter into Service Contracts for the benefit of the System, provided that the Authority specifies in writing the items payable as the Debt Service Component, Operating Component or Remaining Component of the Cost of Contracted Services and provided, further that the Authority shall not enter into any Service Contracts that would create Debt Service Components that constitute Other System Indebtedness unless the Authority satisfies the test set forth in the section entitled "Conditions for Issuing Bonds (Section 303)" for Bonds issued to pay Costs, except in the case of the initial Series of Bonds. The Authority shall faithfully fulfill all lawful requirements of all Service Contracts and shall require all other parties thereto to fulfill their lawful obligations thereunder. The Authority shall determine in writing on or before the effective date of any Service Contract the amounts and due dates of any Debt Service Component and the interest and principal portions of such components.

Events of Default – General (Section 901)

Each of the following events shall be an Event of Default:

(a) Default in the due and punctual payment of the principal of, premium, if any, on any Bond (whether at maturity, call for redemption or otherwise);

(b) Default in the due and punctual payment of the interest on any Bond;

(c) Failure by the Authority to observe the covenant set forth in Section 604(g)(3)(a) of the section entitled “Disposition of Revenues”;

(d) Subject to the remedial provisions of the Rate Covenant, failure of the Authority to observe and perform any of its other covenants, conditions or agreements under the Indenture or in the Bonds for a period of 60 days after written notice either from the Trustee or Holders of not less than 25% in aggregate principal amount of Bonds then Outstanding (unless the Trustee agrees in writing to an extension of such time prior to its expiration), specifying such failure and requesting that it be remedied, or in the case of any such default that cannot with due diligence be cured within such 60 day period, failure of the Authority to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence within 60 days thereafter; provided, however, any such cure period shall not exceed an aggregate of 120 days without the prior written consent of Financial Security Assurance, Inc., as long as any of the Authority’s \$266,120,000 Public Utility Revenue Bonds, Series 1998 are Outstanding;

(e) The Authority shall fail to make any required payment with respect to any Other System Indebtedness, and any period of grace with respect thereto shall have expired, or an event of default as defined in any mortgage, indenture, or instrument under which there may be issued, or by which there may be secured or evidenced any Other System Indebtedness, shall occur, which event of default shall not have been waived by the holder of such mortgage, indenture or instrument provided, however, that such default shall not constitute an Event of Default within the meaning of Section 901 of the Indenture if within 30 days, or within the time allowed for service of a responsive pleading if any proceeding to enforce payment of the Other System Indebtedness is commenced, the Authority in good faith shall commence proceedings to contest the obligation to pay or the existence of such Other System Indebtedness;

(f) commencement by the Authority of a voluntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or similar law, (2) consent by the Authority to the appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official for the Authority, the System or any substantial part of the Authority’s property, or to the taking possession by any such official of the System or any substantial part of the Authority’s property, (3) making by the Authority of any assignment for the benefit of creditors, or (4) taking corporate action by the Authority in furtherance of any of the foregoing

(g) The entry of any (1) decree or order for relief by a court having jurisdiction over the Authority or its property in an involuntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or other law, (2) appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official for the Authority, the System or any substantial part of the Authority’s property, or (3) order for the termination or liquidation of the Authority or its affairs; or

(h) Failure of the Authority within 60 days after the commencement of any proceedings against it under the Federal bankruptcy laws, or any other applicable Federal or state bankruptcy, insolvency or similar law, to have such proceedings dismissed or stayed.

Notice to Holders of Senior Debt of Certain Default (Section 902)

If the Trustee is required to draw moneys from the Debt Service Reserve Fund to pay principal or interest on the Bonds and the Authority fails to begin replenishing the Debt Service Reserve Fund within 60 days in accordance with the replenishment requirements of the Indenture or fails to make any deposit required by the Indenture, then the Trustee shall send a notice to the Holders of Senior Debt that have related Debt Service Reserve Accounts, notifying them of the Authority’s failure to replenish such draws.

Acceleration of Bonds (Section 903)

Upon the occurrence and continuation of an Event of Default, the Trustee may (and if requested by the holders of not less than 25% in aggregate principal amount of Bonds then Outstanding shall) by written notice to the Authority,

declare the entire unpaid principal of the Bonds due and payable and, thereupon, the entire unpaid principal of the Bonds shall forthwith become due and payable. Upon any such declaration the Authority shall forthwith pay to the holders of the Bonds the entire unpaid principal of, premium, if any, and accrued interest on the Bonds, but only from Net Revenues and other moneys specifically pledged in the Indenture for payments of Bondholders. If at any time after such a declaration and before the entry of a final judgment or decree in any suit, action or proceeding instituted on account of such default or before the completion of the enforcement of any other remedy under the Indenture, the principal of all Bonds that have matured or been called for redemption pursuant to any sinking fund provision and all arrears of interest have been paid and any other Events of Default which may have occurred have been remedied, then the Trustee may, by written notice to the Authority, rescind or annul such declaration and its consequences. No such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon. Subordinate Debt may not be accelerated if any Senior Debt is Outstanding.

Other Remedies and Rights of Bondholders (Section 904)

Upon the occurrence and continuation of an Event of Default, the Trustee may (and if requested by the holders of not less than 25% in aggregate principal amount of Bonds Outstanding and if indemnified in accordance with prevailing industry standards shall) proceed to protect and enforce their rights by mandamus or other suit, action or proceeding at law or in equity, including an action for specific performance of any covenant or agreement contained in the Indenture. No remedy conferred by the Indenture upon or reserved to the Trustee and Bondholders is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee and holders of Bonds under the Indenture or now or hereafter existing at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power, or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any default or Event of Default under the Indenture by the Trustee or Bondholders shall extend to or affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

Right of Bondholder to Direct Proceedings (Section 905)

Anything in the Indenture to the contrary notwithstanding, the holders of a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture or any other proceedings thereunder; provided, however, that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

Application of Moneys – General (Section 906)

All moneys received by the Trustee pursuant to any right given or action taken under the Indenture, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys, the expenses, liabilities and advances incurred or made by the Trustee and its fees and the expenses of the Authority in carrying out the Indenture, shall be deposited in the Bond Fund and applied for no other purpose than as follows, unless the principal of all of the Bonds shall have become due or shall have been declared due and payable:

First – To the payment to the persons entitled thereto of all installments of interest then due on the Senior Debt, in the order of the maturity of the installments of such interest and; if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference, except as to any difference in the respective rates of interest specified in the Senior Debt; and

Second – To the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on any of the Senior Debt which shall have become due (other than Senior Debt called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), to pay in full Senior Debt due on any particular date and then to the payment of such principal and premium, if any, ratably, according to the amount of such principal due on such date, to the persons entitled thereto, without any discrimination or preference.

If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid on the Senior Debt, including,

to the extent permitted by law, interest on overdue installments of interest, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Senior Debt over any other Senior Debt, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Senior Debt.

If the principal of all the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of the Indenture, then, subject to the provisions Section 906 of the Indenture in the event that the principal of all the Senior Debt shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of Section 906 of the Indenture. Whenever moneys are to be applied pursuant to the provisions of Section 906, such moneys shall be applied at such times and from time to time as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) on which such application is to be made and, on such date, interest shall cease to accrue on the amounts of principal to be paid. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date. Whenever there are moneys remaining after application to the Bond Fund for the payment of Senior Debt, the Trustee shall apply such remaining moneys, allocated in a similar manner as provided above, to the payment of Subordinate Debt. Whenever the principal of and premium, if any, and interest on all Indebtedness have been paid under the provisions of Section 906 of the Indenture, all payments required by the terms of any Supplemental Indenture have been paid and all expenses and charges of the Trustee have been paid, any balance remaining in the several funds created by the Indenture shall be paid to the Authority as provided in the Indenture.

Remedies Vested in Trustee (Section 907)

All rights of action (including the right to file proof of claims) under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustee may be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Bondholders, and any recovery of judgment shall be for the equal benefit of the Bondholders.

Limitation on Suits (Section 908)

Except to enforce the rights described under “Other Remedies; Rights of Bondholders (Section 904)” and “Right of Bondholders to Direct Proceedings (Section 905)”, no Bondholder shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or any other remedy under the Indenture, unless (a) a default has occurred and is continuing of which the Trustee has been notified as provided in the Indenture, or of which under the Indenture the Trustee is deemed to have notice, (b) such default has become an Event of Default and the holders of 25% in aggregate principal amount of Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (c) such requesting Bondholders have offered to the Trustee indemnity as provided in the indenture, (d) the Trustee has thereafter failed or refused to exercise the powers granted under the Indenture, or to institute such action, suit or proceeding in its, own name, (e) no direction inconsistent with such written request has been given to the Trustee by the holders of a majority in aggregate principal amount of Bonds then Outstanding, and (f) notice of such action, suit or proceeding is given to the Trustee, it being understood and intended that no one or more holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the Indenture by its or their action, or to enforce any rights under the Indenture except in the manner therein provided, and that all proceedings at law or in equity shall be instituted and maintained in the manner herein provided and for the equal benefit of the holders of all Bonds then Outstanding. The notification, request and offer of indemnity set forth in the Indenture, at the option of the Trustee, shall be conditions precedent to the execution of the powers and trusts of the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy under the Indenture.

Waivers of Events of Default (Section 910)

The Trustee may in its discretion waive any Event of Default under the Indenture or any action taken pursuant to any Event of Default and rescind any acceleration of maturity of principal of and interest on the Bonds, and shall do so at the written request of the holders of (a) a majority in aggregate principal amount of Bonds then Outstanding in respect of which default in the payment of principal and/or premium, if any, and/or interest exists, or (b) a majority in aggregate principal amount of Bonds then Outstanding in the case of any other default, provided, however, that (1) there shall not be waived without the written consent of the holders of all Bonds then Outstanding (A) any Event of Default in the payment of the principal of any Outstanding Bonds (whether at maturity or by sinking fund redemption), or (B) any default in the payment when due of the interest on any such Bonds unless, prior to such waiver or rescission, (i) there shall have been paid or provided for all arrears of interest with interest, to the extent permitted by law, at the rate borne by the Bonds on overdue installments of interest, all arrears of principal of, premium, if any, and all expenses of the Trustee in connection with such default, and (ii) in case of any such waiver or rescission or in the case of any discontinuance, abandonment or adverse determination of any proceeding taken by the Trustee on account of any such default, the Authority, the Trustee, and the holders of Bonds shall be restored to their former positions and rights under the Indenture respectively; (2) no acceleration of maturity described under "Acceleration (Section 903)" made at the request of the holders of 25% in aggregate principal amount of Bonds then Outstanding shall be rescinded unless requested by the holders of at least 25% in aggregate principal amount of Bonds then Outstanding; and (3) any such waiver and/or rescission shall only be effective with respect to the Bonds if the holders of Other System Indebtedness shall have waived any event of default related to such Other System Indebtedness or any action taken pursuant to such event of default and/or rescinded any declaration of maturity of principal of and interest on the Other System indebtedness. No such waiver or rescission relating to the Bonds shall extend to any subsequent or other default, or impair any right consequent thereon.

Unconditional Right to Receive Principal, Premium and Interest (Section 911)

Nothing in the Indenture, however, shall affect or impair the right of the Trustee or any Bondholder to enforce, by action at law, payment of the principal of, premium, if any, or interest on any Bond at and after the maturity thereof, or on the date fixed for redemption or upon the same being declared due prior to maturity as herein provided, or the obligation of the Authority to pay the principal of, premium, if any, and interest on each of the Bonds issued under the Indenture to the respective holders thereof at the time and place, from the source and in the manner expressed in the Indenture and in the Bonds.

Supplemental Indentures Not Requiring Consent of Holders of Bonds (Section 1001)

The Authority and the Trustee may, without the consent of, or notice to, any of the Bondholders, enter into Supplemental Indentures as shall not be inconsistent with the intent of the terms and provisions of the Indenture, to (a) cure any ambiguity, formal defect or omission in the Indenture; (b) grant to or confer upon the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred on the Bondholders; (c) add to the covenants and agreements of the Authority in the Indenture other covenants and agreements to be observed by the Authority; (d) modify, amend or supplement the Indenture in such manner as required to permit the Authority to comply with the provisions of the Code relating to the rebate to the United States of America of earnings derived from the investment of the proceeds of Bonds, provided that such modification, amendment or supplement does not materially adversely affect the holders of all Outstanding Bonds; (e) modify, amend or supplement the Indenture in such manner as may be required by a Rating Agency to maintain or enhance its rating on the Senior Debt, provided that such modification, amendment or supplement does not materially adversely affect the holders of all Outstanding Bonds; (f) modify, amend or supplement the Indenture to implement any covenants or agreements contemplated by the Indenture; (g) authorize the issuance of and to secure one or more issues of Indebtedness pursuant to the Indenture; (h) amend any agreement with a securities depository relating to a book-entry only system to be maintained with respect to any Bonds; or (i) modify, amend or supplement the Indenture in any manner that the Trustee concludes is not materially adverse to the holders of all Outstanding Bonds.

Supplemental Indentures Requiring Consent of Bondholders (Section 1002)

Exclusive of Supplemental Indentures authorized by Section 1001 of the Indenture and subject to the terms and provisions contained in Section 1002 of the Indenture, the holders of not less than a majority in aggregate principal amount of Outstanding Bonds shall have the right, from time to time, notwithstanding anything in the Indenture to the

contrary, to consent to the execution by the Authority and the Trustee of such other agreements or agreements supplemental to the Indenture as shall be deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in particular, any of the terms or provisions contained in the Indenture and any Supplemental Indentures; provided, however, that nothing in the Indenture shall permit, or be construed as permitting, (a) an extension of the maturity of the principal of or the interest on any Bonds, (b) a privilege or priority of any Senior Debt over any other Senior Debt, (c) a reduction in the aggregate principal amount of Bonds required for consent to any Supplemental Indentures, (d) a reduction in the principal amount of or premium, if any, on any Bonds or the rate of interest thereon, or (e) an extension of time or a reduction in amount of any payment required by any sinking fund that may be applicable to any Bonds, without the consent of the holders of all of the Outstanding Bonds; provided, however that there shall be no modification of the Net Revenue pledge which secures the Other System Indebtedness nor of the Net Revenue pledge which secures the Subordinate Debt, if such respective modification would adversely affect the interests of the holders of such debt.

If at any time the Authority shall request the Trustee to enter into any Supplemental Indenture, the Trustee shall cause notice of the proposed execution of such Supplemental Indenture to be sent by registered or certified mail to the registered owner of each Bond at his address as it appears on the registration books. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that a copy thereof is on file at the corporate trust office of the Trustee for inspection by all Bondholders. If, within 90 days or such longer period as shall be prescribed by the Authority following the giving of such notice, the holders of not less than a majority in aggregate principal amount of Outstanding Bonds, or in the case of (a) through (e) above, the holders of all Outstanding Bonds, shall have consented to and approved the execution thereof as herein provided, no holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation hereof, or in any manner to question the propriety thereof, or to enjoin or restrain the Trustee or the Authority from executing such Supplemental Indenture or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as permitted and provided in the Indenture, the Indenture shall be and be deemed to be modified and amended in accordance therewith. Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of consent or any calculation of Outstanding Bonds provided for in the Indenture. At the time of any such calculation, the Authority shall furnish the Trustee a certificate of an Authorized Representative of the Authority upon which the Trustee may rely, describing all Bonds so to be excluded.

Discharge of Indenture (Section 1201)

If (1) all Bonds and Subordinate Debt issued under the Indenture shall have become due and payable in accordance with their terms or otherwise as provided in the Indenture or have been duly called for redemption or irrevocable instructions to call the Bonds or Subordinate Debt issued hereunder to pay them at maturity have been given by the Authority to the Trustee, and (2) the Trustee holds for such purpose cash or obligations that are either noncallable direct obligations of the United States of America or noncallable obligations, timely payment of which is guaranteed by the United States of America, the principal of and the Interest on which, as verified by a licensed independent certified public accountant (that carries errors and omissions insurance) reasonably acceptable to the Trustee and the Authority, at seniority will be sufficient (without reinvestment) (A) to redeem in accordance with the Indenture all Bonds or Subordinate Debt issued thereunder that have been called for redemption, or for which irrevocable instructions for call for redemption have been given, on the date set for such redemption, (B) to pay at maturity all Bonds or Subordinate Debt issued hereunder not irrevocably called for redemption, (C) to pay interest accruing on all Bonds or Subordinate Debt issued hereunder prior to its redemption or payment at maturity, (D) to make all payments required by the terms of any Supplemental Indenture, and (E) to pay the Trustee's fees and expenses and any other fees and expenses for which the Authority is responsible under the Indenture, including the costs and expenses of cancelling and discharging the Indenture, and (b) the Trustee shall have received notification from the holders of all other Indebtedness that such Indebtedness has been paid, or payment has been provided for such Indebtedness, in accordance with the documents related thereto, then the Trustee shall, at the expense of the Authority, cancel and discharge the Indenture and execute and deliver to the Authority such instruments in writing as shall be necessary to cancel the lien hereof, and assign and deliver to the Authority any property at the time subject to the Indenture that may then be in its possession, except moneys or securities in which such moneys are invested which are held by the Trustee for the payment of principal, or premium, if any, or interest on the Bonds and Subordinate Debt issued hereunder;

Bonds for the payment or redemption of which cash or noncallable direct obligations of the United States of America the principal of and premium, if any, and interest on which will be sufficient therefor, as determined by the Trustee in reliance on a report of a licensed independent certified public accountant, shall have been deposited with

the Trustee (whether upon or prior to the date of their maturity or their redemption date) shall be deemed to be paid and no longer Outstanding; provided, however, that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or arrangements satisfactory to the Trustee shall have been made for the giving thereof.

APPENDIX D
FORM OF CONTINUING DISCLOSURE AGREEMENT

[THIS PAGE INTENTIONALLY LEFT BLANK]

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is executed and delivered by the District of Columbia Water and Sewer Authority (the “Issuer”) in connection with the issuance of its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024B (the “Series 2024B Bonds” or the “Bonds”). The Series 2024B Bonds are being issued pursuant to the Master Indenture of Trust, dated as of April 1, 1998 (the “Master Indenture”), as amended and supplemented to the date of delivery of Series 2024B Bonds (the “Indenture”), including by the Thirty-Fourth Supplemental Indenture of Trust, to be dated the date of issuance and delivery of the Series 2024B Bonds (the “Thirty-Fourth Supplemental Indenture”) by and between the Authority and Computershare Trust Company, N.A., as trustee (the “Trustee”). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Series 2024B Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission (“S.E.C.”) Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Beneficial Owner” shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“Holder” shall mean the person in whose name any Bond shall be registered.

“Listed Events” shall mean any of the events listed in Section 5(a) or (b) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Participating Underwriter” shall mean the original underwriters of the Series 2024B Bonds required to comply with the Rule in connection with offering of the Series 2024B Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than 240 days after the end of the Issuer’s fiscal year (which shall be June 1 of each year, so long as the Issuer’s fiscal year ends on September 30), commencing with the report for the fiscal year ending September 30, 2024 (which is due not later than June 1, 2025), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer’s fiscal year changes, it shall give notice of such change in a filing with the MSRB. The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Series 2024B Bonds by name and CUSIP number.

(b) Not later than 15 business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall, in a timely manner, send or cause to be sent to the MSRB a notice to that effect.

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the Issuer) file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided to the MSRB.

SECTION 4. Content of Annual Reports. The Issuer’s Annual Report shall contain or include by reference the following:

(a) the Issuer’s annual comprehensive financial report (the “ACFR”), which includes audited financial statements prepared in accordance with generally accepted accounting principles in effect from time to time. If the Issuer’s audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available; and

(b) to the extent not included in the ACFR, material historical financial and operating data concerning the Issuer and the Revenues of the Issuer generally of the type found in the tables included in the Issuer’s Official Statement dated [_____, 2024] relating to the Series 2024B Bonds (the “Official Statement”) under the captions “THE SYSTEM,” “CAPITAL IMPROVEMENT PROGRAM,” “CUSTOMER BASE, RATES AND CHARGES” and “FINANCIAL OPERATIONS.”

Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including Official Statements of debt issues of the Issuer or related public entities, which have been made available to the public on the MSRB’s website. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2024B Bonds in a timely manner not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. Tender offers;
7. Defeasances;
8. Rating changes; or
9. Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2024B Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Series 2024B Bonds or other material events affecting the tax status of the Series 2024B Bonds;
2. Modifications to rights of Bond holders;
3. Optional, unscheduled or contingent Bond calls;
4. Release, substitution, or sale of property securing repayment of the Series 2024B Bonds;
5. Non-payment related defaults;
6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
7. Appointment of a successor or additional trustee or the change of name of a trustee;
8. Incurrence of a financial obligation of the Issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer or obligated person, any of which affect security holders, if material; or
9. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Issuer or obligated person, any of which reflect financial difficulties.

For purposes of items 8 and 9 above, “financial obligation” means: (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii).

(c) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the Issuer shall determine if such event would be material under applicable federal securities laws.

(d) If the Issuer learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the Issuer shall within ten business days of occurrence file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections 5(a)(7) or 5(b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Indenture.

SECTION 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The Issuer’s obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2024B Bonds. If such termination occurs prior to the final maturity of the Series 2024B Bonds, the Issuer shall give notice of such termination in a filing with the MSRB.

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Agreement. The initial Dissemination Agent shall be the Issuer.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2024B Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2024B Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Series 2024B Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Disclosure Agreement, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, any Holder or Beneficial Owner of the Series 2024B Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Agreement; provided, that any such action may be instituted only in the District of Columbia. The sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Series 2024B Bonds, and shall create no rights in any other person or entity.

Date: [], 2024

DISTRICT OF COLUMBIA WATER AND SEWER
AUTHORITY

By: _____
Matthew T. Brown
Chief Financial Officer and Executive Vice President,
Finance Procurement and Compliance

APPENDIX E

DTC BOOK-ENTRY SYSTEM AND GLOBAL CLEARANCE PROCEDURES

[THIS PAGE INTENTIONALLY LEFT BLANK]

The information set forth in this Appendix E is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream Banking (DTC, Euroclear and Clearstream Banking together, the “Clearing Systems”) currently in effect. The information set forth in this Appendix E concerning the Clearing Systems has been obtained from sources that the Authority believes to be reliable, but none of the Authority, the Trustee or the Underwriters take any responsibility for the accuracy, completeness or adequacy of the information in this section. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. The Authority will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Series 2024B Bonds held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2024B BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES 2024B BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2024B BONDS.

DTC BOOK-ENTRY ONLY SYSTEM

The description that follows of the procedures and record keeping with respect to beneficial ownership interests in the Series 2024B Bonds, payments of principal, premium, if any, and interest on the Series 2024B Bonds to DTC, its nominee, Participants, or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Series 2024B Bonds and other bond-related transactions by and between DTC, Participants and Beneficial Owners is based on information furnished by DTC. The Authority and the Underwriters take no responsibility for the accuracy thereof.

The Depository Trust Company, New York, New York (“DTC”) will act as securities depository for the Series 2024B Bonds. The Series 2024B Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2024B Bond will be issued for the Series 2024B Bonds of each series and maturity in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers, and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of __. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Series 2024B Bonds under the DTC system must be made by or through Direct Participants, who will receive a credit for such Series 2024B Bonds on DTC’s records. The ownership interest of each actual

purchaser of each Series 2024B Bonds Bond (the “Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2024B Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2024B Bonds, except in the event that use of the book-entry system for the Series 2024B Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024B Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2024B Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2024B Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2024B Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2024B Bonds are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE SERIES 2024B BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY PARTICIPANT, OR OF ANY PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER OF ANY NOTICE AND OF ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OR SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE SERIES 2024B BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2024B Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Series 2024B Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2024B Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Authority or the Trustee on the payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirement as may be in effect from time to time. Payment of principal and interest to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC, is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2024B Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2024B Bonds Bond certificates are required to be printed and delivered. The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2024B Bonds Bond certificates will be printed and delivered.

So long as Cede & Co. is the registered owner of the Series 2024B Bonds, as partnership nominee for DTC, references herein to Bondholders or registered owners of the Series 2024B Bonds (other than under the caption “TAX MATTERS”) shall mean Cede & Co. and shall not mean the Beneficial Owners of the Series 2024B Bonds.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes.

NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, CEDE & CO., ANY DTC PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (ii) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE Series 2024B Bonds; (iii) THE SELECTION BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2024B BONDS; (iv) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE Series 2024B Bonds; (v) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE Series 2024B Bonds; OR (vi) ANY OTHER MATTER.

The information in this Appendix E concerning DTC has been obtained from sources that the Underwriters believe to be reliable, but the Underwriters take no responsibility for the accuracy thereof or make any representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

APPENDIX F
PROPOSED FORM OF OPINION OF CO-BOND COUNSEL

[THIS PAGE INTENTIONALLY LEFT BLANK]

[_____], 2024

To: District of Columbia Water and Sewer Authority

BofA Securities, Inc.
New York, New York

Loop Capital Markets, LLC
New York, New York

Re: District of Columbia Water and Sewer Authority
Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024B Bonds

We have served as co-bond counsel to our client, the District of Columbia Water and Sewer Authority (the “Authority”), and not as counsel to any other person, in connection with the issuance by the Authority of its \$ _____ Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024B (the “Series 2024B Bonds”) dated the date of this letter.

The Series 2024B Bonds are issued pursuant to the Master Indenture of Trust, dated as of April 1, 1998 (the “Master Indenture”), between the Authority and Computershare Trust Company, National Association, as successor to Norwest Bank Minnesota, National Association (the “Trustee”), as supplemented and amended, including by the Thirty-Fourth Supplemental Indenture of Trust, dated as of the same date as and relating to the Series 2024B Bonds (the “Thirty-Fourth Supplemental Indenture” and, together with the Master Indenture as previously amended and supplemented, the “Indenture”), between the Authority and the Trustee. Capitalized terms not otherwise defined in this letter are used as defined in the Indenture.

In our capacity as co-bond counsel, we have examined the transcript of proceedings relating to the issuance of the Series 2024B Bonds, a copy of the signed and authenticated Series 2024B Bond of the first maturity, the Indenture and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

Based on that examination and subject to the limitations stated below, we are of the opinion that, under existing law:

1. The Series 2024B Bonds and the Indenture are valid and binding obligations of the Authority, enforceable in accordance with their respective terms.
2. The Series 2024B Bonds constitute special, limited obligations of the Authority, and the principal of and interest and any premium (collectively, “debt service”) on the Series 2024B Bonds, together with debt service on other Subordinate Debt or Senior Debt that the Authority has issued or may in the future issue under the Indenture, are payable solely from the Net Revenues and certain funds and accounts established under the Indenture. The Series 2024B Bonds are secured as Subordinate Debt under the Indenture, including, without limitation, by a pledge of (i) 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 Subordinate Debt; and (ii) the moneys and Permitted Investments in the Bond Fund on a parity with the pledge of Net Revenues that secures other Subordinate Debt. The Series 2024B Bonds and the payments of debt service are not general obligations of the District of Columbia and are not secured by an obligation or pledge of any money raised by taxation.
3. Interest on the Series 2024B Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an

item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The Series 2024B Bonds and the interest thereon are exempt from District of Columbia taxation, except estate, inheritance and gift taxes. We express no opinion as to any other tax consequences regarding the Series 2024B Bonds.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined, and (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the Authority.

In rendering those opinions with respect to treatment of the interest on the Series 2024B Bonds under the federal tax laws and District of Columbia tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the Authority. Failure to comply with certain of those covenants subsequent to issuance of the Series 2024B Bonds may cause interest on the Series 2024B Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance.

The rights of the owners of the Series 2024B Bonds and the enforceability of the Series 2024B Bonds and the Indenture are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities.

No opinions other than those expressly stated herein are implied or shall be inferred as a result of anything contained or omitted from this letter. The opinions expressed in this letter are stated only as of the time of its delivery and we disclaim any obligation to revise or supplement this letter thereafter. Our engagement as co-bond counsel in connection with the original issuance and delivery of the Series 2024B Bonds has concluded upon delivery of this letter.

Very truly yours,

APPENDIX G

REFUNDED BONDS*

Series	Mandatory Tender Date	Call Date	Principal Amount	CUSIP No. 254845†
2019C	October 1, 2024	_____, 2024	\$99,505,000	254845RN2

* Preliminary, subject to change.

DRAFT 05-16-24

ESCROW AGREEMENT

Among

DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY

COMPUTERSHARE TRUST COMPANY, N.A.
as Trustee

and

COMPUTERSHARE TRUST COMPANY, N.A.
as Escrow Agent

with respect to

[\$[000000000]]
Public Utility Subordinate Lien Revenue Refunding Bonds
Series 2024A

Dated: [July 30, 2024]

ESCROW AGREEMENT

This ESCROW AGREEMENT is made and entered into as of [July 30, 2024] between the District of Columbia Water and Sewer Authority (the “Authority”) and Computershare Trust Company, N.A., a national banking association, having a corporate trust office in St. Paul, Minnesota, as the trustee (in such capacity, the “Trustee”), and as the escrow agent (in such capacity, the “Escrow Agent”).

WITNESSETH:

WHEREAS, the Authority has heretofore duly issued, pursuant to a Master Indenture of Trust, dated as of April 1, 1998 (the “Master Indenture”), as supplemented and amended through the _____ Supplemental Indenture of Trust, dated _____, 20____, its Public Utility [Subordinate] Lien Revenue [Refunding] Bonds, Series _____ (the “Series _____ Bonds”), of which \$[000,000,000] is currently outstanding; and

WHEREAS, the Authority has decided to issue its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024A (the “Series 2024A Bonds”), issued in an aggregate principal amount of \$[000,000,000], pursuant to the Master Indenture, as previously amended and supplemented and as further supplemented by the Thirty-Third Supplemental Indenture of Trust, dated July 30, 2024, by and between the Authority and the Trustee (the “Thirty-Third Supplemental Indenture” and, together with the Master Indenture, as previously amended and supplemented, the “Indenture”); and

WHEREAS, a portion of the proceeds of the Series 2024A Bonds, together with other funds of the Authority, will be used to purchase, on behalf of and for the account of the Authority, escrow securities in the par amount, at the yield and with the maturity set forth in **Appendix C** attached hereto (the “Escrow Securities”) which, along with cash, shall be deposited in the Series 2024A Escrow Account established pursuant to the Thirty-Third Supplemental Indenture; and

WHEREAS, the cash and the Escrow Securities deposited into the Series 2024A Escrow Account, together with investment income thereon, will provide sufficient funds to pay interest on and redeem the Series _____ Bonds (the “Refunded Series _____ Bonds”) [Listing of Refunded Bonds to be inserted] shown in **Appendix A** (the “Refunded Bonds”) in accordance with the schedule of payments (the “Refunded Bond Payments”) as shown in **Appendix B**; and

WHEREAS, the Authority is entering into this Escrow Agreement with the Escrow Agent simultaneously with the delivery of the Series 2024A Bonds in order to insure that the required procedures will be followed to make the Refunded Bond Payments; and

WHEREAS, the Authority has taken action to cause to be delivered to the Escrow Agent for deposit in or credit to the Series 2024A Escrow Account immediately available funds from the proceeds of the Series 2024A Bonds and other funds of the Authority, which will be used to purchase the Escrow Securities and which, together with the investment earnings thereon and certain uninvested cash, will be sufficient to make the Refunded Bond Payments, and to have the mathematical accuracy of the computations relating to the sufficiency of such Series 2024A Escrow Account moneys to be verified by Samuel Klein and Company, Certified Public Accountants (the “Verification Agent”).

NOW, THEREFORE, the Authority, the Trustee and the Escrow Agent hereby agree as follows:

Section 1. Funding and Maintenance of the Series 2024A Escrow Account.

(a) The Authority hereby directs the Trustee to transfer \$[] to the Escrow Agent for deposit into the Series 2024A Escrow Account consisting of: (i) \$[] of the proceeds of the Series 2024A Bonds, (ii) \$[] from the Series Bonds Interest Subaccount in the [Subordinate] Interest Account [include listing of any interest and other amounts coming into the Escrow Account].

(b) The Escrow Agent hereby acknowledges the receipt and deposit in the Series 2024A Escrow Account of an amount equal to \$[] in immediately available funds.

(c) Until all principal of, premium, if any, and interest on the Refunded Bonds have been paid in full, the Escrow Agent shall maintain the Series 2024A Escrow Account as a special segregated and irrevocable escrow account. The Series 2024A Escrow Account shall be for the benefit of the holders of the Refunded Bonds. All securities, investments and moneys held therein shall be wholly segregated from all other securities, investments or moneys on deposit with the Escrow Agent, if any. All securities, investments and moneys held in the Series 2024A Escrow Account shall be irrevocably pledged to secure the payment of the principal of, premium, if any, and interest on the Refunded Bonds.

Section 2. Investment of the Series 2024A Escrow Account.

(a) The Escrow Agent represents and acknowledges that, concurrently with the deposit of the amounts into the Series 2024A Escrow Account as described in Section 1 hereof, it shall apply \$[] of such funds to purchase, on behalf of and for the account of the Authority, the Escrow Securities as shown on **Appendix C**. The remaining deposit of \$[] shall be held in cash. The Escrow Securities shall be non-callable prior to the date upon which such securities shall be needed to pay the applicable Refunded Bond Payments. The Escrow Securities may be sold, transferred, disposed of or redeemed only at the direction of the Authority, as set forth in subsection (d) hereof, and shall mature on or before the time the proceeds thereof will be required for the payment of the applicable Refunded Bond Payments.

(b) Any amounts received from the Escrow Securities or held in cash referenced in clause (a) above that are not needed at the time of receipt to make the aforesaid payment on the Refunded Bonds shall remain in trust for the benefit of the holders of the Refunded Bonds, uninvested, until applied as aforesaid; provided, that such amounts shall be applied to the purchase of Substitute Obligations (as defined in Section 2(d)(ii) hereof), and the interest thereon shall be applied in such manner, as may be specified in writing by the Authority, but only if the Escrow Agent receives (i) the certificate of an independent public accountant described in Section 2(d)(ii)(A) hereof with respect to such purchase of Substitute Obligations and such application of the interest thereon, and (ii) an approving opinion of Bond Counsel to the effect that such use of funds will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Refunded Bonds.

(c) The Series 2024A Escrow Account shall be maintained to and including the date upon which the Escrow Agent makes the final payment of the principal of, premium, if any, and interest on the Refunded Bonds, whereupon the Escrow Agent shall, upon the written direction of the Authority, sell or redeem any Escrow Securities remaining in the Series 2024A Escrow Account and shall deliver to the Authority any money received from such sales and any money then remaining in the Series 2024A Escrow Account.

Based on the report, dated [REDACTED], 2024, prepared by the Verification Agent (the “Verification Report”), a copy of which is attached as **Appendix D** hereto, which verifies the mathematical accuracy of the computations prepared by PFM Financial Advisors LLC and confirms the calculations of PFM Financial Advisors LLC that the Escrow Securities, together with the investment earnings thereon and certain uninvested cash on deposit in the Series 2024A Escrow Account will be sufficient to make the Refunded Bond Payments as specified in **Appendix B**, the Authority represents that the Escrow Securities and certain uninvested cash on deposit in the Series 2024A Escrow Account, together with interest thereon, will be sufficient to pay interest on and redeem the Refunded Bonds on the dates specified in **Appendix B**. The Escrow Agent shall not be liable or responsible (y) for the accuracy of the Verification Report or (z) the accuracy of the calculations of PFM Financial Advisors LLC with respect to required deposits into the Series 2024A Escrow Account.

(d)(i) Except as otherwise provided in this Section 2, the Escrow Agent shall have no power or duty to invest any funds held under this Escrow Agreement or to sell, redeem, transfer or otherwise dispose of or make substitutions of the Escrow Securities. Subject to the provisions of subsection (b), any funds held in the Series 2024A Escrow Account that are not invested shall be held in cash.

(ii) At the request of the Authority and upon compliance with the conditions contained herein, the Escrow Agent shall sell, transfer or otherwise dispose of or request the redemption of all or a portion of the Escrow Securities, and shall substitute for such Escrow Securities, direct non-callable obligations of the United States of America (the “Substitute Obligations”), whereupon, references in this Escrow Agreement to Escrow Securities shall include any such Substitute Obligations. The Authority hereby covenants and agrees that it will not request the Escrow Agent to exercise any of the powers described in this Section in any manner which would adversely affect the exclusion from gross income for Federal income tax purposes of interest on the Refunded Bonds. The Escrow Agent shall purchase such Substitute Obligations with the proceeds derived from the sale, transfer, disposition or redemption of such Escrow Securities. The transaction may be effected only if the Authority delivers to the Escrow Agent:

(A) a report of nationally recognized independent certified public accountants which verifies the mathematical accuracy of the computations which reflect the principal amount of such Substitute Obligations, together with the interest income to be received thereon, will be sufficient to make timely payments on the Refunded Bonds;

(B) a certificate of the Authority that, based on such verification report prepared by independent certified public accountants, the amount deposited in the Series 2024A Escrow Account will be sufficient to pay the Refunded Bond Payments as specified in **Appendix B**;

(C) a certificate of the Trustee acknowledging the deposit of moneys and the receipt of the verification report described in (A) above as to the sufficiency of the Substitute Obligations to make the Refunded Bond Payments; and

(D) an opinion of Bond Counsel to the effect that the sale, transfer, disposition or redemption of the Escrow Securities and purchase of such Substitute Obligations (i) will not affect the exclusion from gross income for Federal income tax purposes of interest on the Refunded Bonds, and (ii) is permitted hereunder.

The Escrow Agent shall not be liable or responsible for any loss resulting from any investment or reinvestment made pursuant to this subsection unless such loss is due to the gross negligence or willful misconduct of the Escrow Agent.

(e) The Escrow Agent shall have no liability for the payment of the principal of, premium, if any, and interest on the Refunded Bonds, except from the Escrow Securities and moneys on deposit in the Series 2024A Escrow Account.

Section 3. Payment and Redemption of the Refunded Bonds. The Authority hereby requests and irrevocably instructs the Escrow Agent, and the Escrow Agent hereby agrees, to collect and deposit in the Series 2024A Escrow Account the principal of and interest on the Escrow Securities held for the account of the Series 2024A Escrow Account as promptly as such principal and interest becomes due, and to apply such principal and interest, together with any other moneys and the principal of and interest on any other securities deposited in the Series 2024A Escrow Account to pay the Refunded Bond Payments specified in **Appendix B**.

Section 4. Defeasance and Redemption Notices.

(a) The Authority hereby requests and irrevocably instructs the Trustee and the Trustee hereby agrees to promptly provide notice by first class mail to the Municipal Securities Rulemaking Board (“MSRB”), Standard & Poor’s, a division of The McGraw-Hill Companies, Inc. (“S&P”), Moody’s Investor Service, Inc. (“Moody’s”) and Fitch Ratings, Inc. (“Fitch”) of the current refunding of the Refunded Bonds and the deposit of the Escrow Securities and any money in escrow for that purpose. A form of the defeasance notice for each of the Refunded Bonds is attached as **Appendix E** hereto.

(b) The Authority hereby requests and irrevocably instructs the Trustee and the Trustee hereby agrees to provide notice of redemption of the Refunded Bonds as follows:

(i) [LISTING TO BE INSERTED FOR THE BONDS INCLUDED IN THE REFUNDED BONDS] For the Series [] Refunded Bonds, not less than thirty (30) days nor more than sixty (60) days prior to [insert redemption date], 20[], in the form of the notice attached hereto as **Appendix [F-1]**, by registered or certified mail or overnight express delivery, to (a) the registered owner of each the Refunded Bonds at the address as it appears on the registration books kept by the Trustee and (b) MSRB;

(ii) [INSERT AS NEEDED].

(c) To the extent permitted by the bond documents pertaining to the Refunded Bonds, any of the notices provided in this Section 4 may be provided by means of facsimile transmission, email transmission or other similar electronic means of communications providing evidence of transmission.

Section 5. Possible Deficiencies.

(a) If at any time the Escrow Agent has actual knowledge that the moneys in the Series 2024A Escrow Account, including the anticipated proceeds of the Escrow Securities, will not be sufficient to make all payments required by Section 3 hereof, the Escrow Agent shall notify the Authority in writing as soon as is reasonably practicable of the amount of such deficiency and the reason therefor, if the reason is known to the Escrow Agent.

(b) The Escrow Agent shall in no manner be responsible for the Authority's failure to address any such deficiency.

Section 6. Duties of Escrow Agent. So long as the Refunded Bonds are outstanding, the Escrow Agent shall forward a monthly statement to the Authority describing the Escrow Securities held, including the income earned thereon and the maturities thereof, and any withdrawals of moneys from the Series 2024A Escrow Account since the last statement furnished pursuant to this Section.

Section 7. Fees and Costs.

(a) The Escrow Agent shall be compensated, based on itemized invoices submitted to the Authority, for its reasonable fees, expenses and disbursements incurred with respect to service rendered hereunder.

(b) The Escrow Agent also shall be entitled to additional fees and reimbursements for costs incurred, including, but not limited to, legal and accountants' services, in connection with any litigation which may at any time be instituted involving this Escrow Agreement.

(c) The right to receive compensation notwithstanding, the Escrow Agent acknowledges that it, as Escrow Agent, has no claim for any such payment under the Indenture and that it has no lien on the moneys on deposit in the Series 2024A Escrow Account for such payment.

(d) In the event of the resignation of the Escrow Agent prior to the expiration of this Escrow Agreement, the Escrow Agent shall rebate to the Authority a ratable portion of any fee theretofore paid by the Authority to the Escrow Agent for its services under this Escrow Agreement.

(e) The provisions of this Section 7 shall survive the termination of this Agreement and the resignation or removal of the Escrow Agent.

Section 8. Resignation of Escrow Agent. The Escrow Agent may resign and be discharged of its duties hereunder provided that: (i) the Authority has received written notice at least thirty (30) days prior to such resignation; (ii) the Authority has appointed a successor to the

resigning party; (iii) the Authority has received an instrument of acceptance in form and substance acceptable to it, executed by the successor; and (iv) the resigning party has duly delivered to its successor hereunder all of the escrow documents including the Indenture and this Escrow Agreement, the Escrow Securities, and moneys and investments held by the resigning party. Such resignation shall take effect only upon the occurrence of all of the events listed in clauses (i) through (iv) above. Upon receipt by the Authority of the written notice described in clause (i) above, the Authority shall use its best efforts to obtain a successor to such resigning party as soon as possible. Notwithstanding the foregoing, if the Authority fails to appoint a successor within thirty (30) days, the Escrow Agent reserves the right to petition a court of competent jurisdiction to appoint a successor.

Section 9. Termination of Escrow Agreement. This Escrow Agreement shall terminate when the principal of, premium, if any, and interest on the Refunded Bonds have been paid in full; provided, that moneys held by the Escrow Agent for the payment and discharge of any of the Refunded Bonds which remain unclaimed five (5) years after the date when all of such Refunded Bonds shall have become due and payable, either at their stated maturity dates or by call for earlier redemption, shall at the written request of the Authority, be repaid by the Escrow Agent to the Authority, as its absolute property, free from the lien created by the Indenture. The Escrow Agent shall thereupon be released and discharged with respect thereto and hereto and the holders of such Refunded Bonds shall look only to the Authority for the payment of such Refunded Bonds.

Section 10. Benefit of Agreement; Amendments.

(a) This Agreement is made for the benefit of the Authority and the holders from time to time of the Refunded Bonds except as otherwise expressly provided herein.

(b) This Agreement shall not be repealed, revoked, rescinded, altered, amended or supplemented in whole or in part without the written consent of the Escrow Agent and the holders of the unpaid Refunded Bonds; provided, however, that upon prior written notice to Moody's, Fitch and S&P and (1) receipt by each such agency of draft copies of any such proposed amendment, and (2) receipt from each such agency of the notice that such amendment shall not adversely affect its rating on the Refunded Bonds, the Authority and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such amendment to this Agreement that will not adversely affect the rights of such holders and that will not be inconsistent with the terms and provisions of this Agreement (the "Amendment"), for any one or more of the following purposes:

- (i) to correct or cure any ambiguity or formal defect or omission in this Agreement;
- (ii) to grant to, or confer upon, the Escrow Agent for the benefit of such holders any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent;
- (iii) to subject to this Agreement additional funds, securities or property; and
- (iv) to sever any invalid provision from this Agreement.

(c) The Escrow Agent shall not undertake or execute any Amendment unless it has received:

(i) If the Amendment affects the aggregate amount or payment terms of the Escrow Securities, an opinion of an independent certified public accountant reasonably acceptable to the Authority that after such Amendment the interest on and maturing principal of the Escrow Securities, without further reinvestment, and any other funds then held pursuant to this Agreement will provide moneys in amounts and at times as necessary to pay all principal of and redemption premium and interest on the Refunded Bonds as the same are due or are called for redemption as set forth in Section 2; and

(ii) An opinion of Bond Counsel that the Amendment (A) will not affect the exclusion from gross income for Federal income tax purposes of interest on the Refunded Bonds, (B) is in compliance with the Internal Revenue Code of 1986, as amended, and (C) the Amendment complies with the requirements of this Section 10.

(d) The Authority shall provide Moody's, Fitch and S&P with written notice prior to such time as this Agreement shall be replaced, revoked, rescinded, altered, amended or supplemented at the following addresses:

Moody's Investors Service, Inc.
Public Finance Rating Desk/Refunded Bonds
7 World Trade Center
250 Greenwich Street, 23rd Floor
New York, NY 10007

Standard & Poor's, a division of The McGraw-Hill Companies, Inc.
25 Broadway, 21st Floor
New York, New York 10004

Fitch Ratings
300 West 57th Street
New York, New York 10004

Section 11. Notices. Any notice, authorization, request or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid, addressed as follows:

If to the Authority, at:

District of Columbia Water and Sewer Authority
1385 Canal Street, S.E.
Washington, DC 20003
Attn: Chief Financial Officer and Executive Vice
President, Finance, Procurement and Compliance

If to the Escrow Agent, at:

Computershare Trust Company, N.A.
Attn: Cody Fedorishen
505 Energy Park Drive
St. Paul, MN 55108

Any of such addresses may be changed at any time upon written notice of such change being sent by United States registered mail, postage prepaid, to the other parties by the party affecting the change. Any notices to the holders of the Refunded Bonds shall be made in a manner as prescribed in the Indenture.

Section 12. Time of Performance. Whenever, under the terms of this Escrow Agreement, the performance date of any act to be done hereunder shall fall on a day which is not a legal banking day or upon which the Escrow Agent is not open for business, the performance thereof on the next succeeding business day shall be deemed to be in full compliance with this Escrow Agreement. The Escrow Agent shall perform all obligations imposed upon it under this Escrow Agreement in a timely manner.

Section 13. Reliance by Escrow Agent; Force Majeure; No Special, Indirect or Consequential Damages.

(a) The Escrow Agent shall be entitled to rely and act upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document reasonably believed by it to be genuine and to have been signed and presented by the proper party or parties. The Escrow Agent may consult with Bond Counsel, or, in the discretion of the Escrow Agent, it may consult with its own counsel as to anything arising in connection with the duties herein undertaken, and it shall not be liable for any action taken or omitted by it in good faith in reasonable reliance upon such written instructions or upon the written opinions of such counsel; provided, however, that before relying upon the opinion of its own counsel it shall furnish to the Authority and to Bond Counsel a copy of such opinion.

(b) In no event shall the Escrow Agent be liable for any failure or delay in the performance of its obligations hereunder because of circumstances beyond the Escrow Agent's control, including, but not limited to, acts of God, flood, disease, epidemic or pandemic, quarantine, war (whether declared or undeclared), civil unrest, terrorism, fire, riot, strikes or work stoppages for any reason, embargo, government action, including any laws, ordinances, regulations or the like which restrict or prohibit the providing of the services contemplated by this Agreement, inability to obtain material, equipment, or communications or computer facilities, or the failure of equipment or interruption of communications or computer facilities, and other causes beyond the Escrow Agent's control whether or not of the same class or kind as specifically named above.

(c) Anything in this Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

Section 14. Governing Law. To the fullest extent permitted by law, this Escrow Agreement shall be interpreted, construed and enforced pursuant to the laws of the District.

Section 15. Severability. If any provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Escrow Agreement. The Escrow Agent shall provide Moody's, Fitch and S&P with written notice, at the addresses set forth in Section 10, if any provision of this Escrow Agreement should be held to be invalid or unenforceable.

Section 16. Execution of Counterparts. This Escrow Agreement may be executed in any number of counterparts each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

Section 17. Successors of the Escrow Agent. Any corporation or association into which the Escrow Agent may be converted or merged or with which it may be consolidated or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto shall be and become the successor Escrow Agent hereunder, vested and subject to all duties and obligations imposed hereunder with all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding; provided, that the Escrow Agent shall promptly give notice of such conversion, sale, merger, consolidation or transfer to the Authority, and the Authority shall have 45 days to exercise an option to appoint a successor Escrow Agent by an instrument in writing delivered to the then current Escrow Agent.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed each on its behalf as of the day and year first above written.

**DISTRICT OF COLUMBIA WATER
AND SEWER AUTHORITY**

By: _____
Matthew T. Brown
Chief Financial Officer and Executive Vice
President, Finance, Procurement and Compliance

**COMPUTERSHARE TRUST COMPANY, N.A.,
AS ESCROW AGENT**

By: _____
Name: _____
Title: _____

APPENDIX A

LISTING OF REFUNDED BONDS

Series _____ Bonds

Maturity	Principal Amount	Interest Rate	CUSIP

Series _____ Bonds

Maturity	Principal Amount	Interest Rate	CUSIP

Series _____ Bonds

Maturity	Principal Amount	Interest Rate	CUSIP

APPENDIX D

VERIFICATION REPORT

APPENDIX E

FORM OF DEFEASANCE NOTICE

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
Public Utility [Subordinated] Lien Revenue [Refunding] Bonds Series _____**

On July 30, 2024, the District of Columbia Water and Sewer Authority (the “Authority”) deposited in escrow with Computershare Trust Company, N.A., as escrow agent (the “Escrow Agent”) under the Escrow Agreement dated July 30, 2024, by and among the Authority, the Escrow Agent and Computershare Trust Company, N.A., as the trustee (the “Escrow Agreement”), relating to certain outstanding maturities of the Authority’s Public Utility [Subordinated] Lien Revenue [Refunding] Bonds, Series _____ listed below (the “Refunded Bonds”), escrow securities that have been certified by Samuel Klein and Company, Certified Public Accountants, to be of such maturities and interest payment dates and bearing such interest as will, without further investment or reinvestment, except as provided in the Escrow Agreement, provide moneys to pay when due the interest on and the principal of the Refunded Bonds through their redemption date of [_____, 20__]:

Maturity	Principal Amount	Interest Rate	CUSIP

As a result of this deposit, the Refunded Bonds are deemed to have been paid and no longer to be outstanding bonds of the Authority.

The CUSIP numbers printed herein are inserted for the convenience of the holders, and no representation is made as to the correctness of such numbers either as printed on the Refunded Bonds or as contained herein.

_____, 2024

COMPUTERSHARE TRUST COMPANY, N.A.,
as Escrow Agent

NOTICE REQUIREMENTS:

As soon as possible after the funding of the Series 2024A Escrow Account, notice shall be provided to the Municipal Securities Rulemaking Board, Moody's Investors Service, Standard & Poor's Ratings Services, and Fitch Ratings, Inc.

APPENDIX F[-1]

FORM OF REDEMPTION NOTICE

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Public Utility [Subordinated] Lien Revenue [Refunding] Bonds, Series _____

NOTICE IS HEREBY GIVEN pursuant to a Master Indenture of Trust, dated as of April 1, 1998, by and between the District of Columbia Water and Sewer Authority (the "Authority") and Norwest Bank Minnesota, N.A., predecessor to Computershare Trust Company, N.A., as trustee, as supplemented and amended through the _____ Supplemental Indenture of Trust, dated _____, 20__, by and between the Authority and Wells Fargo Bank, N.A., predecessor to Computershare Trust Company, N.A., as trustee (as supplemented and amended, the "Indenture"), providing for the issuance of the Authority's \$ _____ Public Utility [Subordinated] Lien Revenue [Refunding] Bonds, Series _____ (the "Series _____ Bonds"), that the following Series _____ Bonds (the "Refunded Bonds") will be redeemed on [_____, 20[_____]]:

Maturity	Principal Amount	Interest Rate	CUSIP

The Refunded Bonds will be redeemed at a redemption price of 100% of the principal amount thereof together with interest accrued to [_____, 20[_____]}. Holders of the Refunded Bonds should present them for redemption on or before [_____, 20[_____]}, by mail to:

Registered/Certified Mail

Air Courier

Computershare Trust Company, N.A.
 Corporate Trust Operations
 P.O. Box 1517
 Minneapolis, MN 55480-1517

Computershare Trust Company, N.A.
 Corporate Trust Operations
 1505 Energy Park Drive
 St. Paul, MN 55108

Interest on the Refunded Bonds will cease to accrue on [_____, 20[_____]}.

Redemption of the Refunded Bonds is conditioned upon the Authority depositing with the trustee moneys and/or securities sufficient to pay the principal and accrued interest on the Refunded Bonds as of [_____, 20[_____]. Failure of the Authority to make such deposit shall not constitute an event of default under the Trust Agreement.

IMPORTANT: The CUSIP numbers printed herein are inserted for the convenience of the holders, and no representation is made as to the correctness of such numbers either as printed on the Refunded Bonds or as contained herein.

IMPORTANT INFORMATION REGARDING TAX CERTIFICATION AND POTENTIAL WITHHOLDING:

Pursuant to U.S. federal tax laws, you have a duty to provide the applicable type of tax certification form issued by the U.S. Internal Revenue Service (“IRS”) to Computershare Trust Company, N.A., Corporate Trust Services to ensure payments are reported accurately to you and to the IRS. In order to permit accurate withholding (or to prevent withholding), a complete and valid tax certification form must be received by Computershare Trust Company, N.A., Corporate Trust Services before payment of the redemption proceeds is made to you. Failure to timely provide a valid tax certification form as required will result in the maximum amount of U.S. withholding tax being deducted from any redemption payment that is made to you.

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

By: **COMPUTERSHARE TRUST COMPANY, N.A.,** as Trustee

_____, 20____

DRAFT 05-16-24

ESCROW AGREEMENT

Among

DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY

COMPUTERSHARE TRUST COMPANY, N.A.
as Trustee

and

COMPUTERSHARE TRUST COMPANY, N.A.
as Escrow Agent

with respect to

[\$101,000,000]
Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds
Series 2024B

Dated: July ___, 2024

ESCROW AGREEMENT

This ESCROW AGREEMENT is made and entered into as of July ___, 2024 between the District of Columbia Water and Sewer Authority (the “Authority”) and Computershare Trust Company, N.A., a national banking association, having a corporate trust office in St. Paul, Minnesota, as the trustee (in such capacity, the “Trustee”), and as the escrow agent (in such capacity, the “Escrow Agent”).

WITNESSETH:

WHEREAS, the Authority has heretofore duly issued, pursuant to a Master Indenture of Trust, dated as of April 1, 1998 (the “Master Indenture”), as supplemented and amended through the Twenty-Fifth Supplemental Indenture of Trust, dated November 6, 2019, its Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2019C (the “Series 2019C Bonds”), of which \$[99,505,000] is currently outstanding; and

WHEREAS, the Authority has decided to issue its Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds, Series 2024B (the “Series 2024B Bonds”), issued in an aggregate principal amount of \$[101,000,000], pursuant to the Master Indenture, as previously amended and supplemented and as further supplemented by the Thirty-Fourth Supplemental Indenture of Trust, dated July ___, 2024, by and between the Authority and the Trustee (the “Thirty-Fourth Supplemental Indenture” and, together with the Master Indenture, as previously amended and supplemented, the “Indenture”); and

WHEREAS, a portion of the proceeds of the Series 2024B Bonds, together with other funds of the Authority, will be used to purchase, on behalf of and for the account of the Authority, escrow securities in the par amount, at the yield and with the maturity set forth in **Appendix C** attached hereto (the “Escrow Securities”) which, along with cash, shall be deposited in the Series 2024B Escrow Account established pursuant to the Thirty-Fourth Supplemental Indenture; and

WHEREAS, the cash and the Escrow Securities deposited into the Series 2024B Escrow Account, together with investment income thereon, will provide sufficient funds to pay interest on and redeem the Series 2019C Bonds shown in **Appendix A** (the “Refunded Bonds”) in accordance with the schedule of payments (the “Refunded Bond Payment”) as shown in **Appendix B**; and

WHEREAS, the Authority is entering into this Escrow Agreement with the Escrow Agent simultaneously with the delivery of the Series 2024B Bonds in order to insure that the required procedures will be followed to make the Refunded Bond Payment; and

WHEREAS, the Authority has taken action to cause to be delivered to the Escrow Agent for deposit in or credit to the Series 2024B Escrow Account immediately available funds from the proceeds of the Series 2024B Bonds and other funds of the Authority, which will be used to purchase the Escrow Securities and which, together with the investment earnings thereon and certain uninvested cash, will be sufficient to make the Refunded Bond Payment, and to have the mathematical accuracy of the computations relating to the sufficiency of such Series 2024B Escrow Account moneys to be verified by [Samuel Klein and Company, Certified Public Accountants] (the “Verification Agent”).

NOW, THEREFORE, the Authority, the Trustee and the Escrow Agent hereby agree as follows:

Section 1. Funding and Maintenance of the Series 2024B Escrow Account.

(a) The Authority hereby directs the Trustee to transfer \$[REDACTED] to the Escrow Agent for deposit into the Series 2024B Escrow Account consisting of: (i) \$[REDACTED] of the proceeds of the Series 2024B Bonds and (ii) \$[REDACTED] from the Series 2019C Bonds Interest Subaccount in the Subordinate Interest Account.

(b) The Escrow Agent hereby acknowledges the receipt and deposit in the Series 2024B Escrow Account of an amount equal to \$[REDACTED] in immediately available funds.

(c) Until all principal of, premium, if any, and interest on the Refunded Bonds have been paid in full, the Escrow Agent shall maintain the Series 2024B Escrow Account as a special segregated and irrevocable escrow account. The Series 2024B Escrow Account shall be for the benefit of the holders of the Refunded Bonds. All securities, investments and moneys held therein shall be wholly segregated from all other securities, investments or moneys on deposit with the Escrow Agent, if any. All securities, investments and moneys held in the Series 2024B Escrow Account shall be irrevocably pledged to secure the payment of the principal of, premium, if any, and interest on the Refunded Bonds.

Section 2. Investment of the Series 2024B Escrow Account.

(a) The Escrow Agent represents and acknowledges that, concurrently with the deposit of the amounts into the Series 2024B Escrow Account as described in Section 1 hereof, it shall apply \$[REDACTED] of such funds to purchase, on behalf of and for the account of the Authority, the Escrow Securities as shown on **Appendix C**. The remaining deposit of \$[REDACTED] shall be held in cash. The Escrow Securities shall be non-callable prior to the date upon which such securities shall be needed to pay the applicable Refunded Bond Payment. The Escrow Securities may be sold, transferred, disposed of or redeemed only at the direction of the Authority, as set forth in subsection (d) hereof, and shall mature on or before the time the proceeds thereof will be required for the payment of the applicable Refunded Bond Payment.

(b) Any amounts received from the Escrow Securities or held in cash referenced in clause (a) above that are not needed at the time of receipt to make the aforesaid payment on the Refunded Bonds shall remain in trust for the benefit of the holders of the Refunded Bonds, uninvested, until applied as aforesaid; provided, that such amounts shall be applied to the purchase of Substitute Obligations (as defined in Section 2(d)(ii) hereof), and the interest thereon shall be applied in such manner, as may be specified in writing by the Authority, but only if the Escrow Agent receives (i) the certificate of an independent public accountant described in Section 2(d)(ii)(A) hereof with respect to such purchase of Substitute Obligations and such application of the interest thereon, and (ii) an approving opinion of Bond Counsel to the effect that such use of funds will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Refunded Bonds.

(c) The Series 2024B Escrow Account shall be maintained to and including the date upon which the Escrow Agent makes the final payment of the principal of, premium, if any, and

interest on the Refunded Bonds, whereupon the Escrow Agent shall, upon the written direction of the Authority, sell or redeem any Escrow Securities remaining in the Series 2024B Escrow Account and shall deliver to the Authority any money received from such sales and any money then remaining in the Series 2024B Escrow Account.

Based on the report, dated [REDACTED], 2024, prepared by the Verification Agent (the “Verification Report”), a copy of which is attached as **Appendix D** hereto, which verifies the mathematical accuracy of the computations prepared by PFM Financial Advisors LLC and confirms the calculations of PFM Financial Advisors LLC that the Escrow Securities, together with the investment earnings thereon and certain uninvested cash on deposit in the Series 2024B Escrow Account will be sufficient to make the Refunded Bond Payment as specified in **Appendix B**, the Authority represents that the Escrow Securities and certain uninvested cash on deposit in the Series 2024B Escrow Account, together with interest thereon, will be sufficient to pay interest on and redeem the Refunded Bonds on the dates specified in **Appendix B**. The Escrow Agent shall not be liable or responsible (y) for the accuracy of the Verification Report or (z) the accuracy of the calculations of PFM Financial Advisors LLC with respect to required deposits into the Series 2024B Escrow Account.

(d)(i) Except as otherwise provided in this Section 2, the Escrow Agent shall have no power or duty to invest any funds held under this Escrow Agreement or to sell, redeem, transfer or otherwise dispose of or make substitutions of the Escrow Securities. Subject to the provisions of subsection (b), any funds held in the Series 2024B Escrow Account that are not invested shall be held in cash.

(ii) At the request of the Authority and upon compliance with the conditions contained herein, the Escrow Agent shall sell, transfer or otherwise dispose of or request the redemption of all or a portion of the Escrow Securities, and shall substitute for such Escrow Securities, direct non-callable obligations of the United States of America (the “Substitute Obligations”), whereupon, references in this Escrow Agreement to Escrow Securities shall include any such Substitute Obligations. The Authority hereby covenants and agrees that it will not request the Escrow Agent to exercise any of the powers described in this Section in any manner which would adversely affect the exclusion from gross income for Federal income tax purposes of interest on the Refunded Bonds. The Escrow Agent shall purchase such Substitute Obligations with the proceeds derived from the sale, transfer, disposition or redemption of such Escrow Securities. The transaction may be effected only if the Authority delivers to the Escrow Agent:

(A) a report of nationally recognized independent certified public accountants which verifies the mathematical accuracy of the computations which reflect the principal amount of such Substitute Obligations, together with the interest income to be received thereon, will be sufficient to make timely payments on the Refunded Bonds;

(B) a certificate of the Authority that, based on such verification report prepared by independent certified public accountants, the amount deposited in the Series 2024B Escrow Account will be sufficient to pay the Refunded Bond Payment as specified in **Appendix B**;

(C) a certificate of the Trustee acknowledging the deposit of moneys and the receipt of the verification report described in (A) above as to the sufficiency of the Substitute Obligations to make the Refunded Bond Payment; and

(D) an opinion of Bond Counsel to the effect that the sale, transfer, disposition or redemption of the Escrow Securities and purchase of such Substitute Obligations (i) will not affect the exclusion from gross income for Federal income tax purposes of interest on the Refunded Bonds, and (ii) is permitted hereunder.

The Escrow Agent shall not be liable or responsible for any loss resulting from any investment or reinvestment made pursuant to this subsection unless such loss is due to the gross negligence or willful misconduct of the Escrow Agent.

(e) The Escrow Agent shall have no liability for the payment of the principal of, premium, if any, and interest on the Refunded Bonds, except from the Escrow Securities and moneys on deposit in the Series 2024B Escrow Account.

Section 3. Payment and Redemption of the Refunded Bonds. The Authority hereby requests and irrevocably instructs the Escrow Agent, and the Escrow Agent hereby agrees, to collect and deposit in the Series 2024B Escrow Account the principal of and interest on the Escrow Securities held for the account of the Series 2024B Escrow Account as promptly as such principal and interest becomes due, and to apply such principal and interest, together with any other moneys and the principal of and interest on any other securities deposited in the Series 2024B Escrow Account to pay the Refunded Bond Payment specified in **Appendix B**.

Section 4. Defeasance and Redemption Notices.

(a) The Authority hereby requests and irrevocably instructs the Trustee and the Trustee hereby agrees to promptly provide notice by first class mail to the Municipal Securities Rulemaking Board (“MSRB”), Standard & Poor’s, a division of The McGraw-Hill Companies, Inc. (“S&P”), Moody’s Investor Service, Inc. (“Moody’s”) and Fitch Ratings, Inc. (“Fitch”) of the current refunding of the Refunded Bonds and the deposit of the Escrow Securities and any money in escrow for that purpose. A form of the defeasance notice for each of the Refunded Bonds is attached as **Appendix E** hereto.

(b) The Authority hereby requests and irrevocably instructs the Trustee and the Trustee hereby agrees to provide notice of redemption of the Refunded Bonds, not less than thirty (30) days nor more than sixty (60) days prior to _____, 2024, in the form of the notice attached hereto as **Appendix F**, by registered or certified mail or overnight express delivery, to (a) the registered owner of each the Refunded Bonds at the address as it appears on the registration books kept by the Trustee and (b) MSRB;

(c) To the extent permitted by the bond documents pertaining to the Refunded Bonds, any of the notices provided in this Section 4 may be provided by means of facsimile transmission, email transmission or other similar electronic means of communications providing evidence of transmission.

Section 5. Possible Deficiencies.

(a) If at any time the Escrow Agent has actual knowledge that the moneys in the Series 2024B Escrow Account, including the anticipated proceeds of the Escrow Securities, will not be sufficient to make all payments required by Section 3 hereof, the Escrow Agent shall notify the Authority in writing as soon as is reasonably practicable of the amount of such deficiency and the reason therefor, if the reason is known to the Escrow Agent.

(b) The Escrow Agent shall in no manner be responsible for the Authority's failure to address any such deficiency.

Section 6. Duties of Escrow Agent. So long as the Refunded Bonds are outstanding, the Escrow Agent shall forward a monthly statement to the Authority describing the Escrow Securities held, including the income earned thereon and the maturities thereof, and any withdrawals of moneys from the Series 2024B Escrow Account since the last statement furnished pursuant to this Section.

Section 7. Fees and Costs.

(a) The Escrow Agent shall be compensated, based on itemized invoices submitted to the Authority, for its reasonable fees, expenses and disbursements incurred with respect to service rendered hereunder.

(b) The Escrow Agent also shall be entitled to additional fees and reimbursements for costs incurred, including, but not limited to, legal and accountants' services, in connection with any litigation which may at any time be instituted involving this Escrow Agreement.

(c) The right to receive compensation notwithstanding, the Escrow Agent acknowledges that it, as Escrow Agent, has no claim for any such payment under the Indenture and that it has no lien on the moneys on deposit in the Series 2024B Escrow Account for such payment.

(d) In the event of the resignation of the Escrow Agent prior to the expiration of this Escrow Agreement, the Escrow Agent shall rebate to the Authority a ratable portion of any fee theretofore paid by the Authority to the Escrow Agent for its services under this Escrow Agreement.

(e) The provisions of this Section 7 shall survive the termination of this Agreement and the resignation or removal of the Escrow Agent.

Section 8. Resignation of Escrow Agent. The Escrow Agent may resign and be discharged of its duties hereunder provided that: (i) the Authority has received written notice at least thirty (30) days prior to such resignation; (ii) the Authority has appointed a successor to the resigning party; (iii) the Authority has received an instrument of acceptance in form and substance acceptable to it, executed by the successor; and (iv) the resigning party has duly delivered to its successor hereunder all of the escrow documents including the Indenture and this Escrow Agreement, the Escrow Securities, and moneys and investments held by the resigning party. Such resignation shall take effect only upon the occurrence of all of the events listed in clauses (i)

through (iv) above. Upon receipt by the Authority of the written notice described in clause (i) above, the Authority shall use its best efforts to obtain a successor to such resigning party as soon as possible. Notwithstanding the foregoing, if the Authority fails to appoint a successor within thirty (30) days, the Escrow Agent reserves the right to petition a court of competent jurisdiction to appoint a successor.

Section 9. Termination of Escrow Agreement. This Escrow Agreement shall terminate when the principal of, premium, if any, and interest on the Refunded Bonds have been paid in full; provided, that moneys held by the Escrow Agent for the payment and discharge of any of the Refunded Bonds which remain unclaimed five (5) years after the date when all of such Refunded Bonds shall have become due and payable, either at their stated maturity dates or by call for earlier redemption, shall at the written request of the Authority, be repaid by the Escrow Agent to the Authority, as its absolute property, free from the lien created by the Indenture. The Escrow Agent shall thereupon be released and discharged with respect thereto and hereto and the holders of such Refunded Bonds shall look only to the Authority for the payment of such Refunded Bonds.

Section 10. Benefit of Agreement; Amendments.

(a) This Agreement is made for the benefit of the Authority and the holders from time to time of the Refunded Bonds except as otherwise expressly provided herein.

(b) This Agreement shall not be repealed, revoked, rescinded, altered, amended or supplemented in whole or in part without the written consent of the Escrow Agent and the holders of the unpaid Refunded Bonds; provided, however, that upon prior written notice to Moody's, Fitch and S&P and (1) receipt by each such agency of draft copies of any such proposed amendment, and (2) receipt from each such agency of the notice that such amendment shall not adversely affect its rating on the Refunded Bonds, the Authority and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such amendment to this Agreement that will not adversely affect the rights of such holders and that will not be inconsistent with the terms and provisions of this Agreement (the "Amendment"), for any one or more of the following purposes:

(i) to correct or cure any ambiguity or formal defect or omission in this Agreement;

(ii) to grant to, or confer upon, the Escrow Agent for the benefit of such holders any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent;

(iii) to subject to this Agreement additional funds, securities or property; and

(iv) to sever any invalid provision from this Agreement.

(c) The Escrow Agent shall not undertake or execute any Amendment unless it has received:

(i) If the Amendment affects the aggregate amount or payment terms of the Escrow Securities, an opinion of an independent certified public accountant reasonably acceptable

to the Authority that after such Amendment the interest on and maturing principal of the Escrow Securities, without further reinvestment, and any other funds then held pursuant to this Agreement will provide moneys in amounts and at times as necessary to pay all principal of and redemption premium and interest on the Refunded Bonds as the same are due or are called for redemption as set forth in Section 2; and

(ii) An opinion of Bond Counsel that the Amendment (A) will not affect the exclusion from gross income for Federal income tax purposes of interest on the Refunded Bonds, (B) is in compliance with the Internal Revenue Code of 1986, as amended, and (C) the Amendment complies with the requirements of this Section 10.

(d) The Authority shall provide Moody's, Fitch and S&P with written notice prior to such time as this Agreement shall be replaced, revoked, rescinded, altered, amended or supplemented at the following addresses:

Moody's Investors Service, Inc.
Public Finance Rating Desk/Refunded Bonds
7 World Trade Center
250 Greenwich Street, 23rd Floor
New York, NY 10007

Standard & Poor's, a division of The McGraw-Hill Companies, Inc.
25 Broadway, 21st Floor
New York, New York 10004

Fitch Ratings
300 West 57th Street
New York, New York 10004

Section 11. Notices. Any notice, authorization, request or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid, addressed as follows:

If to the Authority, at:

District of Columbia Water and Sewer Authority
1385 Canal Street, S.E.
Washington, DC 20003
Attn: Chief Financial Officer and Executive Vice
President, Finance, Procurement and Compliance

If to the Escrow Agent, at:

Computershare Trust Company, N.A.
Attn: Cody Fedorishen
1505 Energy Park Drive
St. Paul, MN 55108

Any of such addresses may be changed at any time upon written notice of such change being sent by United States registered mail, postage prepaid, to the other parties by the party affecting the change. Any notices to the holders of the Refunded Bonds shall be made in a manner as prescribed in the Indenture.

Section 12. Time of Performance. Whenever, under the terms of this Escrow Agreement, the performance date of any act to be done hereunder shall fall on a day which is not a legal banking day or upon which the Escrow Agent is not open for business, the performance thereof on the next succeeding business day shall be deemed to be in full compliance with this Escrow Agreement. The Escrow Agent shall perform all obligations imposed upon it under this Escrow Agreement in a timely manner.

Section 13. Reliance by Escrow Agent; Force Majeure; No Special, Indirect or Consequential Damages.

(a) The Escrow Agent shall be entitled to rely and act upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document reasonably believed by it to be genuine and to have been signed and presented by the proper party or parties. The Escrow Agent may consult with Bond Counsel, or, in the discretion of the Escrow Agent, it may consult with its own counsel as to anything arising in connection with the duties herein undertaken, and it shall not be liable for any action taken or omitted by it in good faith in reasonable reliance upon such written instructions or upon the written opinions of such counsel; provided, however, that before relying upon the opinion of its own counsel it shall furnish to the Authority and to Bond Counsel a copy of such opinion.

(b) In no event shall the Escrow Agent be liable for any failure or delay in the performance of its obligations hereunder because of circumstances beyond the Escrow Agent's control, including, but not limited to, acts of God, flood, disease, epidemic or pandemic, quarantine, war (whether declared or undeclared), civil unrest, terrorism, fire, riot, strikes or work stoppages for any reason, embargo, government action, including any laws, ordinances, regulations or the like which restrict or prohibit the providing of the services contemplated by this Agreement, inability to obtain material, equipment, or communications or computer facilities, or the failure of equipment or interruption of communications or computer facilities, and other causes beyond the Escrow Agent's control whether or not of the same class or kind as specifically named above.

(c) Anything in this Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

Section 14. Governing Law. To the fullest extent permitted by law, this Escrow Agreement shall be interpreted, construed and enforced pursuant to the laws of the District.

Section 15. Severability. If any provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Escrow Agreement. The Escrow Agent shall provide Moody's, Fitch and S&P with written notice, at the addresses set forth in Section 10, if any provision of this Escrow Agreement should be held to be invalid or unenforceable.

Section 16. Execution of Counterparts. This Escrow Agreement may be executed in any number of counterparts each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

Section 17. Successors of the Escrow Agent. Any corporation or association into which the Escrow Agent may be converted or merged or with which it may be consolidated or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto shall be and become the successor Escrow Agent hereunder, vested and subject to all duties and obligations imposed hereunder with all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding; provided, that the Escrow Agent shall promptly give notice of such conversion, sale, merger, consolidation or transfer to the Authority, and the Authority shall have 45 days to exercise an option to appoint a successor Escrow Agent by an instrument in writing delivered to the then current Escrow Agent.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed each on its behalf as of the day and year first above written.

**DISTRICT OF COLUMBIA WATER
AND SEWER AUTHORITY**

By: _____
Matthew T. Brown
Chief Financial Officer and Executive Vice
President, Finance, Procurement and Compliance

**COMPUTERSHARE TRUST COMPANY, N.A.,
AS ESCROW AGENT**

By: _____
Name: _____
Title: _____

APPENDIX A

LISTING OF REFUNDED BONDS

Series 2019C Bonds

Maturity	Principal Amount	Interest Rate	CUSIP

APPENDIX B

REFUNDED BOND PAYMENT

Date	Interest	Redeemed Principal	Total
___/___/2024	\$0000000.00	\$000000000.00	\$000000000.00

APPENDIX D

VERIFICATION REPORT

APPENDIX E

FORM OF DEFEASANCE NOTICE

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
Public Utility Subordinated Lien Revenue Refunding Bonds Series [2019C]**

On July ___, 2024, the District of Columbia Water and Sewer Authority (the “Authority”) deposited in escrow with Computershare Trust Company, N.A., as escrow agent (the “Escrow Agent”) under the Escrow Agreement dated July ___, 2024, by and among the Authority, the Escrow Agent and Computershare Trust Company, N.A., as the trustee (the “Escrow Agreement”), relating to certain outstanding maturities of the Authority’s Public Utility Subordinated Lien Multimodal Revenue Bonds, Series [2019C] listed below (the “Refunded Bonds”), escrow securities that have been certified by Samuel Klein and Company, Certified Public Accountants, to be of such maturities and interest payment dates and bearing such interest as will, without further investment or reinvestment, except as provided in the Escrow Agreement, provide moneys to pay when due the interest on and the principal of the Refunded Bonds through their redemption date of _____, 2024:

Maturity	Principal Amount	Interest Rate	CUSIP

As a result of this deposit, the Refunded Bonds are deemed to have been paid and no longer to be outstanding bonds of the Authority.

The CUSIP numbers printed herein are inserted for the convenience of the holders, and no representation is made as to the correctness of such numbers either as printed on the Refunded Bonds or as contained herein.

_____, 2024

COMPUTERSHARE TRUST COMPANY, N.A.,
as Escrow Agent

NOTICE REQUIREMENTS:

As soon as possible after the funding of the Series 2024B Escrow Account, notice shall be provided to the Municipal Securities Rulemaking Board, Moody's Investors Service, Standard & Poor's Ratings Services, and Fitch Ratings, Inc.

APPENDIX F

FORM OF REDEMPTION NOTICE

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Public Utility Subordinated Lien Multimodal Revenue Bonds, Series [2019C]

NOTICE IS HEREBY GIVEN pursuant to a Master Indenture of Trust, dated as of April 1, 1998, by and between the District of Columbia Water and Sewer Authority (the “Authority”) and Norwest Bank Minnesota, N.A., predecessor to Computershare Trust Company, N.A., as trustee, as supplemented and amended through the Twenty-Fifth Supplemental Indenture of Trust, dated November 6, 2019, by and between the Authority and Wells Fargo Bank, N.A., predecessor to Computershare Trust Company, N.A., as trustee (as supplemented and amended, the “Indenture”), providing for the issuance of the Authority’s \$99,505,000 Public Utility Subordinated Lien Multimodal Revenue Bonds, Series [2019C (the “Series 2019C Bonds”)], that the following Series [2019C Bonds] (the “Refunded Bonds”) will be redeemed on _____, 2024:

Maturity	Principal Amount	Interest Rate	CUSIP

The Refunded Bonds will be redeemed at a redemption price of 100% of the principal amount thereof together with interest accrued to _____, 2024. Holders of the Refunded Bonds should present them for redemption on or before _____, 2024, by mail to:

Registered/Certified Mail

Air Courier

Computershare Trust Company, N.A.
 Corporate Trust Operations
 P.O. Box 1517
 Minneapolis, MN 55480-1517

Computershare Trust Company, N.A.
 Corporate Trust Operations
 1505 Energy Park Drive
 St. Paul, MN 55108

Interest on the Refunded Bonds will cease to accrue on _____, 2024.

Redemption of the Refunded Bonds is conditioned upon the Authority depositing with the trustee moneys and/or securities sufficient to pay the principal and accrued interest on the

Refunded Bonds as of _____, 2024. Failure of the Authority to make such deposit shall not constitute an event of default under the Trust Agreement.

IMPORTANT: The CUSIP numbers printed herein are inserted for the convenience of the holders, and no representation is made as to the correctness of such numbers either as printed on the Refunded Bonds or as contained herein.

IMPORTANT INFORMATION REGARDING TAX CERTIFICATION AND POTENTIAL WITHHOLDING:

Pursuant to U.S. federal tax laws, you have a duty to provide the applicable type of tax certification form issued by the U.S. Internal Revenue Service (“IRS”) to Computershare Trust Company, N.A., Corporate Trust Services to ensure payments are reported accurately to you and to the IRS. In order to permit accurate withholding (or to prevent withholding), a complete and valid tax certification form must be received by Computershare Trust Company, N.A., Corporate Trust Services before payment of the redemption proceeds is made to you. Failure to timely provide a valid tax certification form as required will result in the maximum amount of U.S. withholding tax being deducted from any redemption payment that is made to you.

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

By: **COMPUTERSHARE TRUST COMPANY, N.A.,** as Trustee

_____, 2024

Orrick Draft May 15, 2024

DEALER MANAGER AGREEMENT

[June __, 2024]

Morgan Stanley & Co. LLC,
as Dealer Manager
1585 Broadway, 16th floor
New York, NY 10036

Ladies and Gentlemen:

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY (the “Authority”) plans to submit an invitation of an offer to sell to the Authority those outstanding bonds listed on Schedule A attached hereto (the “Invited Bonds”) (such invitation, the “Tender Offer”), upon the terms and subject to the conditions set forth in the Tender Offer and the accompanying material (the “Offer Material”) which the Authority has caused to be prepared and furnished to you on or prior to the date hereof for use in connection with the Tender Offer, including (a) the disclosure of the Authority as set forth in the Authority’s Preliminary Official Statement dated [Tender/POS Date] (the “2024A Bonds POS”) and (b) the form of Pricing Notice (as defined in the Tender Offer). Any other offering materials and information relating to the Tender Offer that the Authority may prepare or approve shall be called “Additional Material.”

I. Appointment of Dealer Manager

The Authority hereby appoints Morgan Stanley & Co. LLC as the exclusive dealer manager in connection with the Tender Offer (the “Dealer Manager”) and authorizes you to act on its behalf in accordance with this agreement and the terms of the Offer Material and any Additional Material. The Authority has approved the Offer Material and authorizes you to use the Offer Material and any Additional Material in connection with the solicitation of tenders. You agree to furnish no written material to holders of Invited Bonds in connection with the Tender Offer other than the Offer Material and any Additional Material. It is understood that nothing in this agreement nor the nature of the Dealer Manager’s services shall be deemed to create a fiduciary or agency relationship between you and the Authority.

II. Availability of Offer Material and Additional Material

The Authority shall cause to be delivered or otherwise made available by Globic Advisors as Information Agent and Tender Agent (the “Information Agent and Tender Agent”) to each registered holder of any Invited Bonds and to each participant in The Depository Trust Company (“DTC”) appearing in the most recent DTC securities position listing obtained by the Information Agent and Tender Agent as a holder of Invited Bonds (each such registered holder or participant, a “Registered or Beneficial Owner”), as soon as practicable, by electronic means and other means, including (i) by posting on the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (“EMMA”) website, currently located at <https://emma.msrb.org/>, using the CUSIP numbers for the Invited Bonds; (ii) to DTC; and (iii) by posting electronically on the website of the Information Agent and Tender Agent at www.globic.com/dewater, copies of the Offer Material and any Additional Material, all as set forth in the Tender Offer. Thereafter, to the

extent practicable until the expiration of the Tender Offer, the Authority authorizes the Dealer Manager and the Information Agent and Tender Agent to cause copies of such material to be delivered or otherwise made available to each person and/or entity who becomes a Registered or Beneficial Owner of Invited Bonds.

III. Solicitation of Tender Offers

(a) The Dealer Manager agrees to use its best efforts to solicit offers to sell the Invited Bonds to the Authority in connection with the Tender Offer in accordance with instructions from the Authority and in a manner consistent with the performance of such services as are customarily performed by investment banking concerns in connection with invitations of like nature to the Tender Offer. None of the Dealer Manager nor its respective affiliates, nor any of its respective partners, directors, officers, agents, employees or controlling persons (if any) shall have any liability in tort, contract or otherwise to the other party hereunder except for its own breach of contract, gross negligence, willful misconduct or bad faith.

(b) The Authority agrees to furnish to the Dealer Manager as many copies as they may reasonably request of the Offer Material and any Additional Material in final form for use by them in connection with the Tender Offer. The Authority shall not amend or supplement the Offer Material, or prepare or approve any Additional Material for use in connection with the Tender Offer, without the Dealer Manager's prior consent, which consent shall not be unreasonably withheld.

(c) The Authority agrees to advise the Dealer Manager promptly of (i) the occurrence of any event which could cause the Authority to withdraw, rescind, terminate or modify the Tender Offer, (ii) any proposal or requirement of the Authority to amend or supplement the Offer Material or any Additional Material or (iii) any other information relating to the Tender Offer which the Dealer Manager may from time to time reasonably request.

(d) The Authority will not use or publish any Additional Material in connection with the Tender Offer, or refer to the Dealer Manager in any such Additional Material, without the Dealer Manager's consent, which consent shall not be unreasonably withheld. The Authority will promptly inform the Dealer Manager of any litigation or administrative action or claim with respect to the Tender Offer.

(e) At the Authority's request and direction, the Dealer Manager obtained or was provided by the Information Agent and Tender Agent the names and addresses of, and principal amount of Invited Bonds held by, the Registered or Beneficial Owners of Invited Bonds as of a recent date. The Authority agrees to use its best efforts to assist and cooperate with the Dealer Manager during the period of the Tender Offer to determine identity of the Registered or Beneficial Owners of Invited Bonds. The Dealer Manager agrees to use such information only in connection with the Tender Offer, and not to furnish such information to any other person except in connection therewith.

(f) The Authority shall arrange, or cause the Information Agent and Tender Agent to arrange with DTC, to inform you during each business day prior to the expiration of the Tender Offer as to the principal amount of Invited Bonds which have been tendered pursuant to the Tender Offer during the interval since its previous daily report to you under this provision.

(g) The Dealer Manager acknowledges and agrees that the Authority has the right under the Tender Offer to accept or reject any and all tenders of the Invited Bonds.

IV. Compensation and Expenses

(a) The Authority shall pay to the Dealer Manager, as compensation for its services as Dealer Manager, a fee of \$_____ for each \$1,000 principal amount of Invited Bonds tendered and purchased pursuant to the Tender Offer. Such fee shall be payable from proceeds of the Series 2024A Bonds (defined herein) concurrently with the payment for Invited Bonds under the Tender Offer or other termination of the Tender Offer.

(b) The Authority shall pay, either from proceeds of the Series 2024A Bonds or from funds of the Authority, all expenses of the preparation, printing, mailing and publishing of the Offer Material and any Additional Material and all of the Dealer Manager's reasonable out-of-pocket expenses (including fees of counsel) incurred in connection with it serving as Dealer Manager hereunder. To the extent proceeds of the Series 2024A Bonds are insufficient or unavailable therefor, any such expenses owed by the Authority, which otherwise would have been paid from proceeds of the Series 2024A Bonds, shall be paid by the Authority.

(c) Notwithstanding the foregoing, if no Invited Bonds are tendered and purchased pursuant to the Tender Offer and the Series 2024A Bonds are not issued, the Authority shall not be responsible for the payment of any fees and expenses described in subsections (a) and (b). The Dealer Manager hereby acknowledges that the payment of any fees and expenses related to the Tender Offer, except as provided in subsection (d) below, is contingent upon the issuance of the Series 2024A Bonds.

(d) The Information Agent and Tender Agent has been engaged to provide those services as described in the Tender Offer on behalf of the Authority. Whether or not any Invited Bonds are tendered pursuant to the Tender Offer, the Authority shall pay, either from proceeds of the Series 2024A Bonds or from funds of the Authority, to the Information Agent and Tender Agent as part of its expenses in connection with making and consummation of the Tender Offer, payment for any services rendered, as agreed by the Authority and the Information Agent and Tender Agent. To the extent proceeds of the Series 2024A Bonds are insufficient or unavailable therefor, any such expenses owed by the Authority, which otherwise would have been paid from proceeds of the Series 2024A Bonds, shall be paid by the Authority.

V. Representations and Warranties by the Authority

The Authority represents and warrants to, and agrees with, the Dealer Manager that:

(a) The Authority is a duly organized and validly existing corporate body and independent authority of the provisions of the laws of the United States of America and the District of Columbia (the "District"), including particularly, an act of the Council of the District entitled the "Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996," as amended, codified at District of Columbia Official Code Ann. Sections 34-2201.01 *et seq.*, and the acts amendatory thereof and supplemental thereto (the "Act"), and an act of the United States Congress entitled the "District of Columbia Water and Sewer Authority Act of 1996" (Public Law 104-184), as amended (the "Federal Act").

(b) The Authority has the requisite power and authority and has duly taken all necessary action to authorize the making and consummation of the Tender Offer (including authorizing any related borrowings or other provisions for the payment by the Authority for Invited Bonds tendered for purchase, the execution, delivery and performance of this agreement and the consummation of the transactions contemplated hereby; and this agreement has been duly executed and delivered by, and constitutes a valid and binding agreement of, the Authority, enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(c) [Reserved.]

(d) The Offer Materials and Additional Material comply and (as amended or supplemented, if amended or supplemented) will comply in all material respects with all applicable requirements of the federal securities laws; and the Offer Materials and Additional Material do not and (as amended or supplemented, if amended or supplemented) will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(e) The making and consummation of the Tender Offer (including any related borrowings or other provisions for the payment for Invited Bonds by the Authority), the execution, delivery and performance by the Authority of this agreement and the consummation of the transactions contemplated hereby do not and will not (i) conflict with, or result in the acceleration of any obligation under or in a breach of, or constitute a default under, any of the provisions of any resolution, agreement or undertaking to which the Authority is a party or by which it is bound or to which any of its property or assets is subject, or (ii) in any material respect conflict with or result in a violation by the Authority of the Constitution of the United States or the District, as amended, or any other law, ordinance, regulation, order, decree, judgment or ruling by or to which it or its revenues, properties, assets or operations are bound or subject.

(f) All approvals, consents and other actions by, and all filings or registrations with or notices to, any governmental or administrative authority or agency having jurisdiction in the matter required as a condition precedent to the performance by the Authority of its obligations under the Offer Materials and any Additional Material have

been obtained and are in full force and effect (or, in the case of Additional Materials, will be obtained and in full force and effect).

(g) Except as described in the Offer Material or any Additional Material, no litigation or other proceeding before or by any court or agency or other administrative body (either District or federal) is pending against the Authority or, to the knowledge of the Authority, threatened against it, in any way restraining or enjoining, or threatening or seeking to restrain or enjoin, the making and consummation of the Tender Offer or in any way questioning or affecting: (i) the proceedings under which the Tender Offer is to be made and consummated; (ii) the accuracy, completeness or fairness of the Offer Material or any Additional Material; (iii) the legal existence of the Authority or its right to conduct its operations as presently conducted; or (iv) the title of its officers to their respective offices in such manner as to adversely affect the ability of the Authority to authorize the making and consummation of the Tender Offer or to consummate any of the transactions to which it is or is to be a party as contemplated by the Offer Materials or any Additional Material.

(h) Except as described in the Offer Material or any Additional Material, there is no litigation or other proceeding pending or, to the knowledge of the Authority, threatened before or by any court, agency or other administrative body (either State or federal), nor any other event or circumstance, which, if decided adversely to the Authority, would have a material adverse effect on the power or ability of the Authority to perform its obligations hereunder or with respect to the Tender Offer or to consummate the transactions to which it is or is to be a party as contemplated by the Offer Materials or any Additional Material.

(i) Any certificates signed by any officer of the Authority authorized to execute and deliver such certificates and other documents on behalf of the Authority (each, an "Authorized Officer") and delivered to the Dealer Manager pursuant to this agreement shall be deemed a representation and warranty by the Authority to the Dealer Manager as to the statements made therein with the same effect as if such representation and warranty were set forth herein.

(j) Subject to the Authority's issuance of its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024A of the Authority (the "Series 2024A Bonds"), the Authority has or will have available funds, and is authorized to use such funds under applicable law, to pay the full purchase price of the Invited Bonds that it may become committed to purchase pursuant to the Tender Offer and all related fees and expenses.

(k) Subject to the Authority's issuance of the Series 2024A Bonds and the other conditions set forth in the Tender Offer, the Authority agrees to pay promptly, in accordance with the terms and subject to the conditions of the Offer Material and any Additional Material, such full purchase price and all related fees and expenses.

(l) The Authority has made or will cause the Information Agent and Tender Agent to make appropriate arrangements with DTC to allow for the book-entry movement of tendered Invited Bonds.

(m) The representations and warranties of the Authority solely with respect to the Series 2024A Bonds set forth in the Bond Purchase Agreement to be executed by the Authority with the purchaser of the Series 2024A Bonds (the “Purchaser”) and all certificates of the Authority delivered thereunder for the benefit of the Purchaser are hereby incorporated into this agreement and also made to and for the benefit of the Dealer Manager solely with respect to the Series 2024A Bonds.

VI. Representations and Warranties of the Dealer Manager.

The Dealer Manager hereby represents and warrants to, and agrees with, the Authority that:

(a) This agreement has been duly authorized, executed and delivered by the Dealer Manager and constitutes its legal, valid and binding obligation, enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization and similar laws affecting creditors’ rights and by general principles of equity.

(b) To the best knowledge of the Dealer Manager, after reasonable investigation, execution, delivery and performance of this agreement by the Dealer Manager does not violate, in any material respect, any law, regulation or rule applicable to the Dealer Manager when acting in such capacity for transactions of this type.

(c) The Dealer Manager shall assist the Authority in disseminating the Offer Materials and any Additional Material, but will not have any obligation to cause copies thereof to be transmitted generally to the Registered or Beneficial Owner.

VII. Conditions of Obligation

The obligation to act as Dealer Manager hereunder shall at all times be subject, in Dealer Manager’s discretion, to the conditions that:

(a) All representations, warranties and other statements of the Authority contained herein and in the Offer Materials and any Additional Material are now, and at all times during the duration of the Tender Offer will be, true and correct.

(b) The Authority at all times during the duration of the Tender Offer shall have performed all of its obligations hereunder theretofore required to have been performed.

(c) The Chief Legal Officer and Executive Vice President, Legal Affairs, of the Authority, shall furnish to the Dealer Manager within three business days of the Launch Date, one or more opinions, dated the date thereof, that will be substantially to the effect set forth in Exhibit A hereto.

(d) Squire Patton Boggs (US) LLP and Bellamy Penn LLP, as co-bond counsel to the Authority, shall have furnished to the Dealer Manager on the date of the consummation of the Tender Offer, their respective opinion, dated such date, form included as Appendix __ to the 2024A Bonds POS.

(e) The Dealer Manager shall have received on the date of the consummation of the Tender Offer a certificate from an Authorized Officer of the Authority confirming each of the representations and warranties of the Authority set forth in Section V hereof are true and correct in all material respects as of such date.

VIII. Survival of Certain Provisions

The agreements contained in Section IV and the representations and warranties of the Authority set forth in Section V hereof shall survive any termination or cancellation of this agreement, any completion of the engagement provided by this agreement, any investigation made by or on behalf of the Dealer Manager, any of its officers or partners or any person controlling the Dealer Manager, any termination or expiration of the Tender Offer and any acquisition of Invited Bonds, whether pursuant to the Tender Offer or otherwise.

IX. Miscellaneous

(a) This agreement is made solely for the benefit of the Dealer Manager and the Authority, and no other person shall acquire or have any right under or by virtue of this agreement.

(b) In the event that any provision hereof shall be determined to be invalid or unenforceable in any respect, such determination shall not affect such provision in any other respect or any other provision hereof, which shall remain in full force and effect. Except as otherwise expressly provided in this agreement, whenever notice is required by the provisions of this agreement to be given to (i) the Authority, such notice shall be in writing addressed to District of Columbia Water and Sewer Authority, at 1385 Canal Street S.E., Washington, DC 20003, Attention: Matthew T. Brown, Chief Financial Officer and Executive Vice President, Finance and Procurement and (ii) the Dealer Manager, such notice shall be in writing addressed to Morgan Stanley & Co. LLC, 1585 Broadway, 16th floor,, New York, NY 10036, Attention: Cabray Haines, Executive Director.

(c) This agreement contains the entire understanding of the parties with respect to the Dealer Manager acting as Dealer Manager for the Tender Offer, superseding any prior agreements with respect thereto and may not be modified or amended except in writing executed by the parties hereto. This agreement may be executed in any number of separate counterparts, each of which shall be an original, but all such counterparts shall together constitute one and the same agreement.

(d) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE DISTRICT OF COLUMBIA.

(e) The Authority acknowledges and agrees that: (i) the primary role of the Dealer Manager, as dealer, is to solicit tenders, in an arm's-length commercial transaction, and that the Dealer Manager has financial and other interests that differ from those of the Authority; (ii) the Dealer Manager is not acting as a municipal advisor, financial advisor, or fiduciary to the Authority and has not assumed any advisory or fiduciary responsibility to the Authority with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto or in connection with the issuance of the

Authority's Bonds (irrespective of whether the Dealer Manager has provided other services or is currently providing other services to the Authority on other matters); (iii) the only contractual obligations the Dealer Manager has to the Authority with respect to the transaction contemplated hereby expressly are set forth in this agreement; and (iv) the Authority has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate in connection with the transactions contemplated hereby and the issuance of the Authority's Bonds. The Authority has engaged a municipal advisor in this transaction that has legal fiduciary duties to the Authority.

(f) The Dealer Manager does not provide accounting, tax or legal advice. The Authority is authorized, subject to applicable law, to disclose any and all aspects of this potential transaction that are necessary to support any U.S. federal income tax benefits expected to be claimed with respect to such transaction.

(g) The Dealer Manager certifies that it and its parent company, wholly or majority-owned subsidiaries, and other affiliates, if any, are not currently engaged in, or for the duration of this agreement will not engage in, a boycott of goods or services from the State of Israel; companies doing business in or with the State of Israel or authorized by, licensed by, or organized under the laws of the State of Israel; or persons or entities doing business in the State of Israel. The Dealer Manager understands that "boycott" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations, but does not include an action made for ordinary business purposes.

Please sign and return to us a duplicate of this letter, whereupon it will become a binding agreement.

Very truly yours,

**DISTRICT OF COLUMBIA WATER AND
SEWER AUTHORITY**

By: _____
Matthew T. Brown
Chief Financial Officer and Executive
Vice President Finance and Procurement

Accepted and agreed to as
of the date first above written:

MORGAN STANLEY & CO. LLC

By: _____
Authorized Representative

Schedule A

INVITED BONDS (TAXABLE) [AX-EXEMPT]

Exhibit A

FORM OPINION OF CHIEF LEGAL OFFICER AND EXECUTIVE VICE PRESIDENT,
LEGAL AFFAIRS, OF THE AUTHORITY TO BE PROVIDED AT LAUNCH

[TO BE PROVIDED]

M&A draft 5/07/24

REMARKETING AGREEMENT

Between

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Issuer

and

LOOP CAPITAL MARKETS LLC

Remarketing Agent

Dated July __, 2024

Relating to

Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds, Subseries 2024B-2

This REMARKETING AGREEMENT (the “Agreement”), dated July , 2024 (the “Closing Date”), between the DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY (the “Issuer” or the “Authority”) and LOOP CAPITAL MARKETS LLC (“Loop Capital Markets” or the “Remarketing Agent”).

W I T N E S S E T H:

WHEREAS, the Issuer has issued [\$50,000,000] aggregate principal amount of the District of Columbia Water and Sewer Authority Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds, Subseries 2024B-2 (the “Bonds”) under and pursuant to provisions of the laws of the United States of America and the District of Columbia (the “District”), including particularly, an act of the Council of the District entitled the “Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996,” as amended, codified at District of Columbia Official Code Sections 34-2201.01 *et seq.*, and the acts amendatory thereof and supplemental thereto, and an act of the United States Congress entitled the “District of Columbia Water and Sewer Authority Act of 1996” (Public Law 104-184), as amended, and all proceedings necessary to authorize and provide for the issuance of the Bonds, including a resolution adopted by the Board of Directors of the Authority, dated June , 2024 (the “Resolution”), and the Master Indenture of Trust, dated as of April 1, 1998 (the “Master Indenture”), between the Authority and Computershare Trust Company, N.A., as trustee (the “Trustee”), as amended and supplemented, including by the Thirty-Fourth Supplemental Indenture of Trust, dated as of the Closing Date (the “Thirty-Fourth Supplemental Indenture,” and together with the Master Indenture as previously amended and supplemented, the “Indenture”);

WHEREAS, the Bonds and the Indenture provide among other things, that the owners of the Bonds (the “Owners”), may elect (or may be required) in certain instances to tender their Bonds for purchase upon the terms and conditions contained in the Bonds and the Indenture;

WHEREAS, the Indenture provides for the appointment of a remarketing agent to perform certain duties, including the use of its best efforts to remarket any Bonds tendered for purchase by the Owners; and

WHEREAS, Loop Capital Markets has agreed to accept the duties and responsibilities of the remarketing agent under the Indenture and this Agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants made herein and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions. Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Indenture.

“MSRB” shall mean: the Municipal Securities Rulemaking Board.

“Rule G-34 Documents” shall mean: (i) the letter of credit agreement, reimbursement agreement, standby bond purchase agreement loan agreement, guaranty agreement or any other document establishing an obligation to provide credit and/or liquidity support with respect to the Bonds; (ii) the Indenture, Resolution, or any other authorizing document under which the Bonds were issued; (iii) any amendments, extensions, renewals, replacements or terminations thereof; and (iv) any other document required to comply with MSRB Rule G-34(c), as it may be amended from time to time; and, in each case where required to be delivered, such delivery shall be by electronic means in a word-searchable PDF file (or in such other form as the Remarketing Agent shall notify the Issuer/Borrower in writing) labeled with the following information: (a) CUSIP number; (b) name of issuer; (c) name of transaction; (d) name of document; and (e) whether the document is an execution version or a redacted version.

“SHORT System” shall mean: the MSRB’s Short-term Obligation Rate Transparency System.

Section 2. Appointment of Remarketing Agent. Subject to the terms and conditions contained herein, the Issuer hereby appoints Loop Capital Markets, as exclusive Remarketing Agent for the Bonds, and Loop Capital Markets hereby accepts such appointment.

Section 3. Responsibilities of Remarketing Agent. Subject to the terms and conditions set forth in this Agreement, Loop Capital Markets agrees to perform the duties of Remarketing Agent, with respect to the Bonds, set forth in the Indenture. It is understood that, in undertaking to perform such duties, and in the performance thereof, it is the intention of the parties that the Remarketing Agent will act solely as an agent and not as a principal except as expressly provided in Section 13. The Remarketing Agent shall not be liable for any action taken or omitted to be taken pursuant to this Agreement, except for its own negligence or willful misconduct.

(a) Determination of Interest Rates. The Remarketing Agent shall determine the interest rates on the Bonds in the manner and at the times specified therefor in the Indenture.

(b) Remarketing of Tendered Bonds.

(i) The Remarketing Agent shall use its best efforts to remarket Bonds to be purchased as described in the Indenture.

(ii) The Remarketing Agent

(A) will suspend its remarketing efforts upon the receipt of notice of the occurrence of an event of default under either the Indenture or the Credit Facility (as defined in the Indenture), which suspension will continue for so long as such event of default shall continue (the Remarketing Agent being under no obligation to determine when such event of default shall cease); and

(B) may suspend its remarketing efforts immediately upon the occurrence of any of the following events, which suspension will continue so long as the situation continues to exist:

(1) there shall hereafter be placed into effect a general suspension of trading on the New York Stock Exchange or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange, whether by virtue of a determination by that Exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction;

(2) a general moratorium on commercial banking activities in New York is declared by either federal or New York State authorities;

(3) there shall have occurred any new outbreak of hostilities or any material escalation in any present hostilities or other new national or international calamity, crisis or terrorist activity, the effect of such outbreak, escalation, calamity, crisis or terrorist activity on the financial markets of the United States being such, in the judgment of the Remarketing Agent, as to substantially adversely affect the marketability of the Bonds;

(4) legislation shall be introduced by committee, by amendment or otherwise, in, or be enacted by, the House of Representatives or the Senate of the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the United States Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made or proposed, to the effect that the offering or sale of obligations of the general character of the Bonds, as contemplated hereby, is or would be in violation of any provision of the Securities Act of 1933, as amended (the "Securities Act") and as then in effect, or the Securities Exchange Act of 1934, as amended (the "Exchange Act") and as then in effect, or the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act") and as then in effect, or with the purpose or effect of otherwise prohibiting the offering or sale of obligations of the general character of the Bonds, or the Bonds, as contemplated hereby;

(5) any event shall occur or information shall become known, which, in the Remarketing Agent's reasonable opinion, makes untrue, incorrect or misleading in any material respect any statement or information contained in the disclosure documents provided to the Remarketing Agent in connection with the performance of its duties hereunder, whether provided pursuant to Section 5 or otherwise, or causes such documents to contain an untrue, incorrect or misleading statement of a material fact or to

omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(6) any governmental authority shall impose, as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force;

(7) any of the representations and warranties of the Issuer made hereunder shall not have been true and correct on the date made;

(8) the Issuer fails to observe any of the covenants or agreements made herein;

(9) any of the rating agencies then rating the Bonds or TD Bank, N.A. (the "Bank" or the "Credit Facility Provider") shall downgrade the ratings assigned to either the Bonds or the Bank so that the Bonds are not "Eligible Securities" as defined under Rule 2a-7 of the Investment Company Act of 1940, as amended;

(10) legislation shall have been enacted by the Congress of the United States, or shall have been reported out of committee of either body or be pending in committee of either body, or a decision shall have been rendered by a court of the United States, the Tax Court of the United States or a court of the District of Columbia, or a ruling shall have been made or a regulation or temporary regulation shall have been issued by the Treasury Department of the United States or the Internal Revenue Service or other federal authority, with respect to federal taxation upon revenues or other income of the general character to be derived by the Authority, or upon interest received on obligations of the general character of the Bonds, which, in the reasonable judgment of the Remarketing Agent, materially adversely affects the market for the Bonds;

(11) in the reasonable judgment of the Remarketing Agent, the market price or marketability of the Bonds or the ability of the Remarketing Agent to enforce contracts for the sale of Bonds shall have been materially adversely affected by an amendment of or supplement to the Official Statement, notwithstanding the Remarketing Agent's approval of such amendment or supplement prior to its distribution; or

(12) an actual or imminent default or a moratorium in respect of payment of any U.S. Treasury bills, bonds or notes the effect of which in either Remarketing Agent's judgment makes it

impractical to market the Bonds or to enforce contracts for the sale of the Bonds.

Section 4. Resignation and Removal of Remarketing Agent; Termination Events. The Remarketing Agent may at any time resign and be discharged of its duties and obligations hereunder upon providing the Trustee, the Issuer, the Paying Agent and the Bank with sixty (60) days' prior written notice. The Remarketing Agent may be removed at any time, at the direction of the Trustee, the Tender Agent, the Issuer, each Rating Agency and the Bank upon fifteen (15) days' prior written notice to the Remarketing Agent; provided, however, that no such resignation or removal shall be or become effective unless and until a successor Remarketing Agent shall have been appointed and accepted such appointment in accordance with the Indenture. Upon removal or resignation of the Remarketing Agent, the Issuer shall promptly cause the Paying Agent to give notice thereof by mail to all Bondholders and to any rating agency which has assigned a rating to the Bonds. The Remarketing Agent shall assign and deliver this Agreement to its successor, if any.

In addition to its ability to suspend its remarketing efforts as set forth above under Section 3(b)(ii)(B)(9), the Remarketing Agent may, upon notice to the Issuer, cease offering and selling the Bonds with immediate effect if any of the rating agencies then rating the Bonds or the Bank shall downgrade the ratings assigned to either the Bonds or the Bank so that the Bonds are not "Eligible Securities" as defined under Rule 2a-7 of the Investment Company Act of 1940, as amended. The Remarketing Agent shall also have the right to immediately terminate this Agreement if there is a down-rating below ___ or withdrawal of the rating on the Bonds, a down-rating below ___ of the Borrower, a down-rating below ___ of the Credit Facility Provider,

Following termination, the provisions of Sections 6 and 7 hereof will continue in effect as to transactions prior to the date of termination, and each party will pay the other party any amounts owing at the time of termination.

Section 5. Disclosure Materials.

(a) General. If the Remarketing Agent determines that it is necessary or desirable to use an official statement or other disclosure document in connection with its remarketing of the Bonds, the Remarketing Agent will notify the Issuer which will provide the Remarketing Agent with a disclosure document in respect of the Bonds satisfactory to the Remarketing Agent and its counsel. The Issuer will supply the Remarketing Agent with such number of copies of the disclosure document as the Remarketing Agent requests from time to time and the Issuer will amend the document (and all documents incorporated by reference) so that at all times the document will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. In connection with the use of any disclosure document by the Remarketing Agent in its remarketing of the Bonds, the Issuer will furnish to the Remarketing Agent such certificates, accountants' letters and opinions of counsel as the Remarketing Agent reasonably requests.

(b) Compliance with Rule 15c2-12. In the event the Remarketing Agent is asked to remarket the Bonds in any situation which requires compliance with Rule 15c2-12 of the Exchange Act (the “Rule”),

(i) the Issuer will provide the Remarketing Agent with an official statement or other disclosure document in connection with its remarketing of the Bonds which the Issuer deems final as of its date (exclusive of pricing and other sales information), prior to the date the Remarketing Agent bids for, offers or sells any Bonds;

(ii) the Issuer will provide the Remarketing Agent with such number of copies of any official statement or other disclosure document prepared in connection therewith, as the Remarketing Agent may need to supply at least one copy thereof to each potential customer who requests it; and

(iii) the Issuer shall provide the Remarketing Agent within seven (7) Business Days after the interest rate is determined or by the time “order confirmations” are to be sent to customers, whichever is earlier, with a number of copies of the final official statement or other disclosure document adequate to provide at least one copy of such final official statement or disclosure document to any customer or any potential customer for a period commencing on the date such final official statement or disclosure document is available and extending for the underwriting period as defined in the Rule (the “Underwriting Period”) and, thereafter, for as long as may be required by the Rule. During the Underwriting Period, the Issuer agrees to update, by written supplement or amendment or otherwise, the final official statement or disclosure document such that at all times during such period the final official statement or disclosure document will not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Section 6. Indemnification and Contribution.

(a) The Issuer agrees, to the extent permitted by law (including without limitation the Anti-Deficiency Act codified at 31 U.S.C. Sec. 1341 (the “ADA”)), to indemnify and hold harmless the Remarketing Agent and each of its directors, officers and employees and each person who controls the Remarketing Agent within the meaning of Section 15 of the Securities Act, against any and all losses, claims, damages or liabilities, joint or several, to which any such indemnified party may become subject under any statute or at law or in equity or otherwise, and will reimburse any such indemnified party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon (i) an allegation or determination that the Bonds should have been registered under the Securities Act or the Indenture should have been qualified under the Trust Indenture Act, or (ii) any untrue statement or alleged untrue statement of a material fact contained in any disclosure documents furnished pursuant to Section 5 hereof or the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading, but the Issuer will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made in the document in reliance upon and in conformity with written information

furnished to the Issuer by the Remarketing Agent specifically for use in connection with the preparation of the documents. This indemnity agreement will not limit any other liability to any such indemnified party the Issuer otherwise may have; provided that in no event will the Issuer be obligated for double indemnification.

(b) An indemnified party shall, promptly after receipt of notice of the commencement of any action against such indemnified party in respect of which indemnification may be sought against an indemnifying party, notify the indemnifying party in writing of the commencement of the action. Failure of the indemnified party to give such notice will not relieve the indemnifying party from any liability it may have to such indemnified party. If such an action is brought against an indemnified party and such indemnified party notifies the indemnifying party of its commencement, the indemnifying party may, or if so requested by such indemnified party will, participate in or assume its defense, with counsel reasonably satisfactory to the indemnified party and, after notice from the indemnifying party to such indemnified party of an election to assume the defense, the indemnifying party will not be liable to the indemnified party under this Section for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense other than reasonable costs of investigation. Until the indemnifying party assumes the defense of any such action at the request of such indemnified party, the indemnified party may participate at its own expense in the defense of such action. If the indemnifying party does not retain counsel to take charge of the defense or if the indemnified party reasonably concludes that there may be defenses available to it different from or in addition to those available to the indemnifying party (in which case the indemnifying party will not have the right to assume the defense of such action on behalf of such indemnified party), legal and other expenses reasonably incurred by the indemnified party shall be borne by the indemnifying party. Any obligation under this Section of an indemnifying party to reimburse an indemnified party for expenses shall be payable in reasonable amounts and at reasonable periodic intervals not more often than monthly as required by the indemnified party, but if the indemnified party is later determined not to be entitled to indemnification under this Section or otherwise, the indemnified party will promptly return any moneys paid pursuant to this sentence. No party will be liable with respect to any settlement effected without its consent.

(c) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in Section 6(a) hereof is due in accordance with its terms but, for any reason, is held by a court to be unavailable on grounds of policy or otherwise, other than as a result of the ADA, the Issuer and the Remarketing Agent will contribute to the total losses, claims, damages and liabilities (including legal or other expenses of investigation or defense) to which the Issuer and the Remarketing Agent may be subject in such proportion so that the Remarketing Agent is responsible for that portion represented by the percentage that the fee to be paid to the Remarketing Agent pursuant to Section 7 hereof bears to the principal amount of the Bonds under this Agreement and the Issuer is responsible for the balance. In no case, however, will the Remarketing Agent be responsible for any amount in excess of the fee applicable to the Bonds remarketed by the Remarketing Agent under this Agreement and no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this paragraph, each person who controls the Remarketing Agent within the meaning of the Securities Act shall have the same rights to

contribution as the Remarketing Agent, and each person who controls the Issuer within the meaning of the Securities Act and each officer and each director of the Issuer will have the same rights to contribution as the Issuer, subject to the foregoing sentence. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this paragraph, notify each party from whom contribution may be sought, but the failure to give such notice will not relieve the party from whom contribution may be sought from any obligation it may have to the party entitled to contribution.

Section 7. Fees and Expenses. For the Remarketing Agent's services under this Agreement and the Indenture, the Issuer will pay the Remarketing Agent an annual fee of ___ of _ % of the average aggregate principal amount of Bonds outstanding for the immediately preceding quarter. The Issuer will pay the fee quarterly in arrears commencing _____, _____, and on each _____ 1, _____ 1, _____ 1, and _____ 1, thereafter. When Bonds are remarketed in connection with the conversion of the interest rate to a Term Rate or a Fixed Rate, the Issuer and the Remarketing Agent will agree on a fee.

The Issuer will pay all expenses of delivering remarketed Bonds and reimburse the Remarketing Agent for all direct, out-of-pocket expenses incurred by it as Remarketing Agent, including reasonable counsel fees and disbursements.

Section 8. Representations, Warranties, Covenants and Agreements of the Remarketing Agent. The Remarketing Agent, by its acceptance hereof, represents, warrants and covenants and agrees with the Issuer as follows:

(a) the Remarketing Agent is a member of the Financial Industry Regulatory Authority (FINRA), having a total capitalization of at least \$15,000,000, and otherwise meets the requirements for the Remarketing Agent set forth in the Indenture;

(b) the Remarketing Agent has been duly incorporated, is validly existing and is in good standing under the laws of the [State of Delaware], and is authorized by law to perform all the duties and obligations imposed upon it as Remarketing Agent by this Agreement and the Indenture; and

(c) the Remarketing Agent has full power and authority to take all actions required or permitted to be taken by the Remarketing Agent by or under, and to perform and observe the covenants and agreements on its part contained in, this Agreement and the Indenture.

Section 9. Representations, Warranties, Covenants and Agreements of the Issuer. The Issuer, by its acceptance hereof, represents, warrants, covenants, and agrees with the Remarketing Agent that:

(a) The Issuer is a duly organized and validly existing corporate body and independent authority of the District established under the laws of the United States and the District;

(b) it has full power and authority to take all actions required or permitted to be taken by the Issuer by or under, and to perform and observe the covenants and agreements on its part contained in, this Agreement and any other instrument or agreement relating thereto to which the Issuer is a party;

(c) it has, on or before the date hereof, duly taken all action necessary to be taken by it prior to such date to authorize (i) the execution, delivery and performance of this Agreement, the Credit Facility and any other instrument or agreement to which the Issuer is a party and which has been or will be executed in connection with the transactions contemplated by the foregoing documents; and (ii) the carrying out, giving effect to, consummation and performance of the transactions and obligations contemplated by the foregoing agreements and by the Official Statement; and

(d) it will promptly notify the Remarketing Agent by Electronic Means of any material adverse changes that may affect the remarketing of the Bonds or any fact or circumstance which may constitute, or with the passage of time will constitute, an event of default under the Indenture or the Credit Facility.

Section 10. Compliance with MSRB Rule G-34(c).

(a) The Issuer agrees that it shall provide the following to the Remarketing Agent to assist in complying with its obligations under MSRB Rule G-34(c):

(i) on the effective date of this Remarketing Agreement, a copy of each executed and currently effective Rule G-34 Document;

(ii) no later than ten (10) Business Days prior to the proposed date of any amendment, extension or renewal, replacement or termination of any of the then current Rule G-34 Documents, written notice that such document is proposed to be amended, extended, renewed, replaced or terminated, as the case may be, and the expected date of execution and delivery of such amendment, extension, renewal, replacement or termination, as the case may be;

(iii) within one (1) Business Day after the execution and delivery of any amendment, extension, renewal, replacement or termination, as the case may be, of any of the then current Rule G-34 Documents, a copy thereof; and

(iv) no later than three (3) Business Days after receiving a request from the Remarketing Agent for any Rule G-34 Document, a copy thereof.

In each instance that Rule G-34 Documents are delivered to the Remarketing Agent pursuant to this Section 10(a), the Issuer shall provide: (A) a clean final execution copy of each relevant document; and (B) in any such document where any redactions are made, (x) a redacted final execution copy of document, and (y) a file containing a list showing all redactions that have been made to such document.

(b) If the Issuer determines that any information in the Rule G-34 Documents is confidential or proprietary, the Issuer shall discuss such information and the potential redaction thereof with the Remarketing Agent and its counsel to ensure compliance with MSRB Rule G-34(c).

(c) In the event that the Issuer does not provide the Remarketing Agent with a copy of a document described in Section 10(a) above, the Issuer acknowledges that the Remarketing Agent may file a notice with the SHORT System that such document will not be provided at such times as specified by the MSRB and in the SHORT System users manual.

(d) The Issuer will, subject to the ADA, hold harmless the Remarketing Agent with respect to any confidential or proprietary information that is made public when the Remarketing Agent files the Rule G-34 Documents with the SHORT System.

(e) If there are any additional regulatory requirements, amendments or modifications to the securities laws with which the Remarketing Agent must comply, the Issuer shall take all steps reasonably requested by the Remarketing Agent or its counsel necessary to comply with such additional requirements.

(f) The Issuer shall reimburse the Remarketing Agent for any costs incurred in connection with compliance with MSRB Rule G-34(c) including, but not limited to, fees charged by trustees or other parties supplying missing documents.

Section 11. Term of Agreement. This Agreement shall become effective on the date hereof and shall continue in full force and effect until the payment in full of the Bonds or the earlier conversion of all Bonds to the Fixed Rate Mode, subject to the right of termination as provided herein.

Section 12. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the District applicable to agreements made and to be performed in the District. The parties all agree that all actions and proceedings arising out of this Agreement or any of the transactions contemplated hereby shall be brought exclusively in the District and, in connection with any such action or proceeding, submit to the exclusive jurisdiction of, and venue in, federal or state courts located in the District.

Section 13. Dealing in Bonds by the Remarketing Agent.

(a) The Remarketing Agent, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Bonds, including, without limitation, any Bonds offered and sold by the Remarketing Agent pursuant to this Agreement, and may join in any action which any Owner may be entitled to take with like effect as if it did not act in any capacity hereunder. The Remarketing Agent may sell any of such Bonds at prices above or below par, at any time. The Remarketing Agent, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Issuer and may act as depository, trustee, or agent for any committee or body of Owners or other obligations of the Issuer as freely as if it did not act in any capacity hereunder.

(b) Nothing in this Agreement shall be deemed to constitute the Remarketing Agent an underwriter of the Bonds or to obligate the Remarketing Agreement to purchase any Bonds at any time.

(c) The Issuer acknowledges and agrees that: (i) the Remarketing Agent has been engaged to remarket the Bonds hereunder and that the transactions contemplated by this Agreement are arm's length, commercial transactions between the Issuer and the Remarketing Agent in which the Remarketing Agent is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer and that the Remarketing Agent has financial and other interests that differ from those of the Issuer; (ii) the Remarketing Agent has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Remarketing Agent has provided other services or is currently providing other services to the Issuer on other matters); (iii) the only obligations the Remarketing Agent has to the Issuer with respect to the transactions contemplated hereby expressly are set forth in this Agreement; and (iv) the Issuer has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate. If the Issuer would like a municipal advisor in this transaction that has legal fiduciary duties to the Issuer, then the Issuer is free to engage a municipal advisor to serve in that capacity.

Section 14. Intention of Parties. It is the express intention of the parties hereto that any purchase, sale or transfer of any Bonds, as herein provided, shall not constitute or be construed to be the extinguishment of any Bonds or the indebtedness represented thereby or the reissuance of any Bonds.

Section 15. Waiver of Trial by Jury. Each of the parties hereto also irrevocably waives all right to trial by jury in any action, proceeding or counterclaim arising out of this Agreement or the transactions contemplated hereby.

Section 16. Miscellaneous.

(a) Except as otherwise specifically provided in this Agreement, all notices, demands and formal actions under this Agreement shall be in writing and either (i) hand-delivered, (ii) sent by electronic means, or (iii) mailed by registered or certified mail, return receipt requested, postage prepaid, to:

The Remarketing Agent:

Loop Capital Markets LLC
88 Pine Street, 25th floor
New York, New York 10005

Attention:
Telephone:
Telecopy:
Email:

The Bank:

TD Bank, N.A.
4061 Powder Mill Road, Suite 420
Calverton, Maryland
Attention: Camille Dawson
Telephone:
Telecopy:

The Issuer:

District of Columbia Water and Sewer Authority
1385 Canal Street SE
Washington, D.C. 20003
Attention: Chief Financial Officer and Executive
Vice President, Finance Procurement and Compliance
Telephone: 202.787.2000
Telecopy: 202-787-2333

Tender Agent and
Trustee:

Computershare Trust Company, N.A.
CTSO Mail Operations
600 S. 4th Street, 7th Floor
MAC: N9300-070
Minneapolis, MN 55415
Attention: _____
Telephone:
Telecopy:

The Remarketing Agent, the Issuer, the Trustee, the Tender Agent and the Bank may, by notice given under this Agreement, designate other addresses to which subsequent notices, requests, reports or other communications shall be directed.

(b) This Agreement shall inure to the benefit of and be binding only upon the parties hereto and their respective successors and assigns. The terms “successors” and “assigns” shall not include any purchase of any of the Bonds merely because of such purchase. Neither the Bank nor any Owner or other third party shall have any rights or privileges hereunder.

(c) All of the representations and warranties of the Issuer and the Remarketing Agent in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Remarketing Agent or the Issuer, (ii) the offering and sale of and any payment for any Bonds hereunder or (iii) the termination or cancellation of this Agreement.

(d) This Agreement and each provision hereof may be amended, changed, waived, discharged or terminated only by an instrument in writing signed by the parties hereto.

(e) Nothing herein shall be construed to make any party an employee of the other or to establish any fiduciary relationship between the parties except as expressly provided herein.

(f) If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable for any reason, such circumstances shall not have the effect of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatsoever.

(g) This Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

By: _____
Chief Financial Officer Executive Vice President
Finance Procurement and Compliance

LOOP CAPITAL MARKETS LLC

By: _____
Managing Director

STANDBY BOND PURCHASE AGREEMENT (SERIES 2024B BONDS)

Among

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY,
as Issuer

COMPUTERSHARE TRUST COMPANY, N.A.,
as Trustee and as Tender Agent,

and

TD BANK, N.A.,
as Liquidity Provider

Dated July [], 2024

[\$101,000,000]
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
PUBLIC UTILITY SUBORDINATE LIEN MULTIMODAL REVENUE REFUNDING BONDS,
SERIES 2024B

Table of Contents

	<u>Page</u>
Article I DEFINITIONS	1
Section 1.1 Specific Terms	1
Section 1.2 Incorporation of Certain Definitions by Reference	9
Section 1.3 Accounting Matters	9
Section 1.4 Interpretation	9
Section 1.5 Agreement Deemed “Reimbursement Agreement.”	9
Article II THE COMMITMENT; FEES.....	9
Section 2.1 Commitment to Purchase 2024B Bonds	9
Section 2.2 Bank Bonds.....	10
Section 2.3 Method of Purchasing.....	10
Section 2.4 Reduction or Termination of Available Commitment.....	13
Section 2.5 Sale of Bank Bonds.	13
Section 2.6 Rights of Bank Bondholders.....	14
Section 2.7 Fees and Payments.....	14
Section 2.8 Net of Taxes.....	14
Section 2.9 Increased Costs.	16
Section 2.10 Computations: Payments.	17
Section 2.11 Voluntary Termination	18
Article III BANK BONDS.....	18
Section 3.1 Maturity; Payment.	18
Article IV CONDITIONS PRECEDENT TO EFFECTIVENESS	19
Section 4.1 Representations.....	19
Section 4.2 Other Documents.	20
Section 4.3 Legal Opinions	20
Section 4.4 Bank Bond Custody Agreement.	21
Section 4.5 Supporting Documents of the Issuer.	21
Section 4.6 Supporting Documents of the Tender Agent, Trustee and Remarketing Agents 21	21
Section 4.7 Other Supporting Documents.	21
Section 4.8 Payment of Fees and Expenses.....	21
Section 4.9 Rating.....	21
Section 4.10 Other Documents.....	21

Article V REPRESENTATIONS AND WARRANTIES	22
Section 5.1 Status	22
Section 5.2 Power and Authority.....	22
Section 5.3 Enforceability	22
Section 5.4 No Conflict	22
Section 5.5 Consents.....	22
Section 5.6 No Litigation.....	22
Section 5.7 Default	23
Section 5.8 Disclosure	23
Section 5.9 2024B Bonds; Parity Indebtedness.....	23
Section 5.10 Assignment of 2024B Bonds.....	23
Section 5.11 Incorporation of Representations and Warranties	23
Section 5.12 Financial Statements.....	24
Section 5.13 No Proposed Legal Changes.....	24
Section 5.14 Sovereign Immunity Defense	24
Section 5.15 Margin Stock	24
Section 5.16 Permitted Investments	24
Section 5.17 Environmental Laws.....	24
Section 5.18 Issuance of Bonds.....	24
Section 5.19 The Trustee and Tender Agent and the Remarketing Agent.....	25
Article VI CONDITIONS PRECEDENT TO PURCHASE.....	25
Section 6.1 Conditions.....	25
Article VII COVENANTS.....	25
Section 7.1 Payment Obligations.....	25
Section 7.2 Related Documents.....	25
Section 7.3 Reporting Requirements	26
Section 7.4 Compliance With Laws	27
Section 7.5 Notices	28
Section 7.6 Certain Information	28
Section 7.7 Liquidity.	28
Section 7.8 Appointment of Successors and Replacements	28
Section 7.9 Maintenance Franchises	28
Section 7.10 Accounting Methods and Fiscal Year	29
Section 7.11 Additional Obligations	29

Section 7.12	Permitted Liens.....	29
Section 7.13	Provisions to Facilitate Payments.....	29
Section 7.14	Taxes and Liabilities.....	29
Section 7.15	Redemption of Bank Bonds; Payment of Fees.....	29
Section 7.16	Maintenance of Existence; No Merger.....	30
Section 7.17	Use of Proceeds	30
Section 7.18	Bank Bond Ratings.....	30
Section 7.19	Further Assurances	30
Section 7.20	Investment Guidelines	31
Section 7.21	Exempt Status	31
Section 7.22	Regulation.....	31
Section 7.23	Swap Contracts	31
Section 7.24	ERISA.....	31
Section 7.25	Most Favored Covenant.....	32
Article VIII	EVENTS OF DEFAULT.....	32
Section 8.1	Payment	32
Section 8.2	Related Documents.....	32
Section 8.3	Representations.....	32
Section 8.4	Certain Covenants.....	32
Section 8.5	Other Covenants	32
Section 8.6	Insolvency.....	33
Section 8.7	Acceleration of Maturity Due to Payment Default.....	33
Section 8.8	Invalidity.....	33
Section 8.9	Rating Downgrade Event.....	33
Section 8.10	Judgment.....	33
Section 8.11	Remedies.	34
Article IX	OBLIGATIONS ABSOLUTE	35
Section 9.1	Obligations Absolute	35
Article X	ANTI-TERRORISM PROVISIONS	36
Section 10.1	No Violation	36
Section 10.2	Not a Blocked Person.	36
Section 10.3	Executive Order No. 13224.....	37
Article XI	MISCELLANEOUS.....	37
Section 11.1	Amendments; Liability of the Liquidity Provider.	37

Section 11.2	Costs and Expenses.	38
Section 11.3	Notices	38
Section 11.4	Continuing Obligation; Successors and Assigns.	39
Section 11.5	Governing Law; Waiver of Jury Trial; Jurisdiction.	40
Section 11.6	No Waivers; Amendments; Etcetera.	40
Section 11.7	Source of Funds	41
Section 11.8	Term of the Agreement.....	41
Section 11.9	Headings	42
Section 11.10	Complete and Controlling Agreement; Severability.....	42
Section 11.11	Losses Relating to Telephonic Notices.	42
Section 11.12	Adjustment; Set Off.	42
Section 11.13	No Fiduciary Relationship	43
Section 11.14	Publicity; Disclosure.	43
Section 11.15	Counterparts	43

EXHIBITS:

- EXHIBIT A – NOTICE OF LIQUIDITY PROVIDER PURCHASE (Optional Tender)
- EXHIBIT B – NOTICE OF LIQUIDITY PROVIDER PURCHASE (Mandatory Purchase)
- EXHIBIT C – FORM OF REQUEST FOR EXTENSION
- EXHIBIT D – NOTICE OF EXTENSION
- EXHIBIT E – FORM OF BANK BOND CUSTODY AGREEMENT (SERIES 2024B BONDS)

STANDBY BOND PURCHASE AGREEMENT (SERIES 2024B BONDS)

THIS STANDBY BOND PURCHASE AGREEMENT (SERIES 2024B BONDS), dated July [], 2024 (the “Agreement”), is by and among the DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY (the “Issuer”), an independent authority of the District of Columbia, COMPUTERSHARE TRUST COMPANY, N.A., as Trustee and as Tender Agent (collectively, the “Trustee”) and TD BANK, N.A. (the “Liquidity Provider”).

WITNESSETH:

WHEREAS, the Issuer and the Trustee entered into a Master Indenture of Trust dated as of April 1, 1998 (the “Master 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 by the Issuer;

WHEREAS, the Issuer now intends to issue an aggregate principal amount of \$[101,000,000] of its Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds, Series 2024B (the “2024B Bonds”), pursuant to the Master Indenture and the Thirty-Fourth Supplemental Indenture of Trust dated July [], 2024 (the “Thirty-Fourth Supplement” and, together with the Master Indenture, as heretofore supplemented and amended, the “Indenture”) to finance certain costs of the System and to pay certain costs of issuance;

WHEREAS, the Issuer desires to enhance the liquidity of the 2024B Bonds by providing for the purchase of the 2024B Bonds which are not remarketed upon certain tenders by the holders thereof or otherwise required to be purchased on or prior to the last day of the Facility Period (defined herein) as provided herein through purchases of 2024B Bonds by the Liquidity Provider;

WHEREAS, the Liquidity Provider is willing, upon the occurrence of certain events, to purchase 2024B Bonds tendered by the holders thereof, upon the terms and conditions set forth in this Agreement and the Fee Agreement (defined herein); and

WHEREAS, in reliance upon the provisions hereof, the Liquidity Provider is willing to enter into this Agreement with the Issuer and the Trustee.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Specific Terms. As used herein, the following terms have the meanings indicated below or in the referenced Section of this Agreement, unless the context clearly indicates otherwise:

“*2024B Bonds*” has the meaning set forth in the recitals hereof.

“*Accounts*” means all funds and accounts held by the Issuer and/or the Trustee under the Indenture as security for the 2024B Bonds.

“*Affiliate*” means with respect to a Person, any Person (whether not-for-profit or for-profit), which “controls,” or is “controlled” by, or is under common “control” with such Person. For purposes of this definition, a Person “controls” another Person when the first Person possesses or exercises directly, or indirectly through one or more other affiliates or related entities, the power to direct the management and policies of the other Person, whether through the ownership of voting rights, membership, the power to appoint members, trustees or directors, by contract, or otherwise.

“*Agreement*” means this Standby Bond Purchase Agreement (Series 2024B Bonds) dated July [], 2024, as amended or supplemented.

“*Amortization End Date*” means, with respect to any Bank Bond, the fifth anniversary of the Amortization Start Date, but in any event not later than the earlier of (a) fifth anniversary of the last day of the Facility Period and (b) the Maturity Date of the 2024B Bonds.

“*Amortization Payment Date*” means, with respect to any Bank Bond, (a) the first Business Day of the third full month following the Purchase Date on which such 2024B Bonds became Bank Bonds and each first Business Day of each sixth (6th) month thereafter occurring prior to the related Amortization End Date, and (b) the Amortization End Date.

“*Amortization Start Date*” means the Purchase Date.

“*Anti-Terrorism Law*” shall mean any law relating to terrorism or money laundering including Executive Order No. 13224 and the USA Patriot Act.

“*Authorized Denomination*” means any denomination of at least \$100,000 and in integral multiples of \$5,000 in excess of \$100,000 or such other authorized denomination permitted by the Indenture.

“*Available Commitment*” means on any day the sum of the Available Interest Commitment and the Available Principal Commitment on such day.

“*Available Interest Commitment*” initially means \$[], which initial amount equals 34 days’ interest on the initial amount of the Available Principal Commitment based upon an assumed rate of interest of 12% per annum (based on actual days elapsed in a year of 365/366 days, as applicable), and thereafter means such initial amount adjusted from time to time as follows: (a) downward by an amount that bears the same proportion to such initial amount as the amount of any reduction in the Available Principal Commitment, in accordance with clause (a), (b) or (c) of the definition herein of Available Principal Commitment, bears to the initial Available Principal Commitment and (b) upward by an amount that bears the same proportion to such initial amount as the amount of any increase in the Available Principal Commitment, in accordance with clause (d) of the definition herein of Available Principal Commitment, bears to the initial Available Principal Commitment. Any adjustments to the Available Interest Commitment pursuant to clauses (a) or (b) hereof shall occur simultaneously with the occurrence of the events described in such clauses.

“*Available Principal Commitment*” means, initially, the aggregate principal amount of the Bonds Outstanding, \$[[101,000,000]], and thereafter means such initial amount adjusted from time to time as follows: (a) downward by the amount of any mandatory reduction of the Available Principal Commitment pursuant to Section 2.4(a) or (b) hereof; (b) downward by the principal amount of any 2024B Bonds for the purchase of which funds are made available by the Liquidity Provider to purchase 2024B Bonds pursuant to Section 2.1 hereof; (c) downward by the principal amount of any 2024B

Bonds of which the interest rate borne by such 2024B Bonds has been converted to other than a Daily Rate or a Weekly Rate; and (d) upward by the principal amount of any 2024B Bonds theretofore purchased by the Liquidity Provider pursuant to Section 2.1 hereof which are remarketed by the Remarketing Agent and for which the Liquidity Provider has received immediately available funds equal to the principal amount thereof and accrued interest thereon (or deemed to be remarketed pursuant to Section 2.5(c) hereof); *provided however*, that the sum of (i) the Available Principal Commitment plus (ii) the aggregate principal amount of Bank Bonds shall never exceed \$[101,000,000]. Any adjustments to the Available Principal Commitment pursuant to clauses (a), (b), (c) or (d) hereof shall occur simultaneously with the occurrence of the events described in such clauses.

“*Bank Bond Custodian*” means Computershare Trust Company, N.A., or any successor thereto appointed pursuant to the terms of the Bank Bond Custody Agreement.

“*Bank Bond Custody Agreement*” means the Bank Bond Custody Agreement (Series 2024B Bonds) dated as of even date herewith between the Liquidity Provider and the Bank Bond Custodian, substantially in the form of Exhibit E hereto, as amended from time to time.

“*Bank Bondholder*” means the Liquidity Provider (but only in its capacity as owner (which as used herein shall mean beneficial owner if at the relevant time Bank Bonds are Book-Entry Bonds) of Bank Bonds pursuant to this Agreement) and any other Person to whom the Liquidity Provider has sold Bank Bonds pursuant to Section 2.5(a) hereof.

“*Bank Bond*” means each 2024B Bond purchased with funds provided hereunder by the Liquidity Provider, until remarketed or deemed to be remarketed in accordance with Section 2.5(c) hereof.

“*Bank Rate*” shall have the meaning set forth in the Fee Agreement.

“*Bondholders*” has the meaning set forth in the Indenture.

“*Bond Register*” means the registration books maintained by the Trustee in accordance with the Indenture.

“*Book-Entry Bonds*” mean the 2024B Bonds so long as the book-entry system with DTC and its participants (or any successor book-entry system) is used for determining beneficial ownership of the 2024B Bonds.

“*Business Day*” has the meaning set forth in the Thirty-Fourth Supplement.

“*Change in Law*” means the adoption, after the Effective Date (except as otherwise provided in Section 2.9(a), of any of the following: (the adoption or taking effect of any law, including, without limitation Risk-Based Capital Guidelines, (b) any change in any law or in the administration, interpretation, implementation or application thereof by any Governmental Agency or (c) the making or issuance of any request, rule, ruling, guideline, regulation or directive (whether or not having the force of law) by any Governmental Agency.

“*Co-Bond Counsel*” means Squire Patton Boggs (US) LLP and Bellamy Penn LLP (or another nationally recognized bond counsel selected by the Issuer).

“*Code*” means the Internal Revenue Code of 1986, as amended.

“*Conversion Date*” means the date on which all of the 2024B Bonds have been converted to bear interest at a rate other than the Daily Rate or the Weekly Rate.

“*Default*” means any occurrence, circumstance or event, or any combination thereof, which, with the lapse of time and/or giving of notice, would constitute an Event of Default.

“*Default Rate*” shall have the meaning set forth in the Fee Agreement.

“*Default Tender*” means a mandatory tender of the 2024B Bonds as a result of the Liquidity Provider’s delivery of a Notice of Termination Date to the Tender Agent pursuant to Section 8.11(b).

“*Differential Interest Amount*” means, with respect to any Bank Bond, the excess of (a) interest which has accrued and could actually be paid on such Bank Bonds at the Bank Rate (subject to the Maximum Rate), as determined in accordance with Section 2.3(a) and 3.1 hereof, up to but excluding the Business Day on which such Bank Bonds are purchased from the Bank Bondholders (or the Bank Bondholders elect not to sell the Bank Bonds) pursuant to Section 2.5(c) hereof, over (b) the interest accrued on such Bonds received by the Bank Bondholders as part of the Sale Price.

“*Dodd-Frank Act*” means the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as enacted by the United States Congress, and signed into law on July 21, 2010, and all statutes, rules, guidelines or directives promulgated thereunder.

“*Dollars,*” “*US\$,*” and “*US. Dollars*” means the lawful currency of the United States of America.

“*DTC*” means The Depository Trust Company.

“*Effective Date*” has the meaning set forth in the introductory paragraph of Article IV hereof.

“*Eligible Bonds*” has the meaning set forth in Section 2.1 hereof.

“*Environmental Laws*” has the meaning set forth in Section 5.17 hereof.

“*Event of Default*” has the meaning set forth in Article VIII hereof.

“*Excess Bank Bond Interest*” has the meaning set forth in Section 2.2(a) hereof.

“*Excluded Taxes*” means, with respect to the Liquidity Provider, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which the Liquidity Provider is organized or in which its principal office is located, and any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Issuer is located.

“*Executive Order No. 13224*” means the Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

“*Expiration Date*” means 5:00 p.m. (Eastern United States time) on July [], 2029, as such date may be extended pursuant to the terms hereof or, if such date (as it may be extended) is not a Business Day, the Business Day immediately prior to such date.

“*Facility Fee*” shall have the meaning specified in the Fee Agreement.

“*Facility Period*” means the period from the Effective Date hereof to and including the earliest of (a) the Expiration Date, (b) the first date on which no 2024B Bonds are Outstanding, (c) 5:00 p.m. (New York City time) on the Conversion Date, (d) 5:00 p.m. (New York City time) on the thirtieth (30th) day following the date on which a Notice of Termination Date is received by the Issuer and the Trustee, or if such thirtieth (30th) day is not a Business Day, the next succeeding Business Day, and (e) the date on which the Available Commitment has been reduced to zero or terminated in its entirety pursuant to Section 2.4, Section 2.11 or Section 8.11 hereof.

“*Fee Agreement*” means the Agreement Regarding Rates and Fees (Series 2024B Bonds) dated as of the Effective Date between the Issuer and the Liquidity Provider, as the same may be amended, modified or supplemented from time to time in accordance with its terms.

“*Fitch*” means Fitch Ratings, or any successor thereto.

“*GAAP*” means generally accepted accounting principles in the United States as in effect from time to time, applied by the Issuer on a basis consistent with the Issuer’s most recent financial statements furnished to the Liquidity Provider pursuant to Section 7.3(a) hereof.

“*Governmental Agency*” means any national, state or local government (whether domestic or foreign), any political subdivision thereof ‘or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau or entity (including any zoning authority, the Federal Deposit Insurance Corporation or the Federal Reserve Board, any central bank or any comparable authority), or any arbitrator with authority to bind a party at law.

“*Indebtedness*” has the meaning given such term in the Indenture.

“*Indenture*” has the meaning given such term in the recitals hereof.

“*Interest Component*” has the meaning set forth in Section 2.1 hereof.

“*Interest Payment Date,*” with respect to interest on the 2024B Bonds, has the meaning assigned in the Thirty-Fourth Supplement with respect to the 2024B Bonds, and with respect to interest payable on Bank Bonds, means the first Business Day of each calendar month and each other interest payment date described in Section 3.1 hereof, and, also with respect to interest on 2024B Bonds, the stated maturity date, the date of any redemption, any Conversion Date or any Purchase Date.

“*Issuer*” means the District of Columbia Water and Sewer Authority, an independent authority of the District of Columbia, and its successors.

“*Lien*” on any asset means any mortgage, deed of trust, lien, pledge, charge, security interest, hypothecation, assignment, deposit arrangement or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected or effective under applicable law, as well as the interest of a vendor or lessor under any conditional sale agreement, capital or finance lease or other title retention agreement relating to such asset.

“*Liquidity Provider*” has the meaning set forth in the introductory paragraph hereof.

“*Mandatory Purchase*” means the mandatory purchase of all or a portion of the 2024B Bonds, pursuant to the applicable sections of the Thirty-Fourth Supplement, at a price equal to the principal amount thereof plus, if the date of Mandatory Purchase is other than an Interest Payment Date for the 2024B Bonds, accrued interest.

“*Master Indenture*” has the meaning set forth in the Recitals hereof.

“*Maximum Rate*” means, with respect to Bank Bonds, the maximum non-usurious lawful rate of interest permitted by applicable law.

“*Moody’s*” means Moody’s Investors Service, Inc., or any successor thereto.

“*Notice of Liquidity Provider Purchase*” means (a) in the case of a purchase of 2024B Bonds by the Liquidity Provider as a result of an optional tender, a notice in the form of Exhibit A attached hereto and incorporated herein by this reference, or (b) in the case of a purchase of 2024B Bonds by the Liquidity Provider as a result of a Mandatory Purchase, a notice in the form of Exhibit B attached hereto and incorporated herein by this reference.

“*Notice of Termination Date*” has the meaning set forth in Section 8.11(b) hereof.

“*Official Statement*” means any Official Statement or other offering or remarketing document issued or to be issued with respect to the 2024B Bonds thereof while the Liquidity Facility is still in effect, as such Official Statement or other offering or remarketing document may be amended, updated, modified or supplemented.

“*Operating Expenses*” has the meaning given such term in the Master Indenture.

“*Optional Tender*” means a tender of the 2024B Bonds for purchase at the option of a Bondholder pursuant to Section 406 of the Thirty-Fourth Supplement.

“*Other Taxes*” has the meaning set forth in Section 2.8(a) hereof.

“*Outstanding*” has the meaning set forth in the Indenture.

“*Payment Date*” means, with respect to any Bank Bond, the earliest to occur of (a) the Amortization End Date, (b) 5:00 p.m. (Eastern United States time) on the Conversion Date applicable to such Bank Bond, (c) the date on which the 2024B Bonds are paid in full, (d) the effective date of an Substitute Credit Facility, (e) the fifth anniversary of the Expiration Date, as it may be extended pursuant to the terms hereof, (f) the effective date that any such Bank Bonds are remarketed or otherwise paid in full, or (g) the termination of this Agreement prior to the Expiration Date.

“*Payment Office*” means the account of the Liquidity Provider set forth in Section 2.10(a) hereof.

“*Person*” means an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity or organization, including a governmental or political subdivision or an agency or instrumentality thereof.

“*Purchase Date*” has the meaning set forth in Section 2.3 hereof.

“*Purchase Notice*” has the meaning set forth in Section 2.5(b) hereof.

“*Purchase Price*” means, with respect to any Eligible Bond on any Purchase Date thereof, the unpaid principal amount thereof plus accrued interest thereon from and including the Interest Payment Date next preceding such Purchase Date to but excluding the Purchase Date thereof, in each case without premium; *provided* that accrued interest will not be included in the Purchase Price if the applicable Purchase Date is an Interest Payment Date; *provided further* the aggregate amount of Purchase Price constituting the Interest Component shall not exceed the amount specified in Section 2.1 hereof.

“*Purchaser*” has the meaning set forth in Section 2.5(b) hereof.

“*Rating Agencies*” means Moody’s, Fitch and S&P;

“*Rating Agency*” means any one of Fitch, Moody’s or S&P.

“*Rating Downgrade Event*” means the occurrence of either of the following: (a) the date on which the long-term debt of the Issuer is not rated at least Baal (in the case of Moody’s) and BBB+ (in the case of S&P and Fitch) by at least two of the Rating Agencies or (b) the date on which a rating on the long-term debt of the Issuer is cancelled, withdrawn or suspended by any one Rating Agency. Notwithstanding the foregoing, a Rating Downgrade Event shall not occur solely as a result of the Issuer’s voluntary failure to maintain a rating from one Rating Agency for other than credit-related reasons, provided that the long-term debt of the Issuer is and continues to be rated by at least two Rating Agencies.

“*Related Documents*” means this Agreement, the Fee Agreement, the 2024B Bonds, the Bank Bond Custody Agreement, the Indenture, any Official Statement and the Remarketing Agreement, as the same may be amended or modified from time to time in accordance with their respective terms and the terms hereof.

“*Remarketing Agent*” means each or any remarketing agent, as the context may require, at the time serving as such under a Remarketing Agreement with respect to the 2024B Bonds.

“*Remarketing Agreement*” means an agreement of that name between the Issuer and the Remarketing Agent.

“*Risk-Based Capital Guidelines*” means (a) the risk-based capital guidelines in effect in the United States of America on the Effective Date, including transition rules, and (b) the corresponding capital regulations promulgated by regulatory authorities outside the United States of America including transition rules, and any amendment to such regulations adopted prior to the Effective Date.

“*S&P*” means S&P Global Ratings, its successors and assigns.

“*Sale Date*” has the meaning set forth in Section 2.5(b) hereof.

“*Sale Price*” has the meaning set forth in Section 2.5(b) hereof.

“*Security*” means the pledge of the Net Revenues, the funds and Accounts and all other collateral set forth therein by the Issuer pursuant to the Indenture.

“*Security Instruments*” means, collectively, the Indenture, the Thirty-Fourth Supplement, and any and all other agreements or instruments now or hereafter executed and delivered by the Issuer or any other Person in connection with, or as security for, the payment obligations under or performance of this Agreement and the Fee Agreement, as such agreements may be amended, modified or supplemented from time to time in accordance with their respective terms.

“*Suspension Event*” has the meaning set forth in Section 8.11(c) hereof.

“*Swap Contract*” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “*Master Agreement*”), including any such obligations or liabilities under any Master Agreement.

“*Taxes*” has the meaning set forth in Section 2.8 hereof.

“*Tender Agent*” means Computershare Trust Company, N.A., in its capacity as Tender Agent under the Indenture and any successor tender agent appointed for the Bonds.

“*Termination Event*” means the occurrence of an Event of Default specified in clause (i) and clause (iii) of Section 8.1 (“*Payments*”), clause (i), clause (iv), and clause (v) of Section 8.6 (“*Insolvency*”), Section 8.7 (“*Acceleration of Maturity Due to Payment Default*”), Section 8.8 (“*Invalidity*”) or Section 8.10 (“*Judgments*”) hereof, each of which shall result in the immediate termination of the Available Commitment and the Liquidity Provider’s obligation to purchase 2024B Bonds hereunder pursuant to the provisions of Section 8.11(a) hereof.

“*Termination Fee*” shall have the meaning specified in the Fee Agreement.

“*Thirty-Fourth Supplement*” has the meaning set forth in the Recitals hereof.

“*Trustee*” means Computershare Trust Company, N.A., acting hereunder not in its individual capacity but solely as Trustee under the Indenture and any successor trustee appointed for the 2024B Bonds.

“*Trust Estate*” has the meaning set forth in Section 5.9 hereof.

“*USA Patriot Act*” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

“*Written*” or “*in writing*” means any form of written communication, including email.

Section 1.2 Incorporation of Certain Definitions by Reference. Each capitalized term used herein and not defined herein shall have the meaning provided therefor in the 2024B Bonds and the Indenture, unless the context otherwise requires.

Section 1.3 Accounting Matters. All accounting terms used herein without definition shall be interpreted in accordance with generally accepted accounting principles, and except as otherwise expressly provided herein all accounting determinations required to be made pursuant to this Agreement shall be made in accordance with GAAP.

Section 1.4 Interpretation. All words used herein shall be construed to be of such gender or number as the circumstances require. Reference to any document means such document as amended or supplemented from time to time as permitted pursuant to its terms and the terms hereof. Reference herein to any Article or Section shall be deemed to be a reference to the corresponding Article or Section of this Agreement unless otherwise specified.

Section 1.5 Agreement Deemed “Reimbursement Agreement.” [This agreement is deemed to be a “Reimbursement Agreement” as defined in and for the purpose of the Thirty-Fourth Supplement.]

ARTICLE II

THE COMMITMENT; FEES

Section 2.1 Commitment to Purchase 2024B Bonds. Subject to the terms and conditions of this Agreement, the Liquidity Provider hereby agrees from time to time during the Facility Period to purchase, at the Purchase Price, with immediately available funds, 2024B Bonds that bear interest at a Daily Rate or a Weekly Rate and which are not Bank Bonds or 2024B Bonds owned by or held on behalf of, for the benefit of or for the account of, the Issuer or any Affiliate of the Issuer (herein referred to as “*Eligible Bonds*”) which are tendered pursuant to (i) an Optional Tender or (ii) a Mandatory Purchase and which, in either case, the Remarketing Agent has been unable to remarket or for which remarketing proceeds have not been received by the Remarketing Agent or the Tender Agent by the specified time set forth in the Thirty-Fourth Supplement up to the amount of the Available Commitment. The Liquidity Provider will pay said Purchase Price with its own funds and not with any funds of the Issuer. The aggregate principal amount (or portion thereof) of any 2024B Bond purchased on any Purchase Date shall be in an Authorized Denomination, and in any case (x) the aggregate principal amount of all 2024B Bonds purchased on any Purchase Date shall not exceed the Available Principal Commitment (calculated without giving effect to any purchase of 2024B Bonds by the Liquidity Provider on such date) at 10:00

a.m. (Eastern United States time) on such date, and (y) the maximum amount of the Purchase Price of such 2024B Bonds representing the principal amount of Eligible Bonds purchased on such Purchase Date which the Liquidity Provider agrees to provide hereunder shall be the Available Principal Commitment, as such amount may be reduced pursuant hereto. The aggregate amount of the Purchase Price comprising interest on 2024B Bonds (the “*Interest Component*”) purchased on any Purchase Date shall not exceed the lesser of (i) the Available Interest Commitment on such date and (ii) the actual aggregate amount of interest accrued on each such 2024B Bond to such Purchase Date; *provided* that if the applicable Purchase Date is an Interest Payment Date, the amount described in this clause (ii) shall be reduced by the amount of interest payable on each such Eligible Bond on such Interest Payment Date.

Section 2.2 Bank Bonds. Any 2024B Bonds purchased by the Liquidity Provider pursuant to Section 2.1 hereof shall thereupon constitute Bank Bonds and have all of the characteristics of Bank Bonds as set forth herein and of Credit Facility Provider Bonds as set forth in the Thirty-Fourth Supplement. All Bank Bonds shall bear interest at the Bank Rate as described below:

(a) Subject to the provisions of Section 2.2(c) hereof, all Bank Bonds shall bear interest at the Bank Rate; *provided, however*, at no time shall Bank Bonds bear interest in excess of the Maximum Rate. In the event that Bank Bonds would bear interest at a rate in excess of the Maximum Rate for any period, the Liquidity Provider shall receive interest on account of such Bank Bonds only at the Maximum Rate for such period (the difference between the interest payable to the Liquidity Provider if such Bank Bonds had continuously borne interest at the Bank Rate, and the interest actually paid to the Liquidity Provider at the Maximum Rate is hereinafter referred to as the “*Excess Bank Bond Interest*”). Notwithstanding any subsequent reduction in the Bank Rate, such Bank Bonds shall bear interest, from and after the date on which any Excess Bank Bond Interest is accrued, at the Maximum Rate until the earlier of (i) the date on which the interest paid to the Liquidity Provider on such Bank Bonds in excess of the Bank Rate, equals such Excess Bank Bond Interest and (ii) the date such Bank Bonds are redeemed or remarketed pursuant to the Indenture (but in any event, no later than the last day of the Facility Period when all Excess Bank Bond Interest shall become due and payable). The Issuer shall pay to the Liquidity Provider or the Bank Bondholder, as applicable, accrued interest, including any accrued but unpaid Excess Bank Bond Interest, on such Bank Bonds as provided in Section 3.1 hereof.

(b) Notwithstanding anything herein or in the Indenture to the contrary, all amounts owed to the Liquidity Provider with respect to Bank Bonds shall become immediately due and payable on the Payment Date if not repaid or otherwise declared due and payable prior to such date in accordance with the terms of the Indenture or of this Agreement.

(c) The Issuer agrees to pay to the Liquidity Provider, on demand, interest at the Default Rate on any and all amounts owed by the Issuer under this Agreement or under the Bank Bonds from and after the occurrence of an Event of Default until paid in full.

(d) Interest on Bank Bonds shall be calculated on the basis of a year of 365 days and the actual number of days elapsed.

Section 2.3 Method of Purchasing.

(a) The Tender Agent shall notify the Liquidity Provider in writing by not later than 4:00 p.m. (New York City time), on the Business Day immediately prior to the Purchase Date, of

the maximum amount which could be payable on such Purchase Date to pay the Purchase Price of tendered 2024B Bonds; *provided* that any failure by the Tender Agent to provide such notice shall not affect or limit the obligations of the Liquidity Provider under this Agreement. The Tender Agent shall give written notice in the form of Exhibit A or Exhibit B, as applicable, to the Liquidity Provider, pursuant to an Optional Tender or a Mandatory Purchase, no later than 12:00 noon (New York City time) on the Business Day on which 2024B Bonds are subject to an Optional Tender or Mandatory Purchase. If the Liquidity Provider receives notice in the form of Exhibit A or Exhibit B, as applicable, as provided in the immediately preceding sentence, and subject, in each case, to the satisfaction of the conditions set forth in Article VI hereof, the Liquidity Provider will transfer to the Tender Agent not later than 2:00 p.m. (New York City time) on such date (a “*Purchase Date*”) (or not later than 2:00 p.m. (New York City time) on the next Business Day if the Liquidity Provider receives such notice after 12:00 noon (New York City time)), in immediately available funds, an amount equal to the aggregate Purchase Price of all or such portion of such Eligible Bonds as requested from the Tender Agent. The Liquidity Provider shall not have any responsibility for, or incur any liability in respect of, any act, or any failure to act, by the Tender Agent which results in the failure of the Tender Agent to effect the purchase of 2024B Bonds for the account of the Liquidity Provider with such funds provided pursuant to this Section 2.3(a) or otherwise. Prior to the sale of any Bank Bond by the Liquidity Provider as provided in Section 2.5(a) hereof, the Liquidity Provider agrees to give all notices in the manner and by the time required by DTC to exclude such Bank Bond from Mandatory Purchases of 2024B Bonds. The Interest Component of the Purchase Price paid for such 2024B Bonds shall be paid to the Liquidity Provider as provided in Section 3.1 hereof.

So long as the 2024B Bonds are issued in book-entry form and held by the Tender Agent as custodian of DTC as part of DTC’s fast automated transfer program (“*FAST Eligible Bonds*”), concurrently with the Tender Agent’s receipt of the purchase price for each purchase of 2024B Bonds by the Liquidity Provider hereunder, the Tender Agent, as a participant of DTC (or any other successor securities depository) or an eligible transfer agent, shall make a direct registration electronic book-entry (A) crediting the DTC account designated by the Liquidity Provider as its account in which to hold Bank Bonds purchased by it (each, the “*Bank Book-Entry Account*”) by the principal amount of the 2024B Bonds purchased hereunder by the Liquidity Provider using the Bank Bond CUSIP number obtained for such 2024B Bonds pursuant to Section 7.18; and (B) debiting the book-entry account of DTC for the 2024B Bonds (thereby reducing the principal balance of the global certificate representing the 2024B Bonds) (the “*DTC Book-Entry Account*”) by the principal amount of the 2024B Bonds purchased hereunder by the Liquidity Provider. So long as the 2024B Bonds are FAST Eligible Bonds, upon a remarketing of Bank Bonds in accordance with the terms of this Agreement and the Tender Agent’s receipt from the Remarketing Agent and/or the Issuer of the amounts set forth in Section 2.5(b), the Tender Agent, as a participant of DTC (or any other successor securities depository) or an eligible transfer agent, shall make a direct registration electronic book-entry in its records (A) debiting the Bank Book-Entry Account of the Liquidity Provider by the principal amount of the 2024B Bonds so remarketed; and (B) crediting the DTC Book-Entry Account for such 2024B Bonds (thereby increasing the principal balance of the global certificate representing such 2024B Bonds) by the principal amount of the 2024B Bonds so remarketed. The Tender Agent acknowledges that it is familiar with the procedures and requirements set forth in Notice B#3381-08 from The Depository Trust Company, dated April 4, 2008, respecting “Variable Rate Demand Obligations (“VRDO”) Failed Remarketings and Issuance of Bank Bonds”, as amended by [DTC Notice B#3488-08,] dated May 15, 2008, and agrees that, with respect to any and all Bank Bonds, it will follow the procedures and requirements set forth in such notice, as the same may be amended from time to time. To the

extent that, following any amendment of such notice, the procedures and requirements therein should become inconsistent with any aspect of the preceding provisions, the Tender Agent, the Issuer and the Liquidity Provider shall promptly negotiate in good faith and agree upon amendments of the preceding provisions so as to eliminate such inconsistency.

If the 2024B Bonds are no longer FAST Eligible Bonds, concurrently with the receipt of the purchase price for each purchase of 2024B Bonds by the Liquidity Provider hereunder, the Tender Agent shall cause each Bank Bond to be registered in the name of the Liquidity Provider and shall be held by the Tender Agent as the agent, bailee and custodian (in such capacity, the “*Custodian*”) of the Liquidity Provider for the exclusive benefit of the Liquidity Provider. The Custodian acknowledges and agrees that it is acting and will act with respect to Bank Bonds at the direction of the Liquidity Provider for the exclusive benefit of the Liquidity Provider and is not and shall not at any time be subject in any manner or to any extent to the direction or control of the Issuer or any other Person with respect to the Bank Bonds. The Custodian agrees to act in strict accordance with this Agreement and in accordance with any lawful written instructions delivered to the Custodian from time to time pursuant hereto by the Liquidity Provider. Under no circumstances shall the Custodian deliver possession of the 2024B Bonds to, or cause 2024B Bonds to be registered in the name of, the Issuer, the Remarketing Agent, or any Person other than the Liquidity Provider except in accordance with the express terms of this Agreement or otherwise upon the written instructions of the Liquidity Provider. If, while this Agreement is in effect, the Custodian shall become entitled to receive or shall receive any payment in respect of any Bank Bonds held for the Liquidity Provider, the Custodian agrees to accept the same as the Liquidity Provider’s agent and to hold the same in trust on behalf of the Liquidity Provider and to deliver the same forthwith to the Liquidity Provider’s Payment Office. Upon the remarketing of any Bank Bonds and the Tender Agent’s receipt from the Remarketing Agent and/or the Issuer of the amounts set forth in Section 2.5(b), the Custodian shall release Bank Bonds in a principal amount equal to the principal amount so remarketed to the Remarketing Agent or the Issuer, as the case may be, in accordance with the terms of the Indenture. The Custodian may rely and shall be protected in acting upon any document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Custodian shall not be liable for any error in judgment made in good faith by its responsible officers, employees and agents unless the Custodian, its responsible officers, employees or agents were negligent or engaged in willful misconduct. Anything herein to the contrary notwithstanding, the Custodian shall have no liability hereunder for any act or omission except as shall result from its gross negligence or willful misconduct. Except as provided above, without the prior written consent of the Liquidity Provider, the Custodian agrees that it will not sell, assign, transfer, exchange or otherwise dispose of, or grant any option with respect to, Bank Bonds, and will not create, incur or permit to exist any pledge, lien, mortgage, hypothecation, security interest, charge, option or any other encumbrance or take any other action with respect to the Bank Bonds, or any interest therein, or any proceeds thereof. The Custodian shall deliver to the Liquidity Provider at the Liquidity Provider’s request such information as may be in the possession of the Custodian with respect to such Bank Bonds. If the Custodian is holding Bank Bonds, the Custodian, at its own expense, shall maintain and keep in full force and effect: fidelity insurance; theft of documents insurance; forgery insurance; and errors and omissions insurance (which may be maintained by self-insurance). All such insurance shall be in amounts, with standard coverage and subject to deductibles that are customary for insurance typically maintained by a bank or other financial institution acting as custodian.

Notwithstanding anything in this Section to the contrary, so long as the Bank Bond Custody Agreement is in effect, the Custodian shall be the Bank Bond Custodian.

(b) In the event that any funds paid by the Liquidity Provider to the Tender Agent pursuant to Section 2.3(a) hereof shall not be required to be applied to purchase 2024B Bonds as provided herein, such funds shall be held and be returned to the Liquidity Provider as soon as practicable by the Tender Agent and until so returned shall be held in trust by the Tender Agent for the account of the Liquidity Provider. In the event that such funds are not returned to the Liquidity Provider in immediately available funds as provided in Section 2.10(a) hereof by 4:00 p.m. (New York City time) on the same day on which such funds were advanced, the Tender Agent shall pay or cause to be paid to the Liquidity Provider interest on such funds, payable on demand and in any event on the date on which such funds are returned, at a rate equal to the Bank Rate.

Section 2.4 Reduction or Termination of Available Commitment.

(a) *Mandatory Reductions of Available Commitment.* Upon receipt by the Liquidity Provider of notice of (i) any redemption, repayment, prepayment, defeasance or other payment of all or any portion of the principal amount of the 2024B Bonds (other than payment of the Purchase Price pursuant to a remarketing) or (ii) the Conversion Date, the aggregate Available Principal Commitment shall be reduced by the principal amount of the 2024B Bonds so redeemed, repaid or otherwise paid or so converted, as the case may be. The Issuer shall cause written notice of such redemption, repayment, prepayment, defeasance or other payment to be promptly delivered to the Liquidity Provider, the Trustee and the Tender Agent.

(b) *Automatic Termination.* With respect to all Outstanding 2024B Bonds, the Available Commitment shall automatically terminate at 5:00 p.m. (New York City time) on the date on which a Substitute Credit Facility has become effective with respect to such Outstanding 2024B Bonds.

Section 2.5 Sale of Bank Bonds.

(a) *Right to Sell Bank Bonds.* The Liquidity Provider expressly reserves the right to sell, at any time, Bank Bonds subject, however, to the express terms of this Agreement. The Liquidity Provider agrees that such sales (other than sales made pursuant to Section 2.5(c) hereof) will be made only to institutional investors or other entities or individuals which customarily purchase commercial paper or tax-exempt securities in large denominations. The Liquidity Provider agrees to notify the Issuer, the Trustee, the Tender Agent and the Remarketing Agent promptly of any such sale (other than a sale made pursuant to Section 2.5(c) hereof) and, if such Bank Bond is a Book-Entry Bond, specifying the account at DTC to which such Bank Bond is credited; and to notify the transferee in writing that such 2024B Bond is no longer an Eligible Bond so long as it remains a Bank Bond and that there may not be a short-term investment rating assigned to such 2024B Bond so long as it remains a Bank Bond. The Bank Bondholder purchasing a Bank Bond from the Liquidity Provider shall be deemed to have agreed (i) not to sell such Bank Bond to any Person except the Liquidity Provider or a Purchaser identified by the Remarketing Agent pursuant to Section 2.5(b) and (ii) if such Bank Bond is a Book-Entry Bond, to give all notices in the manner and by the time required by DTC to exclude such Bank Bond from Mandatory Purchases of 2024B Bonds while it remains a Bank Bond. Prior to selling a Bank Bond to a Bank Bondholder, the Liquidity Provider shall obtain a written acknowledgment from the Bank Bondholder stating that the Bank Bondholder has no right to tender such Bank Bond except as provided herein.

(b) *Purchase Notices.* Prior to 12:00 noon (New York City time) on any Business Day on which a Bank Bondholder holds Bank Bonds, unless the Liquidity Provider has delivered a Notice of Termination Date, the Remarketing Agent may deliver a notice (a “Purchase Notice”)

to a Bank Bondholder as registered on the Bond Register and to the Liquidity Provider, stating that it has located a purchaser (the “*Purchaser*”) for some or all of the Bank Bonds and that such Purchaser desires to purchase on the Business Day following the Business Day on which a Bank Bondholder has received, prior to 12:00 noon (New York City time), such Purchase Notice (a “*Sale Date*”), an Authorized Denomination of such 2024B Bonds at a price equal to the principal amount thereof (the “*Sale Price*”) and any accrued interest thereon to be paid by the Issuer on the Sale Date as provided in Section 3.1(a)(iv) hereof.

(c) *Sale of Bank Bonds.* A Bank Bondholder shall decide whether to sell the Bank Bonds to any Purchaser and shall give notice of such decision to the Tender Agent and the Remarketing Agent by 2:00 p.m. (New York City time), on the Business Day preceding the Sale Date. In the event such notice is not timely delivered by a Bank Bondholder, the Bank Bondholder shall be deemed to have determined to sell the Bank Bonds to a Purchaser on the Sale Date (subject to receipt by it of the funds called for by the next following sentence). If a Bank Bondholder determines or is deemed to have determined to sell the Bank Bonds to a Purchaser, the Bank Bondholder shall deliver such Bank Bonds to the Tender Agent (or, in the case of Bank Bonds which are Book-Entry Bonds, shall cause the beneficial ownership thereof to be credited to the account of the Remarketing Agent at DTC) by 10:00 a.m. (Eastern United States time) on the Sale Date against receipt of the Sale Price therefore in immediately available funds or at the Bank Bondholder’s address listed in the Bond Register, and such 2024B Bonds shall thereupon no longer be considered Bank Bonds. When Bank Bonds are purchased in accordance with this Section 2.5(c), the Tender Agent shall, upon receipt of such Bank Bonds and upon receipt by the Bank Bondholder of the Sale Price, notify the Issuer that such 2024B Bonds are no longer Bank Bonds. On the Sale Date, the Differential Interest Amount of such 2024B Bonds shall be paid to the Liquidity Provider as provided in Section 3.1 hereof. Any sale of a Bank Bond pursuant to this Section shall be without recourse to the seller and without representation or warranty of any kind. If a Bank Bondholder notifies the Tender Agent and the Remarketing Agent, as provided in the first sentence of this Section 2.5(c), that it will not sell its Bank Bonds, the Tender Agent shall notify the Issuer, the Remarketing Agent and the Bank Bondholder that as of the Sale Date such Bond or Bonds shall no longer constitute Bank Bonds and such 2024B Bonds shall be deemed to have been remarketed and the applicable Available Commitment shall be appropriately increased and such 2024B Bonds shall bear interest at the same rate as 2024B Bonds that are not Bank Bonds.

Section 2.6 Rights of Bank Bondholders. Upon purchasing Bank Bonds, Bank Bondholders shall be entitled to and, where necessary, shall be deemed assigned all rights and privileges accorded Bondholders, and any additional rights and privileges as to payment of interest and redemption that are provided by this Agreement with respect to Bank Bonds. Upon purchasing Bank Bonds, Bank Bondholders shall be recognized by the Issuer and the Tender Agent as the true and lawful owners (or, in the case of Book-Entry Bonds, beneficial owners) of such Bank Bonds, free from any claims, liens, security interests, equitable interests and other interests of the Issuer, except as such interests might exist under the terms of the Bank Bonds with respect to all owners (or, in the case of Book-Entry Bonds, beneficial owners) of the 2024B Bonds.

Section 2.7 Fees and Payments. The Issuer agrees to pay fees to the Liquidity Provider in an amount and at such times provided in the Fee Agreement. Any amounts due and payable under the Fee Agreement shall be considered due and payable hereunder for all purposes of this Agreement as if set forth herein in full.

Section 2.8 Net of Taxes.

(a) *Taxes.* Any and all payments to the Liquidity Provider by the Issuer hereunder shall be made free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges, withholdings or liabilities imposed thereon, excluding, however, taxes imposed on or measured by the net income or capital of the Liquidity Provider by any jurisdiction or any political subdivision or taxing authority thereof or therein solely as a result of a connection between the Liquidity Provider and such jurisdiction or political subdivision (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as “*Taxes*”). If the Issuer shall be required by law to withhold or deduct any Taxes imposed by the United States or any political subdivision thereof from or in respect of any sum payable hereunder to the Liquidity Provider, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.8, the Liquidity Provider receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Issuer shall make such deductions and (iii) the Issuer shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the Issuer shall make any payment under this Section 2.8 to or for the benefit of the Liquidity Provider with respect to Taxes and if the Liquidity Provider shall claim any credit or deduction for such Taxes against any other taxes payable by the Liquidity Provider to any taxing jurisdiction in the United States then the Liquidity Provider shall pay to the Issuer an amount equal to the amount by which such other taxes are actually reduced; *provided* that the aggregate amount payable by the Liquidity Provider pursuant to this sentence shall not exceed the aggregate amount previously paid by the Issuer with respect to such Taxes. In addition, the Issuer agrees to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America or any state in which the Liquidity Provider owes taxes from any payment made hereunder or from the execution or delivery or otherwise with respect to this Agreement (hereinafter referred to as “*Other Taxes*”). The Liquidity Provider shall provide to the Issuer within a reasonable time a copy of any written notification it receives with respect to Other Taxes owing by the Issuer to the Liquidity Provider hereunder *provided* that the Liquidity Provider’s failure to send such notice shall not relieve the Issuer of its obligation to pay such amounts hereunder.

(b) *Indemnity.* The Issuer shall, to the fullest extent permitted by law, indemnify the Liquidity Provider for the amount of Taxes and Other Taxes including any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.8 paid by the Liquidity Provider or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. The Liquidity Provider agrees to give notice to the Issuer of the assertion of any claim against the Liquidity Provider relating to such Taxes or Other Taxes as promptly as is practicable after being notified of such assertion; *provided* that the Liquidity Provider’s failure to notify the Issuer promptly of such assertion shall not relieve the Issuer of its obligation under this Section 2.8. Payments by the Issuer pursuant to this indemnification shall be made within thirty (30) days from the date the Liquidity Provider makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. The Liquidity Provider agrees to repay to the Issuer any refund (including that portion of any interest that was included as part of such refund) with respect to Taxes or Other Taxes paid by the Issuer pursuant to this Section 2.8 received by the Liquidity Provider for Taxes or Other Taxes that were paid by the Issuer pursuant to this Section 2.8 and to contest, with the cooperation and at the expense of the Issuer, any such Taxes or Other Taxes which the Liquidity Provider or the Issuer reasonably believes not to have been properly assessed.

(c) *Notice.* Within thirty (30) days after the date of any payment of Taxes by the Issuer, the Issuer shall furnish to the Liquidity Provider, the original or a certified copy of a receipt

evidencing payment thereof. This issuer shall compensate the Liquidity Provider for all reasonable losses and expenses sustained by the Facility Provider as a result of any failure by the Issuer to so furnish such copy of such receipt.

(d) *Survival of Obligations.* The obligations of the Issuer under this Section 2.8 shall survive the termination of this Agreement.

Section 2.9 Increased Costs.

(a) *Increased Costs Generally.* If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, liquidity ratio, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, the Liquidity Provider;

(ii) subject to the Liquidity Provider any tax of any kind whatsoever with respect to this Agreement or the 2024B Bonds, or change the basis of taxation of payments to the Liquidity Provider in respect thereof (except for Taxes or Other Taxes covered by Section 2.8 and the imposition of, or any change in the rate of any Excluded Taxes payable by the Liquidity Provider); or

(iii) impose on the Liquidity Provider any other condition, cost or expense affecting this Agreement or the 2024B Bonds;

and the result of any of the foregoing shall be to increase the cost to the Liquidity Provider of maintaining its commitment hereunder, or to reduce the amount of any payment (whether of principal, interest or any other amount) receivable by the Liquidity Provider then, upon written request of the Liquidity Provider as set forth in subsection (c) below, the Issuer shall promptly pay to the Liquidity Provider, such additional amount or amounts as will compensate the Liquidity Provider, without duplication, for such additional costs incurred or reduction suffered during the three (3) year period immediately preceding such written request. Notwithstanding the foregoing, for purposes of this Agreement (i) all requests, rules, guidelines or directives in connection with the Dodd-Frank Act shall be deemed to be a Change in Law, regardless of the date enacted, adopted or issued, and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) or any Governmental Agency shall be deemed a Change in Law regardless of the date enacted, adopted or issued.

(b) *Capital Requirements.* If the Liquidity Provider determines that any Change in Law affecting the Liquidity Provider or its parent or holding company, if any, regarding capital requirements, has or would have the effect of reducing the rate of return on the Liquidity Provider or its parent or holding company holding, if any, as a consequence of this Agreement, or ownership of the 2024B Bonds, to a level below that which the Liquidity Provider or its parent or holding company could have achieved but for such Change in Law (taking into consideration the Liquidity Provider policies and the policies of the Liquidity Provider's parent or holding company with respect to capital adequacy), then from time to time upon written request of the Liquidity Provider as set forth in subsection (c) below, the Issuer shall promptly pay to the Liquidity Provider, without duplication, such additional amount or amounts as will compensate the Liquidity Provider or its

parent or holding company for any such reduction suffered during the three (3) year period immediately preceding such written request.

(c) *Certificates for Reimbursement.* A certificate of the Liquidity Provider setting forth the amount or amounts necessary to compensate the Liquidity Provider or its parent or holding company, as the case may be, as specified in subsection (a) or (b) above and delivered to the Issuer, shall be conclusive absent manifest error. The Issuer shall pay the Liquidity Provider the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) *Delay in Requests.* Failure or delay on the part of the Liquidity Provider to demand compensation pursuant to this Section shall not constitute a waiver of the Liquidity Provider's right to demand such compensation.

(e) *Survival.* Without prejudice to the survival of any other agreement of the Issuer hereunder, the agreements and obligations of the Issuer in this Section shall survive the termination of this Agreement and the payment in full of the 2024B Bonds and the obligations of the Issuer thereunder and hereunder.

Section 2.10 Computations: Payments.

(a) Except as otherwise provided herein, interest and fees and other amounts payable to or to the order of the Liquidity Provider hereunder shall be computed on the basis of a year of 365 and actual days elapsed, and interest on Bank Bonds shall be computed on the basis of a year comprised of 365 and actual days elapsed. Any payments (other than those described in Section 2.3(b) hereof received by, or as directed by, the Liquidity Provider later than 2:00 p.m. (New York City time) on any day shall be deemed to have been paid on the next succeeding Business Day and interest shall accrue thereon until such next Business Day at the rate applicable thereto. All payments to the Liquidity Provider hereunder shall be made in Dollars and in immediately available and freely transferable funds at the place of payment without counterclaim, set-off, condition or qualification, and free and clear of and without deduction or withholding for or by reason or any present or future taxes, levies, imposts, deductions or charges of any nature whatsoever. In the event that the Issuer is compelled by law to make any such deduction or withholding, the Issuer shall nevertheless pay to the Liquidity Provider such amounts as will result in the receipt by the Liquidity Provider of the sum it would have received had no such deduction or withholding been required to be made. If requested, the Liquidity Provider shall from time to time provide the Issuer, the Tender Agent and the Internal Revenue Service of the United States (to the extent such information and forms may be lawfully provided by the Liquidity Provider) with such information and forms as may be required by Treasury Regulations Section 1.1411 or any other such information and forms as may be necessary to establish that the Issuer is not subject to any withholding obligation under Section 1442 or other comparable provisions of the Code. Unless the Liquidity Provider shall otherwise direct, all payments to the Liquidity Provider hereunder shall be made by means of wire transfer of funds through the Federal Reserve Wire System to the account of TD Bank, N.A., 6000 Atrium Way, Mt. Laurel, NJ 08054, ABA Number: 031101266; Beneficiary: District of Columbia Water and Sewer Authority; Account Number: 9870-123403; For Further Credit to: 1712124-0199, or such other account as the Liquidity Provider may specify in writing from time to time.

(b) The Issuer agrees to pay to the Liquidity Provider on each Purchase Date or Sale Date, as applicable, an amount equal to any charge imposed on the Liquidity Provider pursuant to the Indenture in connection with the transfer or exchange of 2024B Bonds. The Issuer agrees to

cause the Bond Registrar to give the Liquidity Provider timely notice of each such charge, including the amount thereof.

(c) Payments made to the Liquidity Provider under this Agreement shall first be applied to any fees, costs, charges or expenses payable to the Liquidity Provider hereunder, next to any past due interest, next to any current interest due, and then to outstanding principal.

(d) Any amounts due and payable and remaining unpaid under this Agreement shall accrue interest at the Default Rate until paid, anything to the contrary herein notwithstanding.

Section 2.11 Voluntary Termination. The Issuer may, with notice to the Trustee, terminate this Agreement with respect to all Outstanding 2024B Bonds upon (a) providing the Liquidity Provider (with a copy to the Trustee) with thirty (30) days' prior written notice (except that no prior notice shall be required in connection with a termination following the default by the Liquidity Provider in honoring its payment obligations hereunder) and (b) paying to the Liquidity Provider the Termination Fee, if any, and all other costs, fees and payments due hereunder and under the Fee Agreement; and (c) paying to the Liquidity Provider all principal and accrued interest owing on any Bank Bonds.

ARTICLE III

BANK BONDS

Section 3.1 Maturity; Payment.

(a) Notwithstanding anything to the contrary contained in the Bonds, the Issuer agrees that, with respect to any Bank Bond,

(i) the Issuer shall pay or cause to be paid such Bank Bond in full no later than the Payment Date, if not earlier required to be paid under this Agreement;

(ii) the Interest Component, if any, included in the Purchase Price for such Bank Bond shall be due and payable on the earlier of (A) the Interest Payment Date next following the Purchase Date on which such 2024B Bond became a Bank Bond or (B) the date on which such Bank Bond is remarketed or otherwise paid in full;

(iii) the interest on the unpaid amount of each such 2024B Bond from and including the applicable Purchase Date shall be computed as determined pursuant to Section 2.2 hereof, and

(iv) interest payable pursuant to clause (iii) shall be payable (A) monthly, in arrears, on the first Business Day of each calendar month, (B) upon redemption (to the extent of the interest accrued on the amount being redeemed), (C) on the Payment Date (whether by acceleration or otherwise), (D) after the Payment Date monthly, in arrears, on the first Business Day of each calendar month or on demand, and (E) in the case of any Differential Interest Amount with respect to a Bank Bond, by the Issuer on the applicable Sale Date, *provided* that whenever the Bank Rate is the Default Rate interest shall also be payable monthly, in arrears, on the first Business Day of each calendar month or on demand. In the event any Bank Bond is remarketed or otherwise transferred by the Liquidity Provider before payment in full of the Differential Interest

Amount with respect thereto, the provisions of this Section 3.1 shall continue to apply to such indebtedness until all sums for all periods during which the same was a Bank Bond are paid.

(b) Notwithstanding anything to the contrary contained in the 2024B Bonds, the Indenture or herein, the Issuer agrees to cause the mandatory redemption of Bank Bonds Outstanding on the last day of the Facility Period, *provided* that, so long as no Event of Default has occurred and is continuing, the Issuer may cause such mandatory redemption in equal principal installments (the “Installments”) sufficient to amortize the principal amount of such Bank Bonds in ten (10) equal consecutive monthly installments payable on the initial Amortization Payment Date and on each of the next nine (9) Succeeding Amortization Payment Dates; *provided further*, that in any event all of the then-unpaid principal balance of Bank Bonds shall be redeemed on the earlier of the Amortization End Date or the occurrence of an Event of Default.

Upon providing the Liquidity Provider (with a copy to the Trustee) with thirty (30) days’ prior written notice, the Issuer may voluntarily prepay amounts due under this Section 3.1(b); *provided, however*, that notwithstanding anything in the 2024B Bonds or the Indenture to the contrary, such prepayments, if any, shall be applied to Installments in inverse order of maturity.

(c) On any date on which Excess Bank Bond Interest is due and payable, the Liquidity Provider shall notify the Issuer and the Trustee as to the amount of such Excess Bank Bond Interest due on such date, provided that the failure of the Liquidity Provider to so notify the Issuer or the Trustee shall not affect the accrual of the obligation of the Issuer to pay such Excess Bank Bond Interest. In the event any Bank Bond is remarketed or otherwise transferred by the Liquidity Provider before payment in full of the amounts payable by the Issuer with respect thereto, including Excess Bank Bond Interest, the provisions of this Section 3.1 shall continue to apply to such indebtedness until all sums for all periods during which the same was a Bank Bond are paid.

ARTICLE IV

CONDITIONS PRECEDENT TO EFFECTIVENESS

This Agreement shall become effective on the date (the “*Effective Date*”) on which the following conditions are fulfilled to the satisfaction of the Liquidity Provider. The execution and delivery of this Agreement by the Liquidity Provider shall constitute the Liquidity Provider’s acknowledgment that such conditions have been satisfied or waived.

Section 4.1 Representations. On the Effective Date (and after giving effect to the terms hereof), (a) there shall exist no Event of Default or Default, (b) all representations and warranties made by the Issuer herein or in any of the Related Documents to which it is a party shall be true and correct with the same effect as though such representations and warranties had been made at and as of such time, (c) except as described in any documents provided by the Issuer to the Liquidity Provider and approved by the Liquidity Provider prior to the Effective Date, no material adverse change shall have occurred in the financial condition, operations or prospects of the Issuer between the date of the Issuer’s most recent audited financial statements and the Effective Date, and no transactions or obligations having, in the sole discretion of the Liquidity Provider, a material adverse effect on the condition (financial or otherwise) or operations of the Issuer, whether or not arising from transactions in the ordinary course of the Issuer’s business, shall have been entered into by the Issuer subsequent to the date of the Issuer’s most recent audited financial statements delivered to the Liquidity Provider, (d) except as described in any documents provided by the Issuer to the Liquidity Provider and approved by the Liquidity Provider prior to the Effective

Date, no transaction or event shall have occurred and no change shall have occurred in the condition (financial or otherwise) or operations of the Issuer between the date of the Issuer's most recent audited financial statements and the Effective Date which in the sole discretion of the Liquidity Provider, materially adversely affects the security for any of the Bonds, or the Issuer's ability to repay when due its obligations under this Agreement, any of the Bonds and the Related Documents, and (e) in the sole discretion of the Liquidity Provider, no change in any law, rule or regulation (or their interpretation or administration) materially adversely affects the transactions contemplated by this Agreement.

Section 4.2 Other Documents.

(a) On the Effective Date, the Liquidity Provider shall have received executed originals or certified copies of each of the following documents, which documents shall be in full force and effect on the Effective Date and in form and substance reasonably satisfactory to the Liquidity Provider and its counsel:

- (i) this Agreement;
- (ii) the Fee Agreement;
- (iii) the Master Indenture;
- (iv) the Thirty-Fourth Supplement;
- (v) each of the Remarketing Agreements between the Issuer and a Remarketing Agent approved by the Liquidity Provider (such approval not to be unreasonably withheld);
- (vi) the Official Statement; and
- (vii) the Bank Bond Custody Agreement.

(b) All filings, recordings, re-filings and re-recordings shall have been made, notices given, all filing fees, taxes and expenses in connection therewith shall have been paid and all such action shall have been taken, which are necessary or advisable on the Effective Date to grant to the Trustee a duly perfected security interest in the Net Revenues for the benefit of the Bondholders, if required.

Section 4.3 Legal Opinions. The Liquidity Provider shall have received legal opinions or reliance letters authorizing the Liquidity Provider to rely on legal opinions, in form and substance satisfactory to the Liquidity Provider and its counsel, addressed to the Liquidity Provider and the Issuer and dated the Effective Date, of:

- (i) Counsel to the Issuer;
- (ii) Co-Bond Counsel;
- (iii) Counsel to each Remarketing Agent; and
- (iv) Counsel to the Liquidity Provider, as to such matters as the Issuer and Co-Bond Counsel may reasonably request.

Section 4.4 Bank Bond Custody Agreement. On the Effective Date, the Bank Bond Custody Agreement shall have been duly executed and delivered by the Bank Bond Custodian and shall be in force and effect.

Section 4.5 Supporting Documents of the Issuer. There shall have been delivered to the Liquidity Provider such information and copies of documents, approvals (if any) and records certified, where appropriate, of corporate and legal proceedings as the Liquidity Provider may have requested relating to the Issuer's entering into and performing this Agreement and the other Related Documents to which it is a party, and the transactions contemplated hereby and thereby. Such documents shall, in any event, include:

(a) A certificate of the Issuer, in form and substance satisfactory to the Liquidity Provider and its counsel, executed by an executive officer of the Issuer, dated the Effective Date, to the effect that the conditions set forth in Section 4.1, 4.2 and 4.8 hereof have been satisfied as of such date and that all actions required to be taken, all consents required to be obtained, and all resolutions required to be adopted by (which resolutions shall be attached to such certificate), the Issuer under applicable law have been done, obtained and adopted; and

(b) An incumbency certificate with respect to the officers or agents of the Issuer who are authorized to execute any documents or instruments on behalf of the Issuer under this Agreement and the other Related Documents to which the Issuer is a party.

Section 4.6 Supporting Documents of the Tender Agent, Trustee and Remarketing Agents. There shall have been delivered to the Liquidity Provider incumbency certificates with respect to the officers or agents of the Tender Agent, the Trustee and each of the Remarketing Agents who are authorized to execute the respective Related Documents to which the Trustee, the Tender Agent or either Remarketing Agent is a party.

Section 4.7 Other Supporting Documents. There shall have been delivered to the Liquidity Provider such information and copies of documents, approvals (if any) and records (certified, where appropriate) of corporate and legal proceedings as the Liquidity Provider may have requested relating to the entering into and performance by each of the parties (other than the Liquidity Provider) thereto, of each of the Related Documents or the transactions contemplated thereby or the tax exempt status of the 2024B Bonds.

Section 4.8 Payment of Fees and Expenses. Payment of the Facility Fee as set forth in the Fee Agreement and the fees and expenses and all other amounts (including attorneys' fees and expenses) payable on the Effective Date pursuant to Section 11.2 hereof shall have been received.

Section 4.9 Rating. The Liquidity Provider shall have received satisfactory evidence that the Bonds shall have been assigned long-term ratings of at least "Aa3" by Moody's (if rated by Moody's), "AA" by S&P (if rated by S&P) and "AA-" by Fitch (if rated by Fitch), and short-term ratings of at least "VMIG 1" by Moody's (if rated by Moody's), "A-1" by S&P (if rated by S&P) and "F1+" by Fitch (if rated by Fitch).

Section 4.10 Other Documents. The Liquidity Provider shall have received such other documents, instruments, approvals (and, if requested by the Liquidity Provider, certified duplicates or executed copies thereof) or opinions as the Liquidity Provider may reasonably request.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

To induce the Liquidity Provider to enter into this Agreement and to purchase 2024B Bonds as provided herein, the Issuer makes the following representations and warranties to, and agreements with the Liquidity Provider (which representations, warranties and agreements shall survive the execution and delivery of this Agreement and any purchases of 2024B Bonds by the Liquidity Provider):

Section 5.1 Status. The Issuer is duly organized and validly existing as an independent authority of the government of the District of Columbia, with all requisite power and authority to execute and deliver, and to perform its obligations under this Agreement and the Related Documents to which it is a party and to issue, execute and deliver the 2024B Bonds.

Section 5.2 Power and Authority. The Issuer has the requisite power and authority to execute and deliver, and to perform its obligations under, this Agreement and the other Related Documents to which it is or will be a party and has taken all necessary action to authorize the execution, delivery and performance of this Agreement and the other Related Documents to which it is or will be a party.

Section 5.3 Enforceability. Assuming due authorization, execution and delivery by each of the other parties thereto, each of this Agreement and the Related Documents to which the Issuer is a party constitutes, and the 2024B Bonds when issued will constitute, the legal, valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its respective terms, except as such enforceability may be limited by the Issuer's bankruptcy, moratorium, insolvency or similar laws or equitable principles relating to or limiting the rights of creditors generally. Each of the Related Documents is or will be on the Effective Date in full force and effect.

Section 5.4 No Conflict. The execution and delivery of this Agreement and the Related Documents and the performance by the Issuer of its obligations thereunder do not and will not violate any constitutional provision or any law or any regulation, order, writ, injunction or decree of any court or governmental body, agency or other instrumentality applicable to the Issuer, or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any lien (other than the lien of the Indenture) upon any of the assets of the Issuer pursuant to the terms of, any ordinance, resolution, mortgage, indenture, agreement or instrument to which the Issuer is a party or by which it or any of its properties is bound.

Section 5.5 Consents. All consents, licenses, approvals, validations and authorizations of, and registrations, validations or declarations by or with, any court or any Governmental Agency, bureau or agency required to be obtained in connection with the execution, delivery, performance, validity or enforceability of this Agreement and the other Related Documents (including the 2024B Bonds) have been obtained and are in full force and effect.

Section 5.6 No Litigation. Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation before or by any court, public board or body pending or, to the best knowledge of the Issuer, threatened against or affecting the Issuer or the System wherein an unfavorable decision, ruling or finding would have a material adverse effect on the properties,

business, condition (financial or other), results of operations or prospects of the Issuer, the System or the transactions contemplated by this Agreement, the Bank Note or the other Related Documents, or which would adversely affect the validity or enforceability of, or the authority or ability of the Issuer to perform its obligations under, this Agreement or any other Related Document to which it is a party.

Section 5.7 Default. No Event of Default or Default has occurred and is continuing.

Section 5.8 Disclosure. No representation, warranty or other statement made by the Issuer in or pursuant to this Agreement or any Related Document or any other document or financial statement provided by the Issuer to the Liquidity Provider in connection with this Agreement or any other Related Document, contains any untrue statement of a material fact or omits (as of the date made or furnished) any material fact necessary to make the statements herein or therein not misleading in light of the circumstances under which they are made. There is no fact known to the Issuer which the Issuer has not disclosed to the Liquidity Provider in writing which materially adversely affects or, so far as the Issuer can now reasonably foresee, is likely to materially adversely affect the ability (financial or otherwise) of the Issuer to perform its obligations hereunder or under the Related Documents. The Official Statement prepared with respect to the Bonds and the transactions herein contemplated, true copies of which have heretofore been delivered to the Liquidity Provider, does not contain, and such Official Statement (including any amendments or supplements prepared subsequent to its date) (a true copy of which, in each case, shall be furnished to the Liquidity Provider prior to the distribution thereof) will not contain, any untrue statement of a material fact and such Official Statement does not omit, and will not omit, to state a material fact necessary to make the statements therein, in the light of the circumstances under which made, not misleading, except no representation is made as to information furnished in writing by the Liquidity Provider expressly for inclusion therein.

Section 5.9 2024B Bonds; Parity Indebtedness. Each 2024B Bond has been duly issued under the Indenture and each such 2024B Bond is entitled to the benefits thereof. The 2024B Bonds and the lien securing the 2024B Bonds are each on a parity with all Subordinate Debt. There is no Lien on the moneys, investments, property and certain rights of the Issuer thereto granted, pursuant to the Indenture, as security for the holders of Senior Debt and, on a subordinate basis, Subordinate Debt (the "Trust Estate") other than the Liens created by or pursuant to the Indenture, including the Thirty-Fourth Supplement. The Indenture does not permit the issuance of any Indebtedness secured by the Trust Estate to rank senior to the 2024B Bonds, other than Senior Debt issued and to be issued under the Indenture. No filing, registering, recording or publication of the Indenture, including the Thirty-Fourth Supplement or any other instrument is required to establish the pledge under the Indenture or to perfect, protect or maintain the Lien created thereby on the Trust Estate, including the Net Revenues, to secure the 2024B Bonds.

Section 5.10 Assignment of 2024B Bonds. The Bank Bonds purchased pursuant to Article II hereof will be transferred to the Liquidity Provider free and clear of all liens, security interests or claims of any Person other than the Liquidity Provider, except for consensual liens or other security interests as may be created by the Liquidity Provider.

Section 5.11 Incorporation of Representations and Warranties. The Issuer hereby makes to the Liquidity Provider the same representations and warranties as were made by it in the Related Documents, which representations and warranties, together with the related definitions of terms

contained therein, are hereby incorporated by reference with the same effect as if each and every such representation and warranty and definition were set forth herein in its entirety.

Section 5.12 Financial Statements. As of the date hereof, the audited balance sheets of the Issuer as of September 30, 2023 and the related statements of revenues, expenses and changes in retained earnings, and cash flows, of the Issuer for the Issuer’s fiscal year then ended, and the accompanying footnotes thereon, dated September 30, 2023, of KPMG LLP, independent certified public accountants, copies of which have been delivered to the Liquidity Provider, are complete and correct and fairly present the financial condition of the Issuer as at such dates, for the periods covered by such statements, all in conformity with generally accepted accounting principles consistently applied. Since September 30, 2023, there has been no material adverse change in the condition (financial or otherwise), business or operations of the Issuer.

Section 5.13 No Proposed Legal Changes. There is no amendment, or to the knowledge of the Issuer, proposed amendment certified for placement on a statewide ballot within the District of Columbia or any District of Columbia law, or any legislation that has passed either house of the United States Congress, or any published judicial decision interpreting any of the foregoing, the effect of which is to materially adversely affect the 2024B Bonds or the Issuer’s ability to perform its obligations under this Agreement, the 2024B Bonds, and the other Related Documents.

Section 5.14 Sovereign Immunity Defense. Unless otherwise specifically provided by District of Columbia law, the Issuer shall not raise the defense of sovereign immunity in any proceeding by the Liquidity Provider to enforce any of the contractual obligations of the Issuer under this Agreement or the Fee Letter. Any such proceeding shall be brought exclusively in either the District of Columbia Superior Court or the United States District Court for the District of Columbia.

Section 5.15 Margin Stock. No portion of the proceeds of any 2024B Bonds will be used by the Issuer (or the Trustee or Paying Agent or any other Person on behalf of the Issuer) for the purpose of “purchasing” or “carrying” any margin stock or used in any manner which might cause the borrowing or the application of such proceeds to violate Regulation U issued by the Board of Governors of the Federal Reserve System or any other regulation of said Board of Governors or to violate the Securities Exchange Act of 1934, as amended, in each case as in effect on the date or dates of such use of proceeds.

Section 5.16 Permitted Investments. The Issuer has neither made any investment nor entered into any agreements for the purpose of effecting any investment which are not permitted to be made by it pursuant to its investment guidelines, the Indenture or any other Related Document.

Section 5.17 Environmental Laws. Except as disclosed in writing to the Liquidity Provider, the Issuer has not received notice to the effect that the operations of the System are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment (“*Environmental Laws*”).

Section 5.18 Issuance of Bonds. Subject to approval by its Board and obtaining statutory approvals, the Issuer has the legal authority to issue bonds or other obligations at such times and in such aggregate principal amounts, or make available funds through a Substitute Credit Facility

or otherwise, so as to (i) retire or redeem the 2024B Bonds at or prior to the end of the Facility Period and (ii) repay all outstanding obligations due hereunder and under the Fee Agreement prior to the end of the Facility Period.

Section 5.19 The Trustee and Tender Agent and the Remarketing Agent. Computershare Trust Company, N.A. (or a successor or assign approved in writing by the Liquidity Provider) is the duly appointed and acting Trustee, Tender Agent and Bank Bond Custodian. BofA Securities, Inc. and Loop Capital Markets LLC are the duly appointed and acting Remarketing Agents as to the 2024B Bonds.

ARTICLE VI

CONDITIONS PRECEDENT TO PURCHASE

Section 6.1 Conditions. The obligation of the Liquidity Provider to purchase 2024B Bonds hereunder on any date is subject to the satisfaction of the following conditions, unless waived in writing by the Liquidity Provider:

- (a) No Termination Event or Suspension Event shall have occurred; and
- (b) The Liquidity Provider shall have timely received the Notice of Liquidity Provider Purchase(s), in the form of Exhibit A or Exhibit B, as provided in Section 2.3 hereof.

Each notification delivered pursuant to clause (b) of Section 6.1 hereof shall constitute a representation and warranty by the Issuer on each Purchase Date that, to its knowledge, the condition described in clause (a) of Section 6.1 has been satisfied on the Purchase Date.

ARTICLE VII

COVENANTS

The Issuer covenants and agrees that, so long as any of the Bonds shall be Outstanding or any amounts remain unpaid hereunder:

Section 7.1 Payment Obligations. The Issuer shall promptly pay or cause to be paid all amounts payable by it hereunder and under the Related Documents according to the terms hereof or thereof and shall duly perform each of its obligations under this Agreement and the other Related Documents to which it is a party. All payments of principal, interest and any other sums due hereunder shall be made in the amounts required hereunder without any reduction or setoff, notwithstanding the assertion of any right of recoupment or setoff or of any counterclaim by the Issuer.

Section 7.2 Related Documents.

(a) The Issuer agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in each Related Document to which it is a party and in each case such provisions, together with the related definitions of terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety.

(b) The Issuer shall not amend, supplement or otherwise modify (or permit any of the foregoing), or request or agree to any consent or waiver under, or effect or permit the cancellation, acceleration or termination of, or (except as otherwise permitted under the Related Documents) release or permit the release of any collateral held under any of the Related Documents which is not otherwise contemplated by, or permitted pursuant to the terms of, *any* of the Related Documents, without the prior written consent of the Liquidity Provider; *provided, however*, that the consent of the Liquidity Provider shall not be required with respect to (i) amendments, supplements and modifications to the Related Documents which do not require consent of Bondholders pursuant to Section 1001 of the Indenture, but the Issuer shall provide prior written notice of any such amendments, supplements and modifications to the Liquidity Provider; and (ii) supplements entered into solely for the purpose of providing for the issuance of a series of bonds pursuant to the Indenture.

Section 7.3 Reporting Requirements. The Issuer shall keep proper books of record and account in which full, true and correct entries will be made of all dealings and transactions of or in relation to affairs, operations, transactions and activities of the Issuer in accordance with generally accepted accounting principles applicable to governmental entities, consistently applied, and will furnish to the Liquidity Provider a copy of each of the following:

(a) as soon as available and in any event within one hundred eighty (180) days after the end of each fiscal year of the Issuer, a balance sheet of the Issuer as of the end of such fiscal year and the related statements of revenues, expenses, changes in retained earnings and cash flows for such fiscal year and accompanying notes thereto, all prepared in accordance with GAAP and in reasonable detail showing in comparative form the figures for the previous fiscal year, accompanied by an opinion thereon of KPMG LLP, or another firm of independent public accountants of recognized national standing, selected by the Issuer, to the effect that the financial statements described herein have been prepared in accordance with GAAP and present fairly in accordance with GAAP the consolidated financial condition of the Issuer as of the close of such fiscal year and the results of their operations and cash flows for the fiscal year then ended and that an examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards and, accordingly, such examination included such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances;

(b) simultaneously with the delivery of each set of financial statements referred to in clause (a) above, a certificate of the Authority stating that the Authority is in compliance with the rate covenant set forth in Section 601 of the Master Indenture (including calculations evidencing such compliance) and that, to the best knowledge of the chief financial officer (or his/her designee) of the Authority, there exists on the date of such certificate no Default or Event of Default or, if any Default or Event of Default then exists, setting forth the details thereof and the action which the Authority is taking or proposes to take with respect thereto;

(c) forthwith, and in any event within five (5) Business Days any officer of the Issuer obtains knowledge thereof, written notice of the occurrence of any Default or Event of Default, together with a statement of the Issuer setting forth the details thereof and the action which the Issuer is taking or proposes to take with respect thereto;

(d) promptly after process has been served on the Issuer, notice of any action, suit or proceeding before any court or arbitrator or any governmental body, agency or official in which

there is a reasonable probability of an adverse decision which could (i) materially adversely affect the business, financial position or results of operations of the Issuer or the ability of the Issuer to perform its obligations hereunder, under the Fee Agreement or under any other Related Document or (ii) draw into question the validity or enforceability of this Agreement, the Fee Agreement or any other Related Document or (iii) challenge the validity or enforceability of the security interest in and the pledge of the Trust Estate, or the priority of such pledge and Lien in favor of the 2024B Bonds over any or all other liabilities and obligations of the Issuer (except in respect of Senior Debt) as against all Persons having claims of any kind in tort, contract or otherwise, whether or not such Persons shall have notice thereof;

(e) promptly upon the availability thereof, a copy of any official statement, offering memorandum or other disclosure documents relating to the offering of any Indebtedness secured by and payable from Net Revenues;

(f) as soon as available and in any event within thirty (30) days after adoption, a copy of the Issuer's budget (including, without limitation, annual expenses) for each fiscal year of the Issuer, prepared pursuant to Section 602 of the Master Indenture and including the budget for the System for such fiscal year, and a copy of the capital budget, and any amendments thereto, prepared pursuant to Section 811 of the Master Indenture;

(g) as soon as the forms may be made available to or filed with the Trustee, any report, recommendation, finding, audit or other document required pursuant to Sections 601, 602, 808 and 810 of the Indenture;

(h) promptly upon the availability thereof, a copy of each Monthly Financial Report prepared by the Issuer's Department of Finance, Accounting and Budget;

(i) as soon as available to the Issuer, copies of all enacted legislation which, to the best knowledge of the Issuer, relates to, in any material way, or impacts upon this Agreement, the Fee Agreement or the other Related Documents or the ability of the Issuer to perform its obligations in connection herewith or therewith; and

(j) from time to time such additional information regarding the financial position, operations, business or prospects of the Issuer and regarding the System as the Liquidity Provider may reasonably request.

As and to the extent the information required by this Section 7.3 has been properly and timely filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access System, the Issuer will be deemed to have complied with the provisions of this Section; *provided, however*, that (y) the Authority shall have delivered written notice to the Liquidity Provider of such filing and (z) the Liquidity Provider has access to the information so filed.

Section 7.4 Compliance With Laws. The Issuer shall comply with all laws, ordinances, orders, rules and regulations (including, without limitation, all environmental Laws) that may be applicable to it and the System, if the failure to comply could have a material adverse effect on the security for any of the 2024B Bonds, or the Issuer's ability to repay when due its obligations under this Agreement, any of the 2024B Bonds, and the Related Documents unless the same is being contested in good faith and by appropriate proceedings and such contest shall operate to stay the material adverse effect of such failure to comply.

Section 7.5 Notices. In addition to and not in substitution of its obligation to furnish any other notice hereunder, the Issuer will promptly furnish, or cause to be furnished, to the Liquidity Provider (i) notice of the occurrence of any [Series 2024B Subordinate Bond Event of Default] as defined in the Thirty-Fourth Supplement, (ii) notice of the failure by the Remarketing Agent, the Tender Agent or the Trustee to perform any of its obligations under the Remarketing Agreement or the Indenture, (iii) notice of any proposed substitution of this Agreement, and (iv) each notice required to be given to the Liquidity Provider pursuant to the Thirty-Fourth Supplement.

Section 7.6 Certain Information. The Issuer shall not include in an offering document for the 2024B Bonds any information concerning the Liquidity Provider that is not supplied in writing, or otherwise consented to, by the Liquidity Provider expressly for inclusion therein. The Issuer agrees to provide to the Liquidity Provider, in writing, all information and notices it is required to provide to the Municipal Securities Rulemaking Board (the “MSRB”) in accordance with Securities and Exchange Commission Rule 15(c)2-12, simultaneously with the providing thereof to the MSRB.

Section 7.7 Liquidity.

(a) The Issuer agrees to use its best efforts to obtain a Substitute Credit Facility in the event (i) the Liquidity Provider shall decide not to extend the Expiration Date pursuant to Section 8.11 hereof, (ii) the Issuer terminates this Agreement pursuant to Section 2.11 hereof, (iii) the Liquidity Provider shall furnish a Notice of Termination Date to the Tender Agent and the Trustee or (iv) a Default Tender shall have been effected with any funds made available hereunder.

(b) The Issuer agrees that, with respect to any Substitute Credit Facility, the Issuer will require, as a condition to its effectiveness, that all Bank Bonds shall be purchased, no later than the date the Substitute Credit Facility becomes effective at a price of par plus accrued interest (at the Bank Rate) through the Purchase Date. On such date any and all amounts due hereunder and due under the Indenture or the 2024B Bonds to the Liquidity Provider shall be payable in full to the Liquidity Provider.

(c) The Issuer shall not permit a Substitute Credit Facility to become effective with respect to fewer than all of the 2024B Bonds without the prior written consent of the Liquidity Provider.

Section 7.8 Appointment of Successors and Replacements. The Liquidity Provider hereby consents to the appointment of BofA Securities, Inc. and Loop Capital Markets LLC each as a Remarketing Agent for the 2024B Bonds. So long as this Agreement is in effect and the Liquidity Provider has not wrongfully failed to purchase 2024B Bonds pursuant to a properly presented Purchase Notice, the Issuer will not permit the appointment of a successor Trustee or Tender Agent or Remarketing Agents unless the Issuer has obtained the prior written consent of the Liquidity Provider, which consent shall not be unreasonably withheld. If any Remarketing Agent or successor Remarketing Agent fails to sell 2024B Bonds for sixty (60) consecutive days, then the Issuer agrees, at the written request of the Liquidity Provider to cause such Remarketing Agent to be replaced with a Remarketing Agent reasonably satisfactory to the Liquidity Provider. The Issuer shall use all commercially reasonable efforts to have a Remarketing Agent in place at all times while this Agreement is in effect or any Bank Bonds are outstanding.

Section 7.9 Maintenance Franchises. The Trustee will use its best efforts to maintain, or cause to be maintained, all licenses and franchises, required by the District of Columbia or any other

Governmental Agency for operation of the System and the sale of water to customers, the loss of which would have or, could reasonably be expected to result in, a material adverse effect regarding the financial position, operations, business or prospects of the Issuer or the System.

Section 7.10 Accounting Methods and Fiscal Year. The Issuer will not adopt, permit or consent to any change in its established fiscal year without giving the Liquidity Provider written notice thereof.

Section 7.11 Additional Obligations. The Issuer shall not issue any bonds, notes or similar obligations or evidence of indebtedness payable from the Net Revenues or any other amounts, accounts or other property held under the Indenture except as permitted by the Indenture.

Section 7.12 Permitted Liens. The Issuer shall not sell or dispose of or create any Lien on the System or create or incur or permit to exist any Lien on the Trust Estate, the Net Revenues on deposit in the Subordinate Fund or any other funds, accounts or other property held under the Indenture except as permitted by the Indenture.

Section 7.13 Provisions to Facilitate Payments. Subject to Section 602 of the Master Indenture, the Issuer shall cause to be included in each annual budget of the Issuer reasonable provisions for the payment of all amounts due and estimated to become due with respect to the 2024B Bonds and all obligations payable to the Liquidity Provider under this Agreement, the Fee Agreement and the other Related Documents during the fiscal year of the Issuer covered by such budget. To the extent estimates are used, such estimates shall be made by the Issuer in good faith and shall be based upon reasonable estimates of the amount of Senior Debt and Subordinate Debt expected to be outstanding, the Revenues and Operating Expenses anticipated to be received and paid for such fiscal year, and the interest rates reasonably expected to be charged during the coming fiscal year for the remaining term of the Senior Debt and Subordinate Debt. To the extent that amounts actually due and payable to the Liquidity Provider under this Agreement, the Fee Agreement and the other Related Documents in any fiscal year exceed the amounts estimated and/or available therefrom in an annual budget of the Issuer for such Fiscal Year, the Issuer shall take, or cause to be taken, as promptly as possible, all such actions (including, without limitation, amendments of such annual budget) as may be required to permit and facilitate the expenditure of additional moneys from all sources legally available for the payment of such amounts.

Section 7.14 Taxes and Liabilities. The Issuer will pay, or cause to be paid, all Indebtedness of the Issuer and the System promptly and in accordance with the terms thereof and to pay and discharge, or cause to be paid and discharged, promptly all taxes, assessments, and governmental charges or levies imposed upon it or the System, including income and profits, or upon any of its property, real, personal, or mixed, or upon any part thereof, before the same shall become in default, except for those matters which are reasonably being contested in good faith by appropriate action or proceedings or for which the Issuer has established adequate reserves in accordance with GAAP.

Section 7.15 Redemption of Bank Bonds; Payment of Fees.

(a) While any Bank Bonds are outstanding and in accordance with the Thirty-Fourth Supplement, and consistent with the tax-exempt nature of the 2024B Bonds, the Issuer will to the extent obligated under Section 3.1 hereof, (i) redeem Bank Bonds from available funds, and (ii)

will redeem Bank Bonds prior to the optional redemption of any other 2024B Bonds under the Thirty-Fourth Supplement

(b) The Issuer hereby agrees that fees and other amounts payable to the Liquidity Provider (other than principal and interest on Bank Bonds) shall constitute Operating Expenses pursuant to the Indenture and, pursuant to Section 604(c) of the Master Indenture, will be paid from the Operating Reserve Fund when due. The Issuer further agrees that to the extent sufficient funds are not available in the Operating Reserve Fund to pay such fees and other amounts when due for any reason, the Issuer will immediately pay or cause to be paid such fees and other amounts from available funds of the Issuer.

Section 7.16 Maintenance of Existence; No Merger.

(a) The Issuer shall use its best efforts to preserve and maintain its existence as an independent authority of the District of Columbia and to perform its obligations under this Agreement and the Related Documents.

(b) The Issuer will at all times maintain the System, or within the limits of its authority cause the same to be maintained, in good condition and working order and will operate the same, or cause the same to be operated, in an efficient and economical manner at a reasonable cost and in accordance with sound business principles. In operating and maintaining the System, the Issuer will comply with all contractual provisions and agreements entered into by it and with all valid rules, regulations, directions or orders of any governmental, administrative or judicial body or other governmental Agency promulgating same, except for any noncompliance that, individually or in the aggregate, could not reasonably be expected to have a material adverse effect upon the Issuer's business, operations, assets or financial condition.

(c) The Issuer shall not consolidate with or merge into another Person or permit one or more other Persons to consolidate with or merge into it or acquire all or substantially all of the property and assets of any other Person if, at the time of such consolidation, merger, or acquisition the resulting or surviving entity fails to assume, by written document in form and substance satisfactory to the Liquidity Provider, all the obligations of the Issuer under this Agreement or the benefits of any related Document fail to extend to the performance by such resulting or surviving entity of the Issuer's obligations under this Agreement.

Section 7.17 Use of Proceeds. The Issuer shall use the proceeds of the 2024B Bonds for the purposes set forth in the Indenture.

Section 7.18 Bank Bond Ratings. At any time Bank Bonds are Outstanding, upon the request of the Liquidity Provider, the Issuer at its expense, (i) shall request from at least one of the Rating Agencies then-rating the 2024B Bonds, a rating specifically assigned to such Bank Bonds and shall use all reasonable efforts to obtain such rating within 30 days of such request, (ii) shall cause a CUSIP number to be assigned to such Bank Bonds and (ii) shall use all reasonable efforts to ensure that the CUSIP number and the rating assigned to such Bank Bonds are available electronically to the Liquidity Provider pursuant to a third-party provider of such information.

Section 7.19 Further Assurances. The Issuer shall execute, acknowledge where appropriate, and deliver, and cause to be executed, acknowledged where appropriate, and delivered, from time to time promptly at the reasonable request of the Liquidity Provider, all such instruments and

documents as in the reasonable judgment of the Liquidity Provider are necessary to effectuate the intention of this Agreement and the other Related Documents.

Section 7.20 Investment Guidelines. The Issuer will:

(a) Promptly notify the Liquidity Provider in writing of any changes proposed to the Issuer's written investment policies or guidelines (the "*Investment Guidelines*") if the proposed change would increase the types of investments permitted by such Investment Guidelines.

(b) Promptly notify the Liquidity Provider in writing, after the adoption thereof by the Issuer, of any change in the Investment Guidelines, which change increases the types of investments permitted by the Investment Guidelines and of which change the Liquidity Provider was not previously notified pursuant to clause (a) above.

(c) Within ten (10) Business Days of the adoption of any resolution of the Issuer's Board amending its financing policies or financial practices or any provision or portion thereof, the Issuer will send a copy of such resolution to the Liquidity Provider.

Section 7.21 Exempt Status. To the extent that the interest on the 2024B Bonds is intended to be excludable from the gross income of the holders thereof for purposes of federal income taxation, the Issuer shall not take any action or omit to take any action that, if taken or omitted, would adversely affect the excludability of interest on the 2024B Bonds from the *gross* income of the holders thereof for purposes of federal income taxation.

Section 7.22 Regulation. The Issuer covenants and agrees that no proceeds of any Purchaser Price paid by the Liquidity Provider pursuant to this Agreement shall be used, by or on behalf of the Issuer, directly or indirectly to purchase or carry any margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System, as amended from time to time).

Section 7.23 Swap Contracts. The Issuer shall at all times require that any termination fees or settlement amounts payable in connection with any Swap Contract entered into by the Issuer on or after the Effective Date shall be subordinate to the payment of the Issuer's obligations hereunder; *provided, however,* that the foregoing shall not operate to prevent amendments and supplements to Swap Contracts entered into prior to the date hereof as long as such amendments or supplements do not operate to modify the priority of payment of any related termination fees or settlement amounts. The Issuer shall use its best efforts to obtain any Swap Contract to which it is a counterparty without providing any collateral to support its obligations thereunder other than a Lien on Net Revenues, which Lien on Net Revenues (other than termination fees and settlement amounts) shall be on a parity with the Lien securing the indebtedness to which such Swap Contract relates; *provided however,* that if no Swap Contract on the foregoing terms is then available to the Issuer in any instance, the Issuer may post cash collateral to support its obligations under the Swap Contract; *provided further, however,* that the aggregate notional amount of all such Swap Contracts to which the Issuer is a counterparty does not exceed ten percent (10%) of the aggregate Subordinate Debt of the Issuer or such other amount as is approved in advance by the Liquidity Provider.

Section 7.24 ERISA. The Issuer will comply in all material respects with Title IV of ERISA, if, when and to the extent applicable.

Section 7.25 Most Favored Covenant. In the event that the Issuer has previously entered into or shall hereafter enter into or otherwise consent to any agreement or instrument (or any amendment, supplement or modification thereto) (each a “Relevant Agreement”) under which the Issuer issues, incurs, refinances or restructures any other Subordinate Debt or under which any bank undertakes to extend credit or liquidity to the Issuer, which Relevant Agreement (i) provides a party thereto other than the Issuer with a covenant, provision or agreement which is more restrictive, as to the Issuer, or (ii) gives or grants greater rights or remedies to such party whether as to timing of payment, priority of payment or Lien or otherwise (each, a “Favored Covenant”) than, in the case of (i), are undertaken by the Issuer herein or, in the case of (ii), are given or granted to the Liquidity Provider herein, then each such Favored Covenant shall automatically be deemed to be incorporated into this Agreement and the Liquidity Provider shall have the benefits of each such Favored Covenant as if specifically set forth in this Agreement for the duration of such Relevant Agreement. If necessary, the Issuer shall promptly enter into an amendment to this Agreement to include the Favored Covenant; provided that the Liquidity Provider shall maintain the benefit of such Favored Covenant even if the Issuer fails to provide such amendment. Notwithstanding anything to the contrary contained in this Section, each party hereto agrees that (a) no automatic termination or suspension event or condition precedent to funding contained in any Relevant Document shall be deemed incorporated into this Agreement and (b) no provision described in this Section shall be deemed incorporated into this Agreement if such incorporation would cause the interest on any of the 2024B Bonds to be includable in the gross income of the owners thereof for federal tax purposes.

EVENTS OF DEFAULT

The occurrence of any of the following events shall constitute an “*Event of Default*”:

Section 8.1 Payment. The Issuer shall fail to pay or cause to be paid when due (i) any amounts with respect to the principal of, or interest or premium, if any, on, the 2024B Bonds (including Bank Bonds, except accelerated Bank Bonds); (ii) any amounts owed to the Liquidity Provider pursuant to this Agreement; or (iii) any amount with respect to the principal of, or interest or premium, if any, on, any Senior Debt or other Subordinate Debt (excluding accelerated “bank bonds” of any other bond series); or

Section 8.2 Related Documents. Any “event of default” shall have occurred and be continuing under any of the Related Documents (as “event of default” is defined respectively therein); or

Section 8.3 Representations. Any representation or warranty made or deemed to be made to the Liquidity Provider by or on behalf of the Issuer in this Agreement or in any Related Document or in any certificate or statement delivered hereunder or thereunder shall be incorrect or untrue in any material respect when made or deemed to have been made; or

Section 8.4 Certain Covenants. The Issuer shall fail to observe or perform any covenant or agreement of the Issuer set forth in Section 7.2(b), 7.3(c), 7.4, 7.7(b), 7.8 (but solely with respect to the first and last sentences thereof), 7.12, 7.15, 7.16(c), 7.17, 7.21, 7.22 and 7.23 hereof; or

Section 8.5 Other Covenants. The Issuer shall default in the due performance or observance of any other term, covenant or agreement contained (or incorporated by reference) in this Agreement (other than those referred to in Section 8.1, 8.2, 8.3, and 8.4 hereof) and such default shall remain unremedied for a period of thirty (30) days after the occurrence thereof; or

Section 8.6 Insolvency. (i) The Issuer shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its Indebtedness, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the Issuer shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Issuer any case, proceeding or other action of a nature referred to in clause (i) above which (x) results in an order for such relief or in the appointment of a receiver or similar official or (y) remains undismissed, undischarged or unbonded for a period of sixty (60) days; or (iii) there shall be commenced against the Issuer, any case, proceeding or other action seeking issuance of a warrant of attachment, execution, rehabilitation, distraint or similar process against all or any substantial part of its assets, which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (iv) the Issuer shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) the Issuer institutes a debt moratorium, debt restructuring, debt adjustment or the Issuer imposes a comparable restriction on the repayment when due and payable of the principal of or interest on any debt of the Issuer or shall admit in writing its inability to, pay its Indebtedness; or

Section 8.7 Acceleration of Maturity Due to Payment Default. Other than as set forth in Section 8.1 hereof, a default in payment of principal or interest shall occur which results in the acceleration of the maturity of any Senior Debt, Subordinate Debt (including the 2024B Bonds) or any other Indebtedness payable from Net Revenues or which enables (or with the giving of notice or lapse of time, or both, would enable) the holder of such Indebtedness or any Person acting on such holder's behalf to accelerate the maturity thereof; or

Section 8.8 Invalidity. Any material provision of this Agreement or any Related Document (other than the Official Statement) related to the repayment of principal or interest on the 2024B Bonds shall cease to be valid and binding on the Issuer or any other party thereto or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the Issuer, or any Governmental Agency having jurisdiction shall issue a final, non-appealable judgment, order or ruling that any material provision of this Agreement or any Related Document (other than the Official Statement) related to the repayment of principal or interest on the 2024B Bonds is not valid or binding on the Issuer or such other party thereto, or the Issuer or such other party (in each case, through an authorized person) shall deny that it has any or further liability or obligation under any such document; or

Section 8.9 Rating Downgrade Event. The occurrence of any Rating Downgrade Event; or

Section 8.10 Judgment. One or more final, non-appealable judgment, decree, or order (each, a "*Final Judgment*" and collectively, the "*Final Judgments*") for the payment of money in an aggregate amount exceeding \$10,000,000 shall have been rendered against or imposed on the Issuer and shall, by order of the Governmental Agency issuing such Final Judgment, be payable from the Net Revenues and other monies pledged to the payment of Senior Debt or Subordinate Debt under the Indenture, and such Final Judgment shall not have been satisfied, stayed or bonded pending appeal within a period of sixty (60) days from the date on which it was first so rendered.

Section 8.11 Remedies.

(a) In the case of any Termination Event, the Available Commitment and the obligation of the Liquidity Provider to purchase 2024B Bonds shall immediately terminate without notice or demand to any Person, and thereafter the Liquidity Provider shall be under no obligation to purchase 2024B Bonds. Promptly upon such Event of Default, the Liquidity Provider shall give written notice of the same to the Issuer, the Trustee and the Remarketing Agent; *provided*, that the Liquidity Provider shall incur no liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way affect the termination of the Liquidity Provider's Available Commitment and of its obligation to purchase 2024B Bonds pursuant to this Agreement. The Issuer shall cause the Trustee to notify all Bondholders in writing of the termination of the Available Commitment and the termination of the obligation of the Liquidity Provider to purchase the 2024B Bonds.

(b) In the case of the occurrence of any Event of Default (other than as specified in Section 8.11(a) above), the Liquidity Provider may give written notice of such Event of Default and termination of this Agreement (a "*Notice of Termination Date*") to the Trustee, the Tender Agent, the Issuer, and the Remarketing Agent, requesting a Default Tender. The obligation of the Liquidity Provider to purchase 2024B Bonds shall terminate on the thirtieth (30th) day (or if such day is not a Business Day, the next following Business Day) after such Notice of Termination Date is received by the Tender Agent and on such date the Available Commitment shall terminate and the Liquidity Provider shall be under no obligation hereunder to purchase 2024B Bonds.

(c) Upon the occurrence and during the continuance of a Default described in clauses (ii) and (iii) of Section 8.6 (each a "*Suspension Event*" and collectively, the "*Suspension Events*"), the obligation of the Liquidity Provider to advance funds for the purchase of 2024B Bonds hereunder shall be immediately and automatically suspended, without notice, and the Liquidity Provider shall be under no further obligation hereunder to purchase Bonds, until the bankruptcy, insolvency or similar proceeding referred to therein is terminated prior to the court entering an order granting the relief sought in such proceeding. In the event such proceeding is terminated, then the obligations of the Liquidity Provider hereunder shall be automatically reinstated and the terms of this Agreement shall continue in full force and effect (unless the obligation of the Liquidity Provider to purchase 2024B Bonds hereunder shall otherwise have terminated as provided in this Section 8.11 as if there had been no such suspension. If at any time prior to the earlier of (i) the Expiration Date and (ii) the date that is one (1) year following the suspension of the obligation of the Liquidity Provider to purchase 2024B Bonds, (y) the Suspension Event is cured or ceased to be continuing and (z) the obligation of the Liquidity Provider to purchase 2024B Bonds under this Agreement has not otherwise terminated, then, upon written notice from the Trustee to the Liquidity Provider to such effect, the obligation of the Liquidity Provider to purchase 2024B Bonds under this Agreement shall be automatically reinstated. If the Suspension Event has not been cured or has not ceased to be continuing prior to the first anniversary of such occurrence and the obligation of the Liquidity Provider to purchase 2024B Bonds under this Agreement has not otherwise terminated, then the obligations of the Liquidity Provider to advance funds for the purchase of 2024B Bonds shall be terminated and thereafter the Liquidity Provider shall have no further obligations to purchase any 2024B Bonds and the Liquidity Provider will use best efforts to send written notice to the Issuer and the Trustee; *provided* that the Liquidity Provider shall not incur any liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way affect the termination of

the Available Commitment and of the obligations of the Liquidity Provider to purchase 2024B Bonds under this Agreement.

(d) Upon the occurrence of any Event of Default, the Liquidity Provider may declare all accrued and unpaid amounts payable to it hereunder to be immediately due and payable (other than payments of principal of and interest on Bank Bonds, acceleration rights with respect to which are governed by the Indenture), and the Liquidity Provider shall have all remedies provided at law or equity, including, without limitation, specific performance; *provided however*, the Liquidity Provider agrees to purchase 2024B Bonds on the terms and conditions of this Agreement notwithstanding the occurrence of an Event of Default which does not terminate its obligation to purchase Bonds under Section 8.11(a) or (b) hereof or suspend its obligation to purchase Bonds under Section 8.11(c).

(e) The remedies provided in Section 8.11(a), (b), (c) or (d) hereof shall only be exclusive with respect to such Events of Default to the extent they are obtained by the Liquidity Provider. If, for any reason whatsoever the Liquidity Provider is not able to obtain all such remedies, then the Liquidity Provider hereby reserves the right and shall have the right to pursue any other available remedies, whether provided by law, equity or this Agreement.

ARTICLE IX

OBLIGATIONS ABSOLUTE

Section 9.1 Obligations Absolute. The obligations of the Issuer under this Agreement shall be absolute, unconditional and irrevocable and shall be paid or performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including, without limitation, the following circumstances:

(a) to the extent permitted by applicable law, any lack of validity or enforceability of this Agreement or any Related Document or any other agreement or instrument delivered in connection herewith or therewith;

(b) any amendment or waiver of or any consent to departure from, the terms of any of the Related Documents;

(c) the existence of any claim, set-off, defense or other right which the Issuer may have at any time against the Tender Agent, the Trustee, the Remarketing Agent, the Liquidity Provider or any other Person, whether in connection with this Agreement, the Related Documents or any unrelated transaction; *provided, however*, that nothing herein contained shall prevent the assertion of such claim by separate suit;

(d) any statement or any other document presented other than by the Liquidity Provider under this Agreement or any of the Related Documents proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever; or

(e) any other circumstances or happening whatsoever, whether or not similar to any of the foregoing.

ARTICLE X

ANTI-TERRORISM PROVISIONS

The Issuer hereby represents and warrants that:

Section 10.1 No Violation. The Issuer is not in violation of any Anti-Terrorism Law or engaged in or conspiring to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

Section 10.2 Not a Blocked Person.

(a) Neither the Issuer nor any agents acting or benefiting the Issuer in any capacity in connection with this Agreement or the transactions contemplated hereunder, is any of the following (each a “*Blocked Person*”);

(i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order No. 13224;

(ii) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order No. 13224;

(iii) a Person or entity with which the Liquidity Provider is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(iv) a Person or entity that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order No. 13224;

(v) a Person or entity that is named on the most current list of “specially designated nationals and blocked persons” published by the United States Department of the Treasury, Office of Foreign Assets Control (“*OFAC*”) at its official website: [www.treasury.gov/ofac/downloads/tl Isdn.pdf](http://www.treasury.gov/ofac/downloads/tl%20Isdn.pdf) (or any replacement website or other replacement official publication of such list);

(vi) a Person who is affiliated with a Person listed above; or

(vii) a Person who is listed on any other list of terrorist or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable executive order constituting an Anti-Terrorism Law. The above-referenced lists contained in this Section are collectively referred to as the “*OFAC Lists*.”

(b) Neither the Issuer nor, to its knowledge, any agents acting or benefiting the Issuer in any capacity in connection with this Agreement or the transactions contemplated hereunder (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person or (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order No. 13224.

Section 10.3 Executive Order No. 13224. The Issuer and its agents shall not (i) conduct any business or engage in any transaction or dealing with any Blocked Person, including the making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order No. 13224, (iii) permit the transfer of any interest in either the Issuer or its agents to any Blocked Person or any beneficial owner of such Blocked Person or (iv) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in the Executive Order No. 13224 or the USA Patriot Act. The Issuer acknowledges that pursuant to the requirements of the USA Patriot Act, the Liquidity Provider is required to obtain, verify and record information that identifies the Issuer, which information includes the name and address of the Issuer and other information that will allow the Liquidity Provider to identify the Issuer in accordance with the USA Patriot Act. The Issuer shall deliver to the Liquidity Provider any certification or other evidence requested from time to time by the Liquidity Provider, in its sole discretion, confirming the Issuer's compliance with this Section.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Amendments; Liability of the Liquidity Provider.

(a) No amendment or waiver of any provision of this Agreement or other Related Document, nor consent to any departure by the Issuer therefrom, shall in any event be effective unless the same shall be in writing and signed by the Liquidity Provider, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(b) With respect to the Liquidity Provider, to the extent permitted by law, the Issuer assumes all risks of the acts or omissions of the Tender Agent and its agents in respect of their use of this Agreement or any amounts made available by the Liquidity Provider hereunder. Neither the Liquidity Provider nor any of its officers or directors shall be liable or responsible for: (i) the use which may be made of this Agreement or any amounts made available by the Liquidity Provider hereunder or for any acts or omissions of the Trustee, the Tender Agent or the Remarketing Agent or their agents in connection therewith; (ii) the validity, sufficiency or genuineness of documents, or of any endorsement(s) thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged; or (iii) any other circumstances whatsoever in making or failing to make payment under this Agreement, except the Issuer shall have a claim against the Liquidity Provider, and the Liquidity Provider shall be liable to the Issuer, to the extent, but only to the extent, of any direct or actual damages (for the avoidance of doubt, the Issuer shall not be entitled to any special, indirect, consequential, or punitive damages) suffered by the Issuer which the Issuer proves (as evidenced by a final decision by a court of competent jurisdiction) were caused by the Liquidity Provider's gross negligence or willful failure to make payment under this Agreement strictly in accordance with the terms hereof. In furtherance and not in limitation of the foregoing, the Liquidity Provider may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

(c) The Issuer assumes all risks associated with the acceptance by the Liquidity Provider of documents received by telecommunication, it being agreed that the use of

telecommunication devices is for the benefit of the Issuer and that the Liquidity Provider assumes no liabilities or risks with respect thereto.

Section 11.2 Costs and Expenses.

(a) To the extent permitted by law, the Issuer agrees to reimburse the Liquidity Provider in respect of all reasonable out-of-pocket costs, charges and expenses (including reasonable attorneys' fees computed, to the maximum extent allowed by applicable law, without regard to any statutory presumption) arising in connection with the preparation, execution, delivery, administration and enforcement of, preservation of rights in connection with a workout, restructuring or default under an amendment or waiver with respect to, this Agreement, the 2024B Bonds and the other Related Documents and any stamp and other taxes and fees payable or determined to be payable in connection with the execution and delivery of this Agreement and any other documents or instruments that may be delivered in connection therewith.

(b) To the fullest extent permitted by law, the Issuer agrees to indemnify and hold harmless the Liquidity Provider, its officers, directors, employees and agents (each an "*Indemnified Party*") from and against any and all claims, damages, losses, liabilities, reasonable costs or expenses whatsoever which an Indemnified Party may incur (or which may be claimed against an Indemnified Party by any Person) by reason of or in connection with the execution and delivery of and consummation of the transactions contemplated under this Agreement and the Related Documents, including, without limitation, (i) the offering, sale, remarketing or resale of 2024B Bonds (including, without limitation, by reason of any untrue statement or alleged untrue statement contained or incorporated by reference in any preliminary official statement or official statement, or in any supplement or amendment thereof, prepared with respect to the 2024B Bonds, or the omission or alleged omission to state therein a material fact necessary to make such statements, in the light of the circumstances under which they are or were made, not misleading or the failure to deliver a preliminary official statement or an official statement to any offeree or purchaser of 2024B Bonds) and (ii) the execution and delivery of, or payment or failure to pay by any Person (other than the Liquidity Provider as and when required by the terms and provisions hereof) under, this Agreement; *provided, however*, that the Issuer shall not be required to indemnify the Liquidity Provider for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by (a) the willful misconduct or gross negligence of the Liquidity Provider (including without Limitation, with respect to the Liquidity Provider, the Liquidity Provider's gross negligence in honoring or willful failure to honor its obligations to purchase 2024B Bonds upon the satisfaction of the applicable conditions precedent set forth herein and in accordance with the terms of this Agreement) or (b) the material inaccuracy of any information included or incorporated by reference in any official statement referred to in Section 5.8 hereof concerning the Liquidity Provider which was furnished in writing by the Liquidity Provider expressly for inclusion or incorporated by reference therein. Nothing in this Section 11.2 is intended to limit the obligations of the Issuer under the 2024B Bonds or of the Issuer to pay its obligations hereunder and under the Related Documents.

(c) The provisions of this Section 11.2 and 11.1, 2.8, and 2.9 hereof shall survive the termination of this Agreement and the payment in full of the 2024B Bonds and the obligations of the Issuer hereunder. The Liquidity Provider shall notify the Issuer of any amounts which are owed to such party pursuant to this Section 11.2.

Section 11.3 Notices. Unless otherwise specified herein, all notices, requests, demands or other communications to or upon the respective parties hereto or referred to herein shall be deemed to

have been given (i) in the case of notice by letter, when delivered by hand or four (4) days after the same is deposited in the mails, first class postage prepaid, and (ii) in the case of notice by telecopier, when sent, receipt confirmed, addressed to them as follows or at such other address as any of the parties hereto may designate by written notice to the other parties hereto and the Remarketing Agent:

The Liquidity Provider:	TD Bank, N.A. 4061 Powder Mill Road, Suite 420 Calverton, Maryland 20705 Attention: Camille Dawson, Senior Relationship Manager and Vice President Telephone: 301 289-3599
The Issuer:	District of Columbia Water and Sewer Authority 1385 Canal Street, SE Washington, D.C. 20003 Attention: Chief Financial Officer Telephone: (202 787-2000)
Tender Agent and Trustee:	Computershare Trust Company, N.A. [TBC]
Remarketing Agent (with respect to any Bonds):	BofA Securities, Inc. [TBC] Loop Capital Markets LLC [TBC]

Section 11.4 Continuing Obligation; Successors and Assigns.

(a) This Agreement is a continuing obligation and shall be binding upon and inure to the benefit of the Issuer, the Tender Agent, the Liquidity Provider, and their respective successors, endorsees and assigns, except that, as long as this Agreement is in effect and the Liquidity Provider is not in default hereunder, the Issuer may not assign or transfer its rights or obligations hereunder without the prior written consent of the Liquidity Provider. The Liquidity Provider may grant participations (to be evidenced by one or more participation agreements or certificates of participation) to any financial institution in all or any part of, or any interest (undivided or divided) in, the Liquidity Provider's rights and benefits under this Agreement, any 2024B Bonds owned by it and the other Related Documents, and to the extent of that participation such participant shall, except as set forth in the following clause (ii), have the same rights and benefits against the Issuer hereunder as it would have had if such participant were a direct party hereto; *provided* that (i) no such participation shall affect the obligations of the Liquidity Provider to purchase 2024B Bonds as herein provided; (ii) the Issuer shall be required to deal only with the Liquidity Provider with respect to any matters under this Agreement and no such participant shall be entitled to enforce directly against the Issuer any provision hereunder; and (iii) such participant shall not be any Person registered as an investment company under the Investment Company Act of 1940, as

amended, substantially all of the assets of which are invested in obligations exempt from federal income taxation under Section 103 of the Code or any similar or successor provision.

(b) The obligations of the Liquidity Provider under this Agreement or any part hereof may be assigned by the Liquidity Provider to any financial institution only with the prior written consent of the Issuer; *provided however*, the Liquidity Provider may assign and pledge all or any portion of the amounts owing to it with respect to Bank Bonds to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank, *provided* that any payment in respect of such assigned amounts owed with respect to Bank Bonds made by Issuer to the Liquidity Provider in accordance with the terms of this Agreement shall satisfy Issuer's obligations hereunder in respect of such assigned obligation to the extent of such payment. No such assignment shall release the Liquidity Provider from its obligations hereunder.

Section 11.5 Governing Law; Waiver of Jury Trial; Jurisdiction.

(a) This Agreement governed by, and construed and interpreted in accordance with, the internal laws of the State of New York, without giving effect to conflict of law principles; *provided, however*, that the obligations of the Issuer hereunder shall be governed by the laws of the District of Columbia.

(b) TO THE FULLEST EXTENT PERMITTED BY LAW, THE ISSUER, THE TRUSTEE, AND THE LIQUIDITY PROVIDER WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, ANY OTHER DOCUMENT DELIVERED IN CONNECTION HEREWITH, OR THE TRANSACTIONS CONTEMPLATED HEREBY, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. THE ISSUER, THE TRUSTEE, AND THE LIQUIDITY PROVIDER AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY OTHER DOCUMENT DELIVERED IN CONNECTION HEREWITH OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND ANY OTHER DOCUMENTS DELIVERED IN CONNECTION THEREWITH.

(c) The Issuer, the Trustee and the Liquidity Provider hereby agree that any suit, action or other proceeding arising out of or relating to this agreement may be brought in any federal or state court located in the State of New York or the District of Columbia and consent to the jurisdiction of such court in any such suit, action or proceeding.

Section 11.6 No Waivers; Amendments; Etcetera. No delay or omission to exercise any right or power accruing upon any default, omission or failure of performance hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Liquidity Provider to exercise any remedy now or hereafter existing at law or in equity or by statute, it shall not be necessary to give any notice, other than such notice as may be herein

expressly required. In the event any provision contained in this Agreement should be breached by any party and thereafter waived by the other party so empowered to act, such waiver shall be limited to the particular breach hereunder. No waiver, amendment, release or modification of this Agreement shall be established by conduct, custom or course of dealing, but solely by an instrument in writing duly executed by the parties thereunto duly authorized by this Agreement.

Section 11.7 Source of Funds. The Liquidity Provider agrees that all funds provided by it hereunder will be paid from funds of the Liquidity Provider and not directly or indirectly from funds or collateral on deposit with or for the account of, or pledged with or for the account of, the Liquidity Provider by the Issuer.

Section 11.8 Term of the Agreement

(a) *Term.* The term of this Agreement shall be until the later of (x) the last day of the Facility Period and (y) the payment in full of the principal of and interest on all Bank Bonds and all other amounts due hereunder.

(b) *Extension of Facility Period.*

(i) Upon written request of the Issuer to the Liquidity Provider provided substantially in the form of Exhibit C hereto, made not less than 180 days prior to the then-current Expiration Date, or at such other time as is acceptable to the Liquidity Provider, the then-current Expiration Date may be extended for an additional period to be not less than one (1) year but not greater than five (5) years (unless otherwise agreed to in writing by the parties) from time to time by agreement in writing between the Liquidity Provider and the Issuer. At the time of any extension, the Liquidity Provider may, in its sole discretion as a condition to such extension, require changes in any of the terms and conditions of this Agreement, including (but not limited to) any fees payable hereunder, and the Bank Rate. If the Issuer makes any such request, the Liquidity Provider will, within sixty (60) days of such request, notify the Issuer in writing whether or not the Liquidity Provider consents to such request and, if the Liquidity Provider in its sole discretion consents to such request, the terms under which the Liquidity Provider will consent to such request. If the Liquidity Provider does not so notify the Issuer within such period of time, the Liquidity Provider shall be deemed not to have consented to such request and no liability or obligation shall be imposed on Liquidity Provider pursuant to such deemed denial. The Liquidity Provider's decision to extend the Expiration Date shall be made in its sole discretion.

(ii) If the Expiration Date is to be so extended, the Liquidity Provider shall deliver written notice of the election to extend to the Issuer, the Trustee, the Tender Agent and the Remarketing Agent, substantially in the form of Exhibit D hereto (herein referred to as a "*Notice of Extension Amendment*") designating the date to which the Expiration Date is being extended. Such extension of the Expiration Date shall be effective, after receipt of such Notice of Extension Amendment, on the Business Day following the date of delivery of such Notice of Extension Amendment, and thereafter all references in this Agreement to the Expiration Date shall be deemed (unless this Agreement specifically provides otherwise) to be references to the date designated as such in the most recent Notice of Extension Amendment delivered to the Trustee. Any date to which the Expiration Date has been extended in accordance with this Section 11.8 may be extended in like manner. With respect to any extension of the Expiration Date expressly agreed to by the Issuer and the Liquidity Provider, the Issuer shall cooperate, and shall cause the Trustee to cooperate, with the Liquidity Provider with respect to any amendment of this Agreement or any

of the other Security Instruments and any amendment to or replacement of such Letter of Credit that may be necessary or appropriate under the circumstances.

Section 11.9 Headings. Section headings in this Agreement (the texts of which are set forth in the Table of Contents hereof) are included herein for convenience of reference only and shall not have any effect for purposes of interpretation or construction of the terms of Agreement.

Section 11.10 Complete and Controlling Agreement; Severability.

(a) This Agreement and the other Related Documents to which the Liquidity Provider and the Issuer are a party completely set forth the agreements between the Liquidity Provider and the Issuer and completely supersede all prior agreements, both written and oral, between the Liquidity Provider and the Issuer relating to the matters set forth herein and in the Related Documents.

(b) The invalidity or unenforceability of any one or more phrases, sentences, clauses or sections contained in this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part thereof.

Section 11.11 Losses Relating to Telephonic Notices. The Issuer hereby agrees to compensate the Liquidity Provider for the loss of use of funds in the event the Liquidity Provider disburses funds hereunder (a) in any attempt to make purchases of 2024B Bonds based upon telephonic requests made by any Person or Persons which the Liquidity Provider in good faith believes to be the Trustee or its designees (but the foregoing shall not imply any standard of care against the Liquidity Provider with respect to requests made in any other manner, except as otherwise expressly agreed herein), and (b) in any amount in excess of that actually required to purchase 2024B Bonds hereunder due to the Trustee incorrectly stating such amount in its Purchase Notice (to the extent such loss of use of funds is not covered by Section 2.3 hereof). A certificate of the Liquidity Provider as to the amount of any such loss shall be conclusive, absent manifest error. The Issuer shall be entitled to payment and reimbursement by the Trustee for the amount of such loss that resulted from the negligence or misconduct of the Trustee.

Section 11.12 Adjustment; Set Off.

(a) The Issuer expressly agrees that to the extent the Issuer makes a payment or payments and such payment or payments, or any part thereof, are subsequently invalidated, declared to be fraudulent or preferential, set aside or are required to be repaid to a trustee, receiver, or any other party under any bankruptcy act, state or federal law, common law or equitable cause, then to the extent of such payment or repayment, the obligations to the Liquidity Provider or part thereof intended to be satisfied shall be revived and continued in full force and effect as if said payment or payments had not been made.

(b) In addition to any rights and remedies of the Liquidity Provider provided by law, the Liquidity Provider is authorized, after the occurrence and during the continuance of an Event of Default, from time to time, without notice to the Issuer to the extent permitted by law (and any such notice being expressly waived by the Issuer to the extent permitted by law) and to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final), securities and other properties at any time held, received by, or in transit to the Liquidity Provider to or for the credit or the account of the Issuer or any and all

amounts owing from the Liquidity Provider to the Issuer (and right of setoff may be exercised by the Liquidity Provider against the Issuer or against any trustee in bankruptcy, debtor in possession, assignee for the benefit of creditors, receiver, or execution, judgment or attachment creditor of the Issuer, notwithstanding the fact that such right of setoff shall not have been exercised by the Liquidity Provider prior to the making, filing or issuance, or service upon the Liquidity Provider of, or of notice of, any such petition, assignment for the benefit of creditors, appointment or application for the appointment of a receiver, or issuance of execution, subpoena, order or warrant), in each case, against any obligations, whether matured or unmatured, of the Issuer to the Liquidity Provider, now or hereafter existing under this Agreement or under the Bank Bonds, irrespective, to the extent permitted by law, of whether or not the Liquidity Provider shall have made any demand hereunder. Notwithstanding anything in this Section to the contrary, any amounts held, received, or invested by the Liquidity Provider that are (i) part of the Trust Estate and subject to the lien of the Indenture or (ii) delivered to the Liquidity Provider as part of an identifiable transaction in which the Liquidity Provider and the Issuer are counterparties, such as (but not limited to) capital markets execution transactions, whether or not related to the Indenture, each shall be excepted from the provisions of this paragraph.

Section 11.13 No Fiduciary Relationship. The Issuer acknowledges and agrees that in no event shall the Liquidity Provider be considered to be a partner or joint venturer of the Issuer. Also, the Issuer acknowledges that it has independently evaluated the business transaction and has not relied upon, nor will it rely upon, the expertise, advice or other comments or statements of the Liquidity Provider (including agents of the Liquidity Provider), if any, in deciding to pursue such undertaking. As the Issuer is experienced in business, in no event shall the Liquidity Provider owe any fiduciary or similar obligations to it in connection with the subject transaction.

Section 11.14 Publicity; Disclosure.

(a) The parties hereto agree that, from and after the Effective Date, the Liquidity Provider may list the Issuer as a client or customer of the Liquidity Provider in any media, and the Liquidity Provider shall have the right, subject to the Issuer's approval (which approval shall not be unreasonably withheld) of style, content, name and logo, to publish a "tombstone" notice or other description of the Liquidity Provider's involvement in this transaction, which notice may be published in such print media and by such other means as the Liquidity Provider deems appropriate in its discretion. No such publicity shall constitute any endorsement by the Issuer.

(b) The Liquidity Provider may disclose to any of its affiliates and any permitted (actual or potential) assignee, transferee or participant any information about the Issuer as the Liquidity Provider considers necessary and appropriate.

Section 11.15 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

{SIGNATURES ON PAGES FOLLOWING}

IN WITNESS WHEREOF, the parties hereto have caused this Standby Bond Purchase Agreement (Series 2024B) to be duly executed and delivered by their authorized representatives as of the Effective Date.

DISTRICT OF COLUMBIA WATER AND
SEWER AUTHORITY

By: _____
Name:
Title

COMPUTERSHARE TRUST COMPANY,
N.A., as Trustee and Tender Agent

By: _____
Name:
Title

TD BANK, N.A., as Liquidity Provider

By: _____
Camille Dawson
Senior Relationship Manager and Vice
President

EXHIBIT A

**NOTICE OF LIQUIDITY PROVIDER PURCHASE
(Optional Tender)**

TD Bank, N.A.
[Address TBC]

Ladies and Gentlemen:

The undersigned, a duly authorized officer of [Computershare Trust Company, N.A.], as trustee and tender agent (the "*Tender Agent*"), hereby certifies to TD BANK, N.A., as liquidity provider (the "*Liquidity Provider*"), in accordance with the Standby Bond Purchase Agreement (Series 2024B) (the "*Standby Purchase Agreement*") dated as of July [], 2024, among the District of Columbia Water and Sewer Authority, the Tender Agent and the Liquidity Provider (all capitalized terms herein having the meanings ascribed thereto in the Standby Purchase Agreement), that:

1. Notice of a tender of Eligible Bonds for purchase having a Purchase Price of \$ _____, pursuant to Section 406 of the Thirty-Fourth Supplement, has been received of which \$ _____ constitutes principal and \$ _____ constitutes accrued interest.

2. Amounts available for the payment of the Purchase Price of such Eligible Bonds is \$ _____ of which \$ _____ is available to pay principal and of which is available to pay accrued interest.

3. The total principal amount requested hereby for the payment of the principal portion of the Purchase Price of Eligible Bonds is \$ _____ which amount does not exceed the Available Principal Commitment or the principal amount referred to in paragraph 1 above minus the principal amount referred to in 2 above.

4. The total amount requested hereby to pay the portion of the Purchase Price for Eligible Bonds constituting accrued interest is \$ _____, which amount does not exceed the Available Interest Commitment or the amount of interest referred to in paragraph 1 above minus the amount of interest referred to in paragraph 2 above.

5. Eligible Bonds referred to above having a Purchase Price of \$ _____ [the amount in paragraph 3 plus the amount in paragraph 4] are hereby tendered to the Liquidity Provider for purchase pursuant to the Standby Purchase Agreement on the date hereof.

6. Upon completion of purchase, the Tender Agent will [cause the Trustee to register such 2024B Bonds, or if a 2024B Bond for which notice of tender for purchase pursuant to Section 406 of the Thirty-Fourth Supplement has been given is not delivered, issue a new 2024B Bond in replacement of the undelivered 2024B Bond, in the name of the Liquidity Provider or if directed in writing by the Liquidity Provider its nominee or designee on the Bond Register] [cause the beneficial

ownership of such 2024B Bonds to be credited to the account of the Liquidity Provider or if directed in writing by the Liquidity Provider its nominee or designee with DTC and cause the Trustee to register such 2024B Bonds in the name of the Liquidity Provider or its nominee or designee on the Bond Register] [,and will promptly deliver such 2024B Bonds to the Bank Bond Custodian or as the Liquidity Provider may otherwise direct in writing, and prior to such delivery will hold such 2024B Bonds as agent for the Liquidity Provider].

7. The Purchase Date is _____, _____.

8. The purchase price for such Eligible Bonds is to be paid to the Tender Agent as follows:

[insert wire transfer instructions]

9. To the Tender Agent’s knowledge, no Termination Event or Suspension Event has occurred.

IN WITNESS WHEREOF, the Tender Agent has executed and delivered this Certificate as of the _____ day of _____, _____.

_____, as Trustee and
Tender Agent

By: _____
Name:
Title:

EXHIBIT B

**NOTICE OF LIQUIDITY PROVIDER PURCHASE
(Mandatory Purchase)**

TD Bank, N.A.
[TBC]

Ladies and Gentlemen:

The undersigned, a duly authorized officer of _____, as trustee and tender agent (the “*Tender Agent*”), hereby certifies to TD BANK, N.A., as Liquidity Provider (the “*Liquidity Provider*”), in accordance with the Standby Bond Purchase Agreement (Series 2024B) (the “*Standby Purchase Agreement*”) dated as of July [___], 2024 among the District of Columbia Water and Sewer Authority, the Tender Agent and the Liquidity Provider (all capitalized terms herein having the meanings ascribed thereto in the Standby Purchase Agreement), that:

1. Eligible Bonds have been called for mandatory purchase having a Purchase Price of \$_____, pursuant to Section 408 of the Thirty-Fourth Supplement, of which constitutes principal and \$_____ constitutes accrued interest.

2. Amounts available for the payment of the Purchase Price of such Eligible Bonds is \$_____ of which \$_____ is available to pay principal and of which is available to pay accrued interest.

3. The total principal amount requested hereby for the payment of the principal portion of the Purchase Price of Eligible Bonds is \$_____ which amount does not exceed the Available Principal Commitment or the principal amount referred to in paragraph 1 above minus the principal amount referred to in 2 above.

4. The total amount requested hereby to pay the portion of the Purchase Price for Eligible Bonds constituting accrued interest is \$_____, which amount does not exceed the Available Interest Commitment or the amount of interest referred to in paragraph 1 above minus the amount of interest referred to in paragraph 2 above.

5. Eligible Bonds referred to above having a Purchase Price of \$_____ [the amount in paragraph 3 plus the amount in paragraph 4] are hereby tendered to the Liquidity Provider for purchase pursuant to the Standby Purchase Agreement on the date hereof.

6. Upon completion of purchase, the Tender Agent will [cause the Trustee to register such 2024B Bonds or, if a 2024B Bond subject to mandatory purchase pursuant to Section 408 of the Thirty-Fourth Supplement is not delivered, issue a new 2024B Bond in replacement of the undelivered 2024B Bond, in the name of the Liquidity Provider or if directed in writing by the Liquidity Provider its nominee or designee on the Bond Register] [cause the beneficial ownership of such 2024B Bonds to be credited to the account of the Liquidity Provider or if directed in writing by the Liquidity Provider its nominee or designee with DTC and cause the Trustee to register such 2024B Bonds in the name of the Liquidity Provider or its nominee or designee on the Bond

Register] [,and will promptly deliver such 2024B Bonds to the Bank Bond Custodian or as the Liquidity Provider may otherwise direct in writing, and prior to such delivery will hold such 2024B Bonds as agent for the Liquidity Provider].

7. The Purchase Date is _____, _____.

8. The purchase price for such 2024B Bonds is to be paid to the Tender Agent as follows:

[insert wire transfer instructions]

9. To the best of the Tender Agent's knowledge, no Termination Event or Suspension Event has occurred.

IN WITNESS WHEREOF, the Tender Agent has executed and delivered this Certificate as of the _____ day of _____, _____.

_____, as Trustee and
Tender Agent

By: _____

Name:

Title:

EXHIBIT C

FORM OF REQUEST FOR EXTENSION

[DATE]

TD Bank, N.A.
[TBC]

RE: Request for Extension

Ladies and Gentlemen:

Reference is hereby made to that certain Standby Bond Purchase Agreement (Series 2024B), dated as of July [], 2024 (the “*Agreement*”), among the District of Columbia Water and Sewer Authority (the “*Issuer*”), Computershare Trust Company, N.A., as trustee and tender agent (the “*Tender Agent*”), and TD Bank, N.A., as Liquidity Provider (the “*Liquidity Provider*”). All capitalized terms contained herein which are not specifically defined shall be deemed to have the definition set forth in the Agreement. The Issuer hereby requests, pursuant to Section 11.8 of the Agreement, that the Expiration Date for the Facility Period be extended by [IDENTIFY APPROPRIATE PERIOD NOT LESS THAN ONE YEAR BUT NOT GREATER THAN FIVE YEARS].

We have enclosed along with this request the following information:

1. The outstanding principal amount of 2024B Bonds;
2. The nature of any and all Events of Default and all conditions, events and acts which with notice or lapse of time or both would become an Event of Default, or, if no such Events of Default, or conditions, events or acts exist, a statement to that effect
3. Information that all representations and warranties of the Issuer, as- set forth in the Agreement, are true and correct as of the date of such request,
4. The Rate Period (as such term is defined, in the Thirty-Fourth Supplement) to be borne by the 2024B Bonds upon such extension, and
5. Any, other pertinent information previously requested by the Liquidity Provider.

{REMAINDER OF PAGE LEFT BLANK INTENTIONALLY}

The Liquidity Provider is required to notify the Tender Agent, the Trustee, and the Remarketing Agent of the Liquidity Provider's decision with respect to this request for extension within sixty (60) days of the date of receipt hereof. If the Liquidity Provider fails to notify the Issuer of its decision within such 60-day period, the Liquidity Provider shall be deemed to have rejected such request.

Very truly yours,

DISTRICT OF COLUMBIA WATER AND
SEWER AUTHORITY

By: _____
Name:
Title:

EXHIBIT D

NOTICE OF EXTENSION

District of Columbia Water and Sewer Authority
Computershare Trust Company, N.A., as Tender Agent
BofA Securities, Inc. and Loop Capital Markets LLC, as Remarketing Agents

Re: Notice of Extension

Ladies and Gentlemen:

Reference is hereby made to that certain Standby Bond Purchase Agreement (Subseries 2024B), dated July [], 2024 (the “*Agreement*”), among the District of Columbia Water and Sewer Authority (the “*Issuer*”), Computershare Trust Company, N.A., as trustee and tender agent (the “*Tender Agent*”), (the “*Tender Agent*”) and TD Bank, N.A., as liquidity provider (the “*Liquidity Provider*”). All capitalized terms contained herein which are not specifically defined shall be deemed to have the definition set forth in the Agreement.

Pursuant to the request made by the Issuer pursuant to Section 11.8 of the Agreement, dated _____, the Liquidity Provider hereby extends the Expiration Date for the Facility Period to [IDENTIFY APPROPRIATE DATE].

Very truly yours,

TD BANK, N.A., as Liquidity Provider

By: _____
Name:
Title:

EXHIBIT E

FORM OF BANK BOND CUSTODY AGREEMENT (SERIES 2024B BONDS)

BANK BOND CUSTODY AGREEMENT (SERIES 2024B BONDS) dated July [], 2024, by and between Computershare Trust Company, N.A. (the “*Custodian*”), and TD Bank, N.A., as liquidity provider (the “*Liquidity Provider*”).

WHEREAS, the District of Columbia Water and Sewer Authority, an independent authority of the District of Columbia (the “*Issuer*”), Computershare Trust Company, N.A., as trustee and tender agent (the “*Tender Agent*,” which term shall include any successor thereto appointed pursuant to the terms of the Thirty-Fourth Supplement as defined below), and the Liquidity Provider have entered into a certain Standby Bond Purchase Agreement dated the date hereof (as amended or otherwise modified from time to time, the “*Agreement*”) pursuant to which the Liquidity Provider has agreed to purchase in certain circumstances the Issuer’s Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds, Series 2024B (the “*2024B Bonds*”); and

WHEREAS, the 2024B Bonds were issued pursuant to the Indenture (as defined in the Agreement), including the Thirty-Fourth Supplement (as defined in the Agreement); and

WHEREAS, the Thirty-Fourth Supplement requires that the 2024B Bonds delivered by the holders thereof to the Tender Agent pursuant to the Thirty-Fourth Supplement be purchased under certain circumstances by the Liquidity Provider under the Agreement; and

WHEREAS, it is a condition to the effectiveness of the obligations of the Liquidity Provider under the Agreement that the Custodian shall have entered into this Bank Bond Custody Agreement; and

WHEREAS, the Custodian has agreed to act as custodian and agent for the Liquidity Provider as herein provided;

NOW, THEREFORE, in consideration of the mutual covenants recited herein, and other good and valuable consideration, receipt of which is hereby acknowledged, it is hereby agreed as follows:

1. The Liquidity Provider appoints the Custodian as its agent and bailee for the purpose of receiving Bank Bonds (as defined in the Agreement) under the Agreement and holding such Bank Bonds for and on behalf of the Liquidity Provider. The Custodian hereby agrees to hold such Bank Bonds for such purpose, as the Liquidity Provider’s agent and bailee. As used herein, the term “Bank Bonds” means, unless the context otherwise requires, the beneficial ownership of any Bank Bonds during any period that Bank Bonds are maintained as Book-Entry Bonds.

2. Except at the written direction of the Liquidity Provider, the Bank Bond Custodian shall not pledge, hypothecate, transfer or release possession of any Bank Bonds held by or registered in the name of the Custodian on behalf of the Liquidity Provider to any person or in any manner not in accordance with this Bank Bond Custody Agreement and shall not enter into any other agreement regarding possession of such Bank Bonds without the prior written consent of the Liquidity

Provider. The Custodian will not release Bank Bonds to the purchaser of such Bank Bonds unless the Liquidity Provider has delivered to the Custodian, in addition to its written direction contemplated above in this paragraph, written notice (which may be by telex, answerback received) that a portion of the Available Principal Commitment (as defined in the Agreement) in an amount equal to the principal amount of such Bank Bonds and the corresponding increase in the Available Interest Commitment (as defined in the Agreement) pursuant to the terms of the Agreement has each been reinstated..

3. Upon written notice to the Liquidity Provider and release and delivery to the Liquidity Provider or its designee of any Bank Bonds then held by the Custodian pursuant to this Custody Agreement, the Custodian shall have the right to terminate its obligations with respect to such Bank Bonds under this Bank Bond Custody Agreement. The Liquidity Provider shall have the option to terminate this Bank Bond Custody Agreement at any time upon written notice to the Custodian and, upon such termination, the Custodian will release and deliver to the Liquidity Provider or its designee any Bank Bonds then held by the Custodian hereunder. The Liquidity Provider may also from time to time request that the Custodian release and deliver to the Liquidity Provider all or a portion of the Bank Bonds then held by the Custodian without termination of this Bank Bond Custody Agreement, and upon receipt of any such request in writing, the Custodian will release and deliver such Bank Bonds to the Liquidity Provider or its designee then held by the Custodian.

4. In acting under this Bank Bond Custody Agreement the Custodian shall not be liable to the Liquidity Provider except for gross negligence or willful misconduct in the performance of its obligations hereunder.

5. The Custodian's duties are only such as are specifically provided herein, and the Custodian shall incur no fiduciary or other liability whatsoever to the Liquidity Provider or any other person, except to the extent the Liquidity Provider incurs loss or liability due to the Custodian's gross negligence or willful misconduct. The Custodian may consult with "counsel and shall be fully protected in any action taken in good faith in accordance with such advice. The Custodian may rely conclusively and shall be fully protected in acting upon any written instructions given to it hereunder and believed by it to have been properly executed.

6. The Custodian may resign at any time by giving written notice thereof to the Liquidity Provider. Such resignation shall not become effective until a successor Custodian shall have been appointed by the Liquidity Provider and shall have accepted such appointment in writing. The Liquidity Provider will use its commercially reasonable efforts to promptly appoint a successor Custodian. The resigning Custodian may, at the expense of the Issuer, petition any court of competent jurisdiction, including without limitation the Supreme Court of the State of New York, for the appointment of a successor Custodian.

7. This Bank Bond Custody Agreement cannot be amended or modified except in a writing signed by the Liquidity Provider and the Custodian.

8. This Bank Bond Custody Agreement shall inure to the benefit of and shall be binding upon the Custodian and the Liquidity Provider and their respective successors and assigns.

9. THIS IS THE BANK BOND CUSTODY AGREEMENT REFERRED TO IN THE AGREEMENT, AND SHALL BE GOVERNED BY THE LAW OF THE DISTRICT OF COLUMBIA WITHOUT REGARD TO CHOICE OF LAW RULES.

10. This Bank Bond Custody. Agreement may be executed in counterparts which, taken together, shall constitute a single document.

11. Capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Agreement.

{SIGNATURES ON PAGES FOLLOWING}

IN WITNESS WHEREOF, the parties hereto have caused this Bank Bond Custody Agreement (Series 2024B) to be duly executed and delivered by their authorized representatives as of the date first above written.

COMPUTERSHARE TRUST COMPANY,
N.A., as Trustee and Tender Agent

By: _____
Name:
Title

TD BANK, N.A., as Liquidity Provider

By: _____
Name:
Title

ACCEPTED AND AGREED TO:

DISTRICT OF COLUMBIA WATER AND
SEWER AUTHORITY

By: _____
Name:
Title

AGREEMENT REGARDING RATES AND FEES (SERIES 2024B BONDS)

The DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY, an independent authority of the District of Columbia (the “Issuer”) and TD BANK, N.A. (the “Liquidity Provider”) have entered into a Standby Bond Purchase Agreement (Series 2024B Bonds) dated July [], 2024 (the “Agreement”) that relates to the Issuer’s Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds, Series 2024B (the “2024B Bonds”). Pursuant to the Agreement, the Liquidity Provider has agreed to provide for the purchase of the 2024B Bonds which are not remarketed upon certain tenders by the holders thereof on or prior to the last day of the Facility Period (as such term is defined in the Agreement) under the terms and conditions set forth in the Agreement.

Defined terms used and not defined herein shall have the meaning set forth in the Agreement.

The Issuer and the Liquidity Provider hereby agree to the following.

This Agreement Regarding Rates and Fees is the “Fee Agreement” referenced in the Agreement, and the terms hereof are incorporated by reference into the Agreement in its entirety and shall be treated as part of the Agreement.

This Agreement Regarding Rates and Fees may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

The following shall be the “Facility Fee” referred to in the Agreement.

(a) “Facility Fee” means a non-refundable fee with respect to the Agreement for each day in an amount equal to the Facility Fee Rate for such day multiplied by the Available Commitment for such day, such Facility Fee (i) shall be due initially on the Effective Date and shall be prorated for the first quarter and (ii) shall thereafter be paid quarterly in advance on the first Business Day of each January, April, July, and October commencing October 1, 2024. This Facility Fee shall be prorated for the last quarter. The Facility Fee shall be calculated on the basis of a year of 365- or 366-days and actual days elapsed.

(b) “Facility Fee Rate” means, for any day, 0.21% per annum, subject to adjustment as set forth in clauses (i) and (ii) below:

(i) If a Bond Rating (defined below) is reduced to a rating level (“rating level” for this purpose shall be deemed to include sign changes and numeric qualifiers) below Moody’s A1 or S&P A+ (each, a “Threshold Bonds Rating”), the Facility Fee Rate shall increase by 5 basis points (0.050%) for each such reduction. If a Bond Rating is reduced to a rating level below Moody’s A2 or S&P A, the Facility Fee Rate shall increase by 7.5 basis points (0.075%) such that the Facility Fee Rate increases are cumulative. If a Bond Rating is withdrawn or suspended the Facility Fee Rate shall increase by 100 basis points (1.000%). Any adjustment to the Facility Fee Rate pursuant to this Section 3(b)(i) shall be and become effective as of and on the date of the written announcement of the change in a Bond Rating. The Issuer’s voluntary failure to maintain a Bond Rating from

one Rating Agency for other than credit-related reasons shall not, in and of itself, result in an increase of the Facility Fee Rate pursuant to this Section 3(b)(i), provided that the long-term debt of the Issuer is and continues to be rated by at least two Rating Agencies.

MOODY'S S&P/FITCH

Al A+

In the event the Rating Agencies then rating the 2024B Bonds have conflicting or “split” ratings, the lowest of such ratings shall be used to determine the Bonds Rating. Any adjustment to the Facility Fee Rate pursuant to this Section (i) shall be and become effective as of and on the date of the written announcement of the change in the Bonds Rating. The Issuer’s voluntary failure to maintain a rating from one Rating Agency for other than credit-related reasons shall not, in and of itself, result in an increase of the Facility Fee pursuant to this Section (i), provided that the long-term debt of the Issuer is and continues to be rated by at least two Rating Agencies.

(ii) Upon the occurrence and during the continuance of an Event of Default, the Facility Fee Rate shall automatically and without notice to the Issuer be increased from the rate in effect at the time of such occurrence by 1.00% per annum commencing on the date such Event of Default occurs and continuing until such Event of Default is cured to the satisfaction of the Liquidity Provider.

(iii) [*Placeholder for provision concerning one-time credit to the facilities owed on terminated credit facility agreement*]

The Issuer shall pay to the Liquidity Provider the following fees, as applicable: (a) the Draw Fee in connection with each purchase of 2024B Bonds by the Liquidity Provider under the Agreement; (b) the Amendment Fee in connection with each amendment or extension of the Agreement; (c) the Transfer Fee in connection with any transfer of the Agreement; and (d) the Late Fee if any payment due to the Liquidity Provider is more than fifteen (15) days overdue.

The following defined terms and definitions shall apply to such terms as used in the Agreement:

“Amendment Fee” means such amount as the Liquidity Provider may from time to time customarily charge for amendments relating to letters of credit issued by the Liquidity Provider (which Amendment Fee is \$2,500 as of the date of this Agreement Regarding Rates and Fees).

“Bank Rate” means, for each day of determination with respect to any Bank Bond, except as otherwise provided in Section (a) of the Agreement, (i) for the period from and including the Purchase Date of such Bank Bond to but not including the 45th calendar day following the related Purchase Date, the rate per annum equal to the Base Rate from time to time in effect (but in no event less than 3.00% per annum), (ii) for the period from and including the 46th calendar day following the related Purchase Date to but not including the 91st calendar day following the related Purchase Date, the rate per annum equal to the Base Rate from time to time in effect plus 0.50% (but in no event less than 3.00% per annum), and (iii) thereafter, the rate per annum equal

to the Base Rate from time to time in effect plus 1.00% (but in no event less than 5.00% per year); provided that, notwithstanding anything herein or in the Agreement to the contrary, from and after the occurrence of an Event of Default, the Bank Rate shall equal the Default Rate, and provided further that at no time shall the Bank Rate with respect to any Bank Bonds be less than the rate on Bonds that are not Bank Bonds.

“Base Rate” means the greater of (a) the Prime Rate and (b) the Federal Funds Rate plus 2.00%.

“Bonds Rating” means the long-term credit rating with respect to the 2024B Bonds assigned by any Rating Agency; *provided, however,* that (i) references to any ratings herein are references to rating levels in effect as of the date of this Agreement Regarding Rates and Fees, (ii) in the event any Rating Agency adopts a new rating system or modifies its current rating system, each rating referenced herein shall be deemed to be replaced by the new or modified rating level which the Liquidity Provider reasonably determines to most closely approximate the rating prior to modification, (iii) in the event any Rating Agency is replaced by a different Rating Agency, each rating referenced herein shall be deemed to be replaced by the rating level of the new Rating Agency which the Liquidity Provider reasonably determines to most closely approximate the equivalent rating level of the previous Rating Agency; and (iv) in the event the Rating Agencies then rating the 2024B Bonds have conflicting or “split” ratings, the lowest of such ratings shall be used to determine the Bonds Rating.

“Default Rate” means, for any day, a fluctuating rate of interest per annum equal to the higher of (i) Bank Rate plus four percent (4.00%) and (ii) seven percent (7.00%).

“Draw Fee” means the fee charged for each purchase of 2024B Bonds by the Liquidity Provider under the Agreement, which fee shall be \$350, payable quarterly in arrears based upon invoices submitted by the Liquidity Provider to the Issuer.

“Federal Funds Rate” means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided, that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upwards, if necessary, to a whole multiple of 1/100 of 1%) charged to the Bank on such day on such transactions as determined by the Bank.

“Liquidity Provider Downgrade Event” means any of the following: (i) the short-term unenhanced credit rating assigned to the Liquidity Provider by Moody’s shall fall to or below “P-2,” (ii) the short-term unenhanced credit rating assigned to the Liquidity Provider by Fitch shall fall to or below “F2,” or (iii) the short-term unenhanced credit rating assigned to the Liquidity Provider by S&P shall fall to or below “A-2.”

“Prime Rate” means, for any day, a rate of interest per annum equal to the rate listed as “The United States Prime Rate” on corporate loans posted by large United States commercial

banks as most recently published in the Eastern print edition of the Wall Street Journal[®], or its successor publication. If *The Wall Street Journal* (Eastern Edition) or its successor publication, ceases to publish a rate or rates of interest as the “Prime Rate”, then for purposes of this Agreement, the term “Prime Rate” shall mean the rate which the Liquidity Provider establishes from time to time as its “Prime Rate”, whether or not published. The parties understand that such rate is not intended to be the lowest rate of interest charged by the Liquidity Provider in connection with the extension of credit to its customers.

“Termination Fee” means, upon a request by the Issuer to terminate the Agreement pursuant to Section 2.11 of the Agreement, payment by the Issuer on or before the date of the termination of the Agreement of the uncollected amounts, if any, associated with the first twelve months of fees under the Agreement if the termination will be effective prior to July [], 2025. If such termination of the Agreement will be effective on or after July [], 2025 the Termination Fee shall be zero.

“Transfer Fee” shall mean such amount as the Liquidity Provider may from time to time charge for transfers of the Agreement (which Transfer Fee is \$2,500 as of the date of this Agreement Regarding Rates and Fees).

By accepting delivery of this Fee Agreement, you agree that, from and after the date hereof, the terms hereof shall not be disclosed by you to any person other than your officers, directors, employees, managers, agents, consultants, investors, partners, members, accountants, attorneys and other advisors (collectively, the “Authorized Representatives”), and then only on a “need to know” basis in connection with the transactions contemplated by the Agreement and on a confidential basis (except that, notwithstanding the foregoing, you may make such public disclosures as you are required by law or by a court of competent jurisdiction, in the opinion of your counsel, to make). Nothing contained in this Fee Agreement shall be considered confidential to the extent that it (i) becomes generally available to the public (through no action or omission of the Issuer or any of its Authorized Representatives in contravention of the confidentiality requirements set forth herein), or (ii) has been disclosed to other parties by the Liquidity Provider (other than agents, consultants, investors, partners, members, accountants, attorneys and other advisors of the Liquidity Provider), or (iii) is incorporated into reports or other work product generated by the Issuer or any of its Authorized Representatives. Your obligations hereunder with respect to confidentiality shall survive the expiration or termination of the Agreement.

{SIGNATURES ON PAGE FOLLOWING}

IN WITNESS WHEREOF, the parties hereto have caused this Agreement Regarding Rates and Fees (Series 2024B) to be duly executed and delivered as of July [], 2024, by their respective officers thereunto duly authorized.

TD BANK, N.A.

By: _____
Camille Dawson
Senior Relationship Manager and Vice
President

**AGREED TO AND ACCEPTED,
AS OF JULY [], 2024, BY:**

DISTRICT OF COLUMBIA WATER AND
SEWER AUTHORITY, an independent
authority of the District of Columbia

By: _____
Name:
Title

Orrick Draft as of May 16, 2024

**THIS INVITATION WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME
ON JULY __, 2024, UNLESS EARLIER TERMINATED OR EXTENDED.**

**INVITATION TO TENDER BONDS MADE
BY THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

**to the Bondowners described herein of all or any portion of the maturities
listed on pages (i) through (iii) herein of the**

**District of Columbia Water and Sewer Authority
Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2019D (Federally Taxable)
Public Utility Subordinate Lien Revenue and Revenue Refunding Bonds, Series 2022D (Federally Taxable)
[ADDITIONAL BONDS]**

The District of Columbia Water and Sewer Authority (the “Authority”) invites the beneficial owners (the “Bondowners”) of the Authority’s Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2019D (Federally Taxable) (the “2019D Target Bonds”) and Public Utility Subordinate Lien Revenue and Revenue Refunding Bonds, Series 2022D (Federally Taxable) (the “2022D Target Bonds”), of the maturity dates listed in the tables on page (i) of this Invitation to Tender Bonds (the “Invitation”) (collectively, the “Taxable Target Bonds”) and the Authority’s [tax-exempt target bonds to be inserted as applicable], of the maturity dates listed in the tables on pages (i) and (ii) of this Invitation (the “Tax-Exempt Target Bonds” and together with the Taxable Target Bonds, the “Target Bonds”), to offer to sell to the Authority for payment in cash any of the Target Bonds (or portions thereof). With respect to the Taxable Target Bonds, the purchase prices will be calculated based on a fixed spread set forth in the Pricing Notice (each, a “Fixed Spread”) to be added to the yields on the relevant benchmark United States Treasury Securities, as set forth in the tables on page (i) of this Invitation. With respect to the Tax-Exempt Target Bonds, the purchase [prices] will be set forth in the Pricing Notice (collectively the “Purchase Prices”). In each case, Bondholders who tender Target Bonds will receive accrued interest on the Target Bonds tendered for purchase up to but not including the Settlement Date (defined below), on the terms and conditions as set forth in more detail herein. A portion of the of the Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024A of the Authority (the “Series 2024A Bonds”) will be used to purchase the Target Bonds accepted for purchase.

[Note that page (ii) has indicative prices/spreads, which are non-binding and subject to change per the Pricing Notice.] On or about [June 27, 2024], the Authority will publish the Pricing Notice in the form attached hereto as APPENDIX []. The Pricing Notice will establish the Fixed Spread by either confirming or amending each “Indicative Fixed Spread” as listed in the tables on page (i) of this Invitation for each maturity and corresponding CUSIP of the respective Taxable Target Bonds. The Pricing Notice will also establish the [Fixed Price by either confirming or amending each [“Indicative Fixed Price”] as listed in the tables on page (ii) of this Invitation for each maturity and corresponding CUSIP of the respective Tax-Exempt Target Bonds. The purchase of any Target Bonds tendered for purchase pursuant to this Invitation and accepted by the Authority is contingent on the issuance of the Series 2024A Bonds and is also subject to the terms of this Invitation and certain other conditions as described herein.

This Invitation is part of a plan by the Authority to refinance a portion of the Authority’s outstanding indebtedness, as described in the Preliminary Official Statement dated [Tender/POS Date] (the “2024A Bonds POS”) pertaining to the offering of the Series 2024A Bonds. Bondowners of Target Bonds who do not accept this Invitation or whose offer pursuant to this Invitation has not been accepted by the Authority as described herein will continue to hold their interest in such Target Bonds and such Target Bonds will remain outstanding. The Authority reserves the right to and may decide to refinance some or all of such bonds from time to time.

To make an informed decision as to whether, and how, to offer Target Bonds for purchase pursuant to the Invitation, a Bondowner must read this Invitation carefully, including the 2024A Bonds POS which is incorporated herein and available at [POS web address] and on the website of the Information Agent (as defined below) at globe.com/dewater, and consult his, her or its broker, account executive, financial advisor, attorney and/or other professionals.

Key Dates and Times	
<i>All of these dates and times are subject to change. All times are New York City time. Notices of changes will be sent in the manner provided for in this Invitation.</i>	
Launch Date.....	[June 20, 2024]
Pricing Notice	[June 27, 2024]
Expiration Date	[July 8, 2024] at 5:00 P.M.
Preliminary Notice of Acceptance	July [9], 2024
Determination of [Taxable] Target Bonds Purchase Price	July [9], 2024 at 10:00 A.M.]
Notice of [Taxable] Target Bonds Purchase Price	[July 9, 2024]
Final Notice of Acceptance.....	[July 10, 2024]
Settlement Date	[July 30, 2024]

The Information Agent and Tender Agent for this Invitation is

GLOBIC ADVISORS

Attention: Robert Stevens

Tel: (212) 227-9622, rstevens@globic.com

Document Website: www.globic.com/dcwater

The Dealer Manager for this Invitation is

MORGAN STANLEY & CO. LLC

Dealer Manager

Contact your Morgan Stanley & Co. LLC Representative or

Cabray Haines, (202) 689-1838, Cabray.Haines@ms.com

Any Bondowner wishing to offer Target Bonds for purchase or exchange pursuant to this Invitation should follow the procedures more fully described herein. Bondowners and their brokers and account executives with questions about this Invitation should contact the Dealer Manager or the Information Agent.

The date of this Invitation to Tender Bonds is [Tender/POS Date].

TAXABLE TARGET BONDS SUBJECT TO INVITATION TO TENDER FOR CASH

**District of Columbia Water and Sewer Authority
Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2019D (Federally Taxable)**

CUSIP (254845) ¹	Maturity Date (October 1)	Interest Rate (%)	Outstanding Principal Amount	Maximum Principal Amount that May be Accepted for Purchase	Benchmark Treasury Security ²	Indicative Fixed Spreads ³
--------------------------------	------------------------------	----------------------	---------------------------------	---	--	--

**District of Columbia Water and Sewer Authority
Public Utility Subordinate Lien Revenue and Revenue Refunding Bonds, Series 2022D (Federally Taxable)**

CUSIP (254845) ¹	Maturity Date (October 1)	Interest Rate (%)	Outstanding Principal Amount	Maximum Principal Amount that May be Accepted for Purchase	Benchmark Treasury Security ²	Indicative Fixed Spreads ³
--------------------------------	------------------------------	----------------------	---------------------------------	---	--	--

¹ Plus accrued interest.

¹ CUSIP is a registered trademark of FactSet. CUSIP data herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP number are being provided solely for the convenience of the owners of the Target Bonds and the Authority is not responsible for the selection or correctness of the CUSIP numbers printed herein and does not make any representation with respect to such numbers or undertake any responsibility for their accuracy.

² Each Benchmark Treasury Security (as defined herein) will be the most recently auctioned “on-the-run” United States Treasury Security for the maturity indicated as of the date and time that the Purchase Price for the Taxable Target Bonds is set, currently expected to be approximately 10:00 a.m. ET on [____], 2024.

³ Indicative Fixed Spreads (as defined herein) are preliminary and subject to change. Actual Fixed Spreads will appear in the Pricing Notice. [Add language that taxable term bonds will be priced to average life].

TAX-EXEMPT TARGET BONDS SUBJECT TO INVITATION TO TENDER FOR CASH

**District of Columbia Water and Sewer Authority
Public Utility Subordinate Lien Revenue Refunding Bonds, Series [TAX-EXEMPT]**

CUSIP (254845) ¹	Maturity Date (October 1)	Interest Rate	Outstanding Principal Amount	[Indicative Purchase Price as a Percentage of Par]
--------------------------------	---------------------------------	------------------	---------------------------------	---

¹ CUSIP is a registered trademark of FactSet. CUSIP data herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP number are being provided solely for the convenience of the owners of the Target Bonds and the Authority is not responsible for the selection or correctness of the CUSIP numbers printed herein and does not make any representation with respect to such numbers or undertake any responsibility for their accuracy.

IMPORTANT INFORMATION

This Invitation and other information with respect to the Invitation are and will be available from the Dealer Manager and the Information Agent at www.globic.com/dewater. Bondowners wishing to offer their Target Bonds for purchase pursuant to the Invitation should follow the procedures more fully described herein. The Authority reserves the right to cancel or modify the Invitation at any time on or prior to the Expiration Date and reserves the right to make a future invitation to tender bonds at prices different than the offer purchase prices described herein and in the Pricing Notice. The Authority will have no obligation to purchase Target Bonds offered pursuant to the Invitation. The Authority further reserves the right to waive any irregularities or defects in any offer received.

The Authority also reserves the right in the future to refund or redeem any remaining portion of outstanding Target Bonds.

This Invitation is not being made to, and Target Bonds offered for purchase in response to this Invitation will not be accepted from or on behalf of, Bondowners in any jurisdiction in which the Invitation, the making of offers to sell Target Bonds or the acceptance thereof would not be in compliance with the laws of such jurisdiction. In those jurisdictions whose laws require the Invitation to be made through a licensed or registered broker or dealer, the Invitation is being made on behalf of the Authority by the Dealer Manager.

The Authority is not recommending to any Bondowner whether to offer their Target Bonds for purchase in connection with the Invitation. Each Bondowner must make these decisions and should read this Invitation and the 2024A Bonds POS available at [\[POS web address\]](#) and on the website of the Information Agent (as defined below) at globic.com/dewater in its entirety and consult with their broker-dealer, financial, legal, accounting, tax and other advisors in making these decisions.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Invitation, including the 2024A Bonds POS; and, if given or made, such information or representation may not be relied upon as having been authorized by the Authority.

The delivery of this Invitation shall not under any circumstances create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth herein or in any attachments hereto or materials delivered herewith or in the affairs of the Authority since the date hereof. The information contained in this Invitation is as of its date only and is subject to change, completion, or amendment without notice.

This Invitation contains statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Invitation and other materials referred to or incorporated herein, the words “estimate,” “anticipate,” “forecast,” “project,” “intend,” “propose,” “plan,” “expect” and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The Authority does not plan to issue any updates or revisions to those forward-looking statements if or when changes to its expectations, or events, conditions or circumstances on which such statements are based, occur.

This Invitation, including the 2024A Bonds POS, contains important information which should be read in its entirety before any decision is made with respect to the Invitation.

This Invitation has not been approved or disapproved by the Securities and Exchange Commission or any state securities commission, nor has the Securities and Exchange Commission or any state securities commission passed upon the fairness or merits of this Invitation or upon the accuracy or adequacy of the information contained in this Invitation. Any representation to the contrary is a criminal offense.

(iii)

TABLE OF CONTENTS

	Page
1. Introduction	1
2. Information to Bondowners	3
3. Expiration Date; Offers Only Through Financial Institutions; Brokerage Commissions...	3
4. Minimum Denominations and Consideration for Offers; Changes to the Terms of the Invitation	4
5. Provisions Applicable to all Offers	5
6. Transmission of Offers by Financial Institutions; DTC ATOP Procedures	6
7. Determinations as to Form and Validity of Offers; Right of Waiver and Rejection	6
8. Withdrawals of Offers Prior to Expiration Date; Irrevocability of Offers on Expiration Date	6
9. Acceptance of Offers for Purchase	7
10. Acceptance of Offers Constitutes Irrevocable Agreement	8
11. Settlement Date; Purchase of Target Bonds	8
12. Source of Funds.....	8
13. Conditions to Purchase.....	9
14. Extension, Termination and Amendment of Invitation	10
15. Certain Federal Income Tax Consequences	10
16. Additional Considerations and Authority Instruction of Special Consideration of Allocations of the Series 2024A Bonds	12
17. The Dealer Manager.....	14
18. Information Agent and Tender Agent.....	14
19. Miscellaneous.....	14

INVITATION TO TENDER BONDS
made by the
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

1. Introduction

This Invitation to Tender Bonds, dated [Tender/POS Date] (as it may be amended or supplemented, including the cover page, pages (i)-(iii), and the 2024A Bonds POS, this “**Invitation**”) is made by the District of Columbia Water and Sewer Authority (the “**Authority**”) with respect to its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2019D (Federally Taxable) (the “2019D Target Bonds”) and Public Utility Subordinate Lien Revenue and Revenue Refunding Bonds, Series 2022D (Federally Taxable) (the “**2022D Target Bonds**”), of the maturity dates listed in the tables on page (i) of this Invitation (collectively, the “**Taxable Target Bonds**”) and the Authority’s [tax-exempt target bonds to be inserted as applicable], of the maturity dates listed in the tables on page (ii) of this Invitation (the “**Tax-Exempt Target Bonds**”) and together with the Taxable Target Bonds, the “**Target Bonds**”), to the beneficial owners (the “**Bondowners**”) of such Target Bonds.

The Authority invites the Bondowners of the Target Bonds to offer to sell to the Authority for payment in cash any or all of the Target Bonds. With respect to the Taxable Target Bonds, the purchase prices will be calculated based on a fixed spread (each, a “**Fixed Spread**”) to be added to the yields on the relevant benchmark United States Treasury Securities, as set forth in the tables on page (i) of this Invitation, and with respect to the Tax-Exempt Target Bonds, the purchase [prices] will be set forth in the Pricing Notice (collectively the “**Purchase Prices**”). In each case, Bondholders who tender Target Bonds will receive accrued interest on the Target Bonds tendered for purchase up to but not including the Settlement Date (defined below), on the terms and conditions as set forth in more detail herein. A portion of the of the Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024A of the Authority (the “**Series 2024A Bonds**”) will be used to purchase the Target Bonds accepted for purchase. On or about [June 27, 2024], the Authority will publish the Pricing Notice in the form attached hereto as APPENDIX [], which will establish the Fixed Spread by either confirming or amending each “Indicative Fixed Spread” as listed in the tables on page (i) of this Invitation for each maturity and corresponding CUSIP of the respective Taxable Target Bonds and will establish the purchase [prices] for the Tax-Exempt Target Bonds.

The Target Bonds were issued by the Authority pursuant to a Master Indenture of Trust, dated as of April 1, 1998 (the “**Master Indenture of Trust**”), between the Authority and Computershare Trust Company, N.A., a national banking association, having a corporate trust office in Minneapolis, Minnesota, as trustee (the “**Trustee**”), as amended and supplemented, including as amended and supplemented by a Twenty-Sixth Supplemental Indenture of Trust, dated as of November 6, 2019, and by a Thirty-First Supplemental Indenture of Trust, dated as of March 23, 2022, also between the Authority and the Trustee, [ADD TAX-EXEMPT INDENTURES AS APPLICABLE] relating to the Target Bonds (the Master Indenture of Trust, together with all amendments or supplements thereto effected in accordance with its terms, the “**Target Bonds Indenture**”). This Invitation is part of a plan by the Authority to refinance a portion of the Target Bonds, as described in the 2024A Bonds POS. **The Authority’s outstanding bonds which are not identified in the table on page (i) hereof are not subject to this Invitation.** For additional information concerning the Authority and its outstanding indebtedness, see the 2024A Bonds POS

available at [\[POS web address\]](#) and on the website of the Information Agent (as defined below) at globic.com/dcwater.

Pursuant to the Invitation, each Bondowner may offer to tender to the Authority for purchase any or all Target Bonds, in a denomination of \$5,000 principal amount (the “Minimum Authorized Denomination”) or any integral multiple of \$5,000 in excess thereof, with respect to which the Bondowner has a beneficial ownership interest.

See also Section 4, “Minimum Denominations and Consideration for Offers,” Section 5, “Provisions Applicable to all Offers,” and Section 6, “Transmission of Offers by Financial Institutions; DTC ATOP Procedures,” below for more information on the consideration for which and how Bondowners can offer to tender their Target Bonds for purchase.

The source of funds to purchase the Target Bonds validly tendered for purchase and accepted by the Authority pursuant to the Invitation is anticipated to be a portion of the proceeds of the Series 2024A Bonds to be issued on the Settlement Date (defined below) and other available funds of the Authority. The payment of Accrued Interest on Target Bonds validly tendered for purchase and accepted by the Authority is expected to be [made from funds of the Authority]. The purchase of any of the Target Bonds tendered and accepted for purchase pursuant to the Invitation is contingent on the issuance of the Series 2024A Bonds. The Authority’s obligations to accept for purchase and to pay for Target Bonds validly tendered (and not withdrawn) pursuant to this Invitation are also subject to the satisfaction or waiver of certain conditions. See Section 13, “Conditions to Purchase,” for additional information regarding certain of such conditions.

Subject to the terms of this Invitation and the satisfaction of all conditions to the Authority’s obligation to purchase tendered Target Bonds as described herein, and provided that (i) the Target Bonds offered by a Bondholder for purchase have been validly tendered by 5:00 p.m., New York City time, on [Expiration Date] (as modified from time to time in accordance with this Invitation, the “Expiration Date”), and (ii) accepted by the Authority on [Acceptance Date] (as modified from time to time in accordance with this Invitation, the “Acceptance Date”), the Authority will purchase such Target Bonds tendered for purchase on [Settlement Date] or such later date as the Authority shall determine (such date, the “Settlement Date”). Accrued Interest on the Target Bonds purchased will also be paid on the Settlement Date.

All times in this Invitation are local time in New York City.

No assurances can be given that the Series 2024A Bonds will be issued at all or will be issued in an amount sufficient to pay the Purchase Price of Target Bonds tendered for purchase or that any Target Bonds offered for purchase by a Bondowner will be purchased. See Section 9, “Acceptance of Offers for Purchase,” for more information on the selection of tendered Target Bonds to be purchased, if any. The Authority reserves the right to amend or waive the terms of this Invitation as to any or all of the Target Bonds in any respect and at any time prior to the Expiration Date or from time to time, in its sole discretion. The Authority also has the right to terminate this Invitation at any time up to and including the Expiration Date. See Section 14, “Extension, Termination and Amendment of Invitation; Changes to Terms,” below.

In the event all conditions to this Invitation are not satisfied or waived by the Authority on or prior to the Settlement Date, any Target Bonds tendered by Bondowners pursuant to this Invitation

will be returned to the Bondowners and will continue to be outstanding, payable and secured under the terms of the Targeted Bonds Indenture.

Target Bonds Not Tendered for Purchase. Any Target Bonds that are not tendered for purchase in response to the Invitation and any Target Bonds that are tendered for purchase in response to the Invitation but are not accepted by the Authority for purchase will continue to be outstanding. The Authority reserves the right to, and may decide to refinance some or all of the Target Bonds not purchased in the future.

The purchase of the Target Bonds by the Authority of any CUSIP number may have certain potential adverse effects on holders of Target Bonds not purchased pursuant to the Invitation, including that the principal amount of the Target Bonds of such CUSIP number available to trade publicly will be reduced, which could adversely affect the liquidity and market value of any Target Bonds of that CUSIP number that remain outstanding.

To make an informed decision as to whether, and how, to offer Target Bonds for purchase pursuant to the Invitation, a Bondowner must read this Invitation carefully, including the 2024A Bonds POS.

None of the Authority, the Dealer Manager (as defined below) or the Information Agent and Tender Agent (as defined below) make any recommendation that any Bondowner offer and tender or refrain from offering and tendering all or any portion of such Bondowner's Target Bonds for purchase. Bondowners must make these decisions and should consult with their broker, account executive, financial advisor, attorney and/or other appropriate professionals.

The Dealer Manager for this Invitation is Morgan Stanley & Co. LLC (the "Dealer Manager"). Globic Advisors is serving as information agent and tender agent (the "Information Agent" or the "Tender Agent") in connection with this Invitation. Bondowners with questions about the substance of this Invitation should contact the Dealer Manager. Bondowners with questions about the mechanics of this Invitation should contact the Information Agent at the email address and telephone number set forth on the inside cover page of this Invitation.

2. Information to Bondowners

The Authority will give information about this Invitation to the market and Bondowners, including, without limitation, any supplement to the 2024A Bonds POS, by delivery of such information in the following ways: (i) to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website, currently located at <http://emma.msrb.org> (the "EMMA Website"), using the CUSIP numbers for the Target Bonds listed in the table on the cover page of this Invitation; (ii) to DTC (defined below) and to the DTC participants holding the Target Bonds; and (iii) by posting electronically on the website of the Information Agent at www.globic.com/dcwater. Delivery by the Authority of information in this manner will be deemed to constitute delivery of the information to each Bondowner. The Authority, the Dealer Manager, and the Information Agent and Tender Agent have no obligation to ensure that a Bondowner actually receives any information provided by the Authority in this manner. A Bondowner who would like to receive information furnished by or on behalf of the Authority as described above must make appropriate arrangements with its broker, account executive or other financial advisor or representative.

The final Official Statement with respect to the Series 2024A Bonds will be posted to the EMMA Website.

3. **Expiration Date; Offers Only Through Financial Institutions; Brokerage Commissions**

This Invitation to offer to sell Target Bonds will expire at [5:00 p.m.], New York City time, on the Expiration Date, unless earlier terminated or modified as described in this Invitation. Offers to sell Target Bonds received after 5:00 p.m., New York City time, on the Expiration Date (as it may be modified) will not be considered. See Section 14 for a discussion of the Authority's ability to extend the Expiration Date and to terminate or amend this Invitation.

All of the Target Bonds are held in book-entry-only form through the facilities of The Depository Trust Company of New York ("DTC"). The Information Agent and Tender Agent and DTC have confirmed that the Invitation is eligible for submission of tenders for purchase through DTC's Automated Tender Offer Program (known as the "ATOP" system). **Bondowners of Target Bonds who want to accept the Authority's Invitation to sell Target Bonds must do so through a DTC participant in accordance with the relevant DTC procedures for the ATOP system. The Authority will not accept any tenders of Target Bonds for purchase that are not made through the ATOP system.** Bondowners who are not DTC participants can only offer Target Bonds for purchase pursuant to this Invitation by making arrangements with and instructing the bank or brokerage firm through which they hold their Target Bonds (sometimes referred to herein as a "custodial intermediary") to tender the Bondowner's Target Bonds on their behalf through the ATOP system. To ensure a Bondowner's Target Bonds are tendered through the ATOP system by 5:00 p.m., New York City time, on the Expiration Date, Bondowners must provide instructions to the bank or brokerage firm through which their Target Bonds are held in sufficient time for such custodial intermediary to tender the Target Bonds in accordance with DTC procedures through the ATOP system by this deadline. Bondowners should contact their bank or brokerage firm through which they hold their Target Bonds for information on when such custodial intermediary needs the Bondowner's instructions in order to tender the Bondowner's Target Bonds through the ATOP system by 5:00 p.m., New York City time, on the Expiration Date. See also Section 6 below.

The Authority, the Dealer Manager, and the Information Agent and Tender Agent are not responsible for making or transmitting any offer to sell Target Bonds through the ATOP system or for any mistakes, errors or omissions in the making or transmission of any offer or transfer.

Bondowners will not be obligated to pay any brokerage commissions or solicitation fees to the Authority, the Dealer Manager or the Information Agent and Tender Agent in connection with this Invitation. However, Bondowners should check with their broker, account executive or other financial institution which maintains the account in which their Target Bonds are held to determine if it will charge any commission or fees.

4. **Minimum Denominations and Consideration for Offers; Changes to the Terms of the Invitation**

Authorized Denominations for Offers. A Bondowner may make an offer to sell all or a portion of Target Bonds of a particular CUSIP that it owns in an amount of its choosing, but only in principal amounts equal to the Minimum Authorized Denomination or any integral multiple of \$5,000 in excess thereof.

Tender Consideration.

With respect to the Taxable Target Bonds, on or about [June 27, 2024], the Authority will publish the Pricing Notice, which will establish the Fixed Spreads by either confirming or amending each “Indicative Fixed Spread” as listed on page (i) of this Invitation for each maturity and corresponding CUSIP of the respective Taxable Target Bonds. The applicable Fixed Spread for a CUSIP, expressed as an interest rate percentage, will be added to the yield on the Benchmark Treasury Security (the “**Treasury Security Yield**”) corresponding thereto to arrive at a yield (each a “**Purchase Yield**”) used to calculate the Purchase Price for each maturity and corresponding CUSIP of the Taxable Target Bonds. The Benchmark Treasury Security for each CUSIP is identified on page (i) of this Invitation and in the Pricing Notice. The Treasury Security Yield will be the bid-side yield of the Benchmark Treasury Security as quoted on the Bloomberg Bond Trader FIT1 series of pages at approximately 10:00 a.m., Eastern Time on [June __, 2024]. Each Purchase Yield will be used to calculate the Purchase Price for each maturity and corresponding CUSIP of the Taxable Target Bonds. The Purchase Prices will be calculated using the market standard bond pricing formula as of the Settlement Date using the relevant Purchase Yield and the maturity date and interest rate for each of the Taxable Target Bonds, [include exception for Term Bond(s) if applicable]. The Authority expects to publish a Notice of Taxable Target Bonds Purchase Prices on [July 9, 2024]. The purchase price to be received by a Bondholder will equal the product of the Purchase Price and the par amount of such Bondholder’s Taxable Target Bonds validly tendered and accepted for purchase divided by 100. In addition to the Purchase Prices of the Taxable Target Bonds accepted for purchase by the Authority, Accrued Interest on such Taxable Target Bonds will be paid by the Authority on the Settlement Date.

[To insert additional language re: Taxable Term Bonds pricing to their respective average lives, as applicable]

With respect to the Tax-Exempt Target Bonds, the Tax-Exempt Target Bonds may only be offered by a Bondowner for purchase by the Authority pursuant to the Invitation at the [Purchase Price] for each CUSIP set forth on page (ii) of this Invitation (to be confirmed or amended in the Pricing Notice to be published on or about [June 27, 2024]). In addition to the Purchase Price of the Tax-Exempt Target Bonds accepted for purchase by the Authority, Accrued Interest on such Tax-Exempt Target Bonds will be paid by, or on behalf of, the Authority to the tendering Bondowners on the Settlement Date. [The Purchase Prices (and the Accrued Interest) will constitute the sole consideration payable by the Authority for Tax-Exempt Target Bonds purchased by the Authority pursuant to the Invitation.]

Changes to Terms of the Invitation. As described in Section 14 hereof, the Authority may revise the terms of this Invitation prior to the Expiration Date. In the event that the Authority determines to revise the terms of the Invitation, it shall provide notice thereof in the manner described in Section 2 of this Invitation no later than 11:00 a.m., New York City time, on the day prior to the Expiration Date. If the Authority changes the Purchase Price for any of the Target Bonds pursuant to the Invitation the Authority shall provide notice thereof (as described in Section 2) no less than three (3) business days prior to the Expiration Date, as modified. **In such event, any offers submitted with respect to the affected Target Bonds prior to such change in the Purchase**

Price for such Target Bonds pursuant to the Invitation will remain in full force and effect and any Bondowner of such affected Target Bonds wishing to revoke their offer to tender such Target Bonds must affirmatively withdraw such offer prior to the Expiration Date as described in Section 8 hereof.

5. Provisions Applicable to all Offers

A Bondowner should ask his, her, or its financial advisor, investment manager, broker or account executive for advice in determining whether to offer Target Bonds for purchase and the principal amount of Target Bonds to be offered. A Bondowner should also inquire as to whether its financial institution will charge a fee for submitting offers. The Authority, the Dealer Manager, and the Information Agent and Tender Agent will not charge fees to any Bondowner making an offer or completing the purchase of Target Bonds.

An offer to sell Target Bonds cannot exceed the par amount of Target Bonds owned by the Bondowner. Target Bonds may be tendered and accepted for payment only in principal amounts equal to the Minimum Authorized Denomination and integral multiples of \$5,000 in excess thereof.

“All or none” offers are not permitted. No alternative, conditional or contingent tenders will be accepted. All tenders shall survive the death or incapacity of the tendering Bondowner.

By making an offer pursuant to this Invitation, each Bondowner will be deemed to have represented and warranted to and agreed with the Authority and the Dealer Manager that:

(a) the Bondowner has received, and has had the opportunity to review, this Invitation (including the 2024A Bonds POS) prior to making the decision as to whether or not they should offer to tender their Target Bonds for purchase;

(b) the Bondowner has full authority to tender, sell, assign and transfer such Target Bonds, and that, on the Settlement Date, the Authority, as transferee, will acquire good title, free and clear of all liens, charges, encumbrances, conditional sales agreements or other obligations and not subject to any adverse claims, subject to payment to the Bondowner of the applicable Purchase Price plus payment of the Accrued Interest;

(c) the Bondowner has made its own independent decision to make the offer, the appropriateness of the terms thereof, and whether the offer is appropriate for the Bondowner;

(d) such decisions are based upon the Bondowner’s own judgment and upon advice from such advisors as the Bondowner has consulted;

(e) the Bondowner is not relying on any communication from the Authority or the Dealer Manager as investment advice or as a recommendation to make the offer, it being understood that the information from the Authority or the Dealer Manager related to the terms and conditions of the Invitation shall not be considered investment advice or a recommendation to make an offer; and

(f) the Bondowner is capable of assessing the merits of and understanding (on its own and/or through independent professional advice), and does understand and accept, the terms and conditions of the Invitation.

6. Transmission of Offers by Financial Institutions; DTC ATOP Procedures

Offers to sell Target Bonds pursuant to this Invitation may only be made to the Authority through DTC's ATOP system. Bondowners who are not DTC participants must make their offers through their custodial intermediary. A DTC participant must tender the Target Bonds offered by the Bondowner pursuant to the Invitation on behalf of the Bondowner for whom it acts through the ATOP system. In so doing, such custodial intermediary and the Bondowner on whose behalf the custodial intermediary is acting, agree to be bound by DTC's rules for the ATOP system. In accordance with ATOP procedures, DTC will then verify receipt of the tender offer and send an Agent's Message (as described below) to the Information Agent and Tender Agent.

The term "Agent's Message" means a message transmitted by DTC to, and received by, the Information Agent and Tender Agent and forming a part of the book-entry confirmation which states that DTC has received an express acknowledgement from the DTC participant tendering Target Bonds for purchase that are the subject of such book-entry confirmation, stating (i) the par amount of the Target Bonds that have been tendered by such DTC participant on behalf of the Bondowner pursuant to the applicable Invitation, and (ii) that the Bondowner agrees to be bound by the terms of the Invitation, including the representations, warranties, agreements and affirmations deemed made by it as set forth in Section 5 above.

Agent's Messages must be transmitted to and received by the Information Agent and Tender Agent by not later than 5:00 p.m., New York City time, on the Expiration Date (as the date may have been changed as provided in this Invitation). Target Bonds will not be deemed to have been tendered for purchase pursuant to the Invitation until an Agent's Message with respect thereto is received by the Information Agent and Tender Agent.

7. Determinations as to Form and Validity of Offers; Right of Waiver and Rejection

All questions as to the validity (including the time of receipt of Agent's Messages by the Information Agent and Tender Agent), eligibility, and acceptance of any offers to sell Target Bonds will be determined by the Authority in its sole discretion and will be final, conclusive and binding.

The Authority reserves the right to waive any irregularities or defects in any offer. The Authority, the Dealer Manager, and the Information Agent and Tender Agent are not obligated to give notice of any defects or irregularities in offers, and they will have no liability for failing to give such notice.

The Authority reserves the absolute right to reject any and all offers, whether or not they comply with the terms of the Invitation.

8. Withdrawals of Offers Prior to Expiration Date; Irrevocability of Offers on Expiration Date

A Bondowner may withdraw its offer of Target Bonds tendered for purchase pursuant to this Invitation by causing a withdrawal notice to be transmitted via DTC's ATOP system to, and received by, the Information Agent and Tender Agent at or before 5:00 p.m., New York City time, on the Expiration Date (as the date and time may have been changed as provided in this Invitation).

Bondowners who are not DTC participants can only withdraw their offers by making arrangements with and instructing the custodial intermediary through which they hold their Target Bonds to submit the Bondowner's notice of withdrawal through the DTC ATOP system.

All offers to sell Target Bonds will become irrevocable as of 5:00 p.m., New York City Time, on the Expiration Date (as the date may have been changed from time-to-time as provided in this Invitation).

9. Acceptance of Offers for Purchase

On the Acceptance Date (i.e., [Acceptance Date], unless modified), upon the terms and subject to the conditions of the Invitation, the Authority will announce its acceptance for purchase of any or all Target Bonds offered and validly tendered by Bondowners pursuant to this Invitation by giving notice in the manner described in Section 2, with acceptance subject to the satisfaction or waiver by the Authority of the conditions to the purchase of tendered Target Bonds. See Section 10, "Acceptance of Offers Constitutes Irrevocable Agreement; Notice of Results" and Section 13, "Conditions to Purchase."

The Authority in its sole discretion will select which, if any, Target Bonds to purchase of a particular CUSIP based on its determination of the economic benefit from such purchase [as well as in consideration of the above stated "Maximum Principal Amount that May Be Accepted for Purchase" for such CUSIP on page (i) and (ii) of this Invitation and the Pricing Notice.] The Authority may choose to purchase some but not all of the Target Bonds of a particular CUSIP. [Offers to sell Target Bonds pursuant to this Invitation that are accepted by the Authority, in its sole discretion, will be accepted on a CUSIP-by-CUSIP basis determined by the sequence (earliest to latest) that such Target Bonds are submitted into DTC's ATOP system. All such determinations and allocations by the Authority shall be final and binding.] [Should the Authority decide to only purchase a portion of the Target Bonds being tendered for purchase of a certain CUSIP, the Authority will accept those tendered Target Bonds on a pro rata basis reflecting the ratio of (a) the principal amount, if any, that the Authority determines to purchase to (b) the aggregate principal amount of valid offers to sell received. In such event, should the principal amount of any individual tender offer, when adjusted by the pro rata acceptance, result in an amount that is not a multiple of the Minimum Authorized Denomination, the principal amount of such offer will be rounded up to the near multiple of \$5,000.]

The acceptance notification will state (i) the principal amount of the Target Bonds of each CUSIP number that the Authority has accepted for purchase in accordance with the Invitation, which for a particular CUSIP number, may be less than the full principal amount of Target Bonds offered and validly tendered or may be zero, or (ii) that the Authority has decided not to purchase any Target Bonds.

[additional language regarding partial acceptance/Maximum Principal Amount considerations to be inserted as applicable]

Shortly following the giving of notice of its acceptance of offers, the Authority will instruct DTC to release from the controls of the ATOP system all Target Bonds that were offered but were not accepted for purchase. The release of such Target Bonds will take place in accordance with DTC's ATOP procedures. The Authority, the Dealer Manager, and the Information Agent and Tender Agent are not responsible or liable for the operation of the ATOP system by DTC to

properly credit such released Target Bonds to the applicable account of the DTC participant or custodial intermediary or by such DTC participant or custodial intermediary for the account of the Bondowner.

Notwithstanding any other provision of this Invitation, the obligation of the Authority to accept for purchase and to pay for Target Bonds offered and validly tendered (and not validly withdrawn) by Bondowners pursuant to the Invitation is subject to the satisfaction or waiver of the conditions set forth under Section 13, “Conditions to Purchase” below. The Authority reserves the right to amend or waive any of the terms of or conditions to this Invitation, in whole or in part, at any time prior to the Expiration Date or from time to time, in its sole discretion. This Invitation may be withdrawn by the Authority at any time prior to the Expiration Date.

10. Acceptance of Offers Constitutes Irrevocable Agreement

Acceptance by the Authority of offers to sell Target Bonds tendered by Bondowners will constitute an irrevocable agreement between the offering Bondowner and the Authority to sell and purchase such Target Bonds, subject to the conditions and terms of this Invitation, including the Conditions to Purchase set forth in Section 13.

11. Settlement Date; Purchase of Target Bonds

Subject to satisfaction of all conditions to the Authority’s obligation to purchase tendered Target Bonds, as described herein, the Settlement Date is the day on which Target Bonds accepted for purchase will be purchased and paid for at the applicable Purchase Price and the Accrued Interest on the Target Bonds will also be paid. Such purchase and payment are expected to occur by 3:00 p.m., New York City time, on the Settlement Date. The Settlement Date has initially been set as [Settlement Date], unless changed by the Authority, assuming all conditions to the applicable Invitation have been satisfied or waived by the Authority.

The Authority may, in its sole discretion, change the Settlement Date by giving notice thereof in the manner described in Section 2 of this Invitation prior to the change. See also Section 14, “Extension, Termination and Amendment of Invitation.”

Subject to satisfaction of all conditions to the Authority’s obligation to purchase Target Bonds tendered for purchase pursuant to the Invitation, as described herein, payment by the Authority will be made through DTC on the Settlement Date. The Authority expects that, in accordance with DTC’s standard procedures, DTC will transmit the aggregate Purchase Prices to be paid for the Target Bonds tendered for purchase (plus Accrued Interest) to DTC participants holding the Target Bonds accepted for purchase on behalf of Bondowners for subsequent disbursement to the Bondowners. **The Authority, the Dealer Manager and the Information Agent and Tender Agent have no responsibility or liability for the distribution of the Purchase Prices paid and Accrued Interest by DTC to DTC participants or by DTC participants to Bondowners.**

Promptly following such deliveries and payments, the Authority will instruct the Trustee for the Target Bonds purchased to cause such Target Bonds to be cancelled and retired.

12. Source of Funds

The source of funds to purchase the Target Bonds validly tendered for purchase pursuant to the Invitation and accepted by the Authority is anticipated to be a portion of the proceeds received by the Authority from the sale of the Series 2024A Bonds expected to be issued on the Settlement Date and available funds of the Authority. The payment of Accrued Interest on Target Bonds validly tendered for purchase is expected to be made from funds of the Authority. The Authority reminds investors that the Authority's ability to settle the purchase of Target Bonds tendered for purchase pursuant to this Invitation and accepted by the Authority is contingent upon the successful delivery of the Series 2024A Bonds.

13. Conditions to Purchase

The consummation of the purchase of the Target Bonds pursuant to this Invitation is conditioned upon the Authority achieving satisfactory and sufficient economic benefit therefrom when taken together with the proposed issuance of the Series 2024A Bonds, all on the terms and conditions that are, in the Authority's reasonable judgment, in the Authority's best interest. Payment on the Settlement Date is conditioned upon the successful closing of the Series 2024A Bonds. Furthermore, the Authority will not be required to purchase any Target Bonds, and will incur no liability as a result, if, before payment for Target Bonds on the Settlement Date:

a. The Authority does not, for any reason, have sufficient funds on the Settlement Date from the proceeds of the Series 2024A Bonds to pay the Purchase Prices of tendered Target Bonds accepted for purchase pursuant to the Invitation and pay all fees and expenses associated with the Series 2024A Bonds and this Invitation;

b. Litigation or another proceeding is pending or threatened which the Authority reasonably believes may, directly or indirectly, have an adverse impact on this Invitation or the expected benefits of this Invitation to the Authority or the Bondowners;

c. A war, national emergency, banking moratorium, suspension of payments by banks, a general suspension of trading by the New York Stock Exchange or a limitation of prices on the New York Stock Exchange exists and the Authority reasonably believes this fact makes it inadvisable to proceed with the purchase of Target Bonds;

d. A material change in the business or affairs of the Authority has occurred which the Authority reasonably believes makes it inadvisable to proceed with the purchase of Target Bonds;

e. A material change in the net economic benefit of the transaction contemplated by this Invitation and the 2024A Bonds POS has occurred due to a material change in market conditions which the Authority reasonably believes makes it inadvisable to proceed with the purchase of Target Bonds; or

f. There shall have occurred a material disruption in securities settlement, payment or clearance services.

These conditions are for the sole benefit of the Authority. They may be asserted by the Authority, prior to the time of payment for Target Bonds on the Settlement Date, regardless of the circumstances giving rise to any of these conditions or may be waived by the Authority in whole or in part at any time and from time to time in its sole discretion and may be exercised independently for each maturity date and CUSIP number of the Target Bonds. The

failure by the Authority at any time to exercise any of these rights will not be deemed a waiver of any of these rights, and the waiver of these rights with respect to particular facts and other circumstances will not be deemed a waiver of these rights with respect to any other facts and circumstances. Each of these rights will be deemed an ongoing right of the Authority which may be asserted at any time and from time to time. Any determination by the Authority concerning the events described in this Section will be final and binding upon all parties. If, prior to the time of payment for any Target Bonds any of the events described happens, the Authority will have the absolute right to cancel its obligations to purchase Target Bonds without any liability to any Bondowner or any other person.

14. Extension, Termination and Amendment of Invitation

Through and including the Expiration Date, the Authority has the right to extend this Invitation, to any date in its sole discretion. Notice of an extension of the Expiration Date will be given in the manner described in Section 2 of this Invitation, on or about 11:00 a.m., New York City time, on the first business day after the then current Expiration Date.

The Authority also has the right, prior to the acceptance of offers of Target Bonds tendered for purchase as described in Section 10 above, to terminate this Invitation, for any reason in the Authority's reasonable discretion, at any time by giving notice of such termination in the manner described in Section 2 of this Invitation.

The Authority also has the right, prior to the acceptance of offers of Target Bonds tendered for purchase as described in Section 10 above, to amend or waive the terms of this Invitation in any respect and at any time by giving notice of the amendment or waiver in the manner described in Section 2 of this Invitation. The amendment or waiver will be effective at the time specified in such notice.

If the Authority amends the terms of this Invitation, including a waiver of any term, in any material respect, notice of such amendment or waiver will be given no later than three (3) business days prior to the Expiration Date, as modified to provide reasonable time for dissemination of such amendment or waiver to Bondowners and for Bondowners to respond. **If the Authority changes the Purchase Price for any of the Target Bonds pursuant to the Invitation, any offers submitted with respect to the affected Target Bonds prior to such change in the Purchase Price for such Target Bonds pursuant to the Invitation will remain in full force and effect, and any Bondowner of such affected Target Bonds wishing to revoke their offer to tender such Target Bonds must affirmatively withdraw such offer prior to the Expiration Date as described in Section 8 hereof.**

No extension, termination or amendment of this Invitation (or waiver of any terms of this Invitation) will (i) change the Authority's right to decline to purchase any Target Bonds without liability; or (ii) give rise to any liability of the Authority, the Dealer Manager, or the Information Agent and Tender Agent to any Bondowner or nominee.

15. Certain Federal Income Tax Consequences

The following is a general summary of the U.S. federal income tax consequences for Bondowners that respond to the Invitation and have their offer to tender Target Bonds accepted by the Authority. The discussion is based on the Internal Revenue Code of 1986, as amended (the “Code”), the Treasury Regulations promulgated thereunder, and relevant rulings and decisions now in effect, all of which are subject to change or differing interpretations. No assurances can be given that future changes in U.S. federal income tax laws will not alter the conclusions reached herein. Tendering Bondowners should note that no rulings have been or will be sought from the Internal Revenue Service (the “IRS”), and no assurance can be given that the IRS will not take contrary positions, with respect to any of the U.S. federal income tax consequences discussed below. This U.S. federal income tax discussion is included for general information only and should not be construed as a tax opinion nor tax advice by the Authority or any of its advisors or agents to the Bondowners, and Bondowners therefore should not rely upon such discussion. This discussion assumes that the Series 2024A Bonds are held by the Bondowners as “capital assets” within the meaning of section 1221 of the Code.

The discussion below does not purport to deal with U.S. federal income tax consequences applicable to all categories of investors. Further, this summary does not address all of the tax consequences that may be relevant to a particular investor in the Target Bonds or the Series 2024A Bonds in light of the investor’s particular circumstances or to Holders subject to special treatment under the U.S. federal income tax laws (such as insurance companies, banks or other financial institutions, tax-exempt organizations, retirement plans, partnerships, other pass-through entities for U.S. federal income tax purposes, trusts and estates, in each case, as defined for U.S. federal income tax purposes, regulated investment companies, real estate investment trusts, persons subject to the alternative minimum tax, dealers in securities or currencies, U.S. Holders the functional currency of which for U.S. federal income tax purposes is not the U.S. dollar, foreign corporations, Holders holding the Target Bonds or Series 2024A Bonds as part of a hedge, straddle, constructive sale, conversion or other integrated transaction, former U.S. citizens or long-term residents subject to taxation as expatriates under Section 877 of the Code or persons that have elected to use a mark-to-market method of accounting for their securities holdings). In addition, this summary does not discuss the effect of other U.S. federal tax laws (such as estate and gift tax laws, the 3.8% Medicare tax on net investment income or rules requiring persons that use the accrual method of accounting to include certain amounts in income no later than the time such amounts are reflected on certain financial statements) except to the limited extent specifically indicated below, and does not discuss any state, local or non-U.S. tax laws related to the purchase, ownership and disposition of the Securities, and persons who are not U.S. Holders (as defined below) (all of such holders of the Target Bonds or the Series 2024A Bonds should consult their tax advisors).

As used in this section, a “U.S. Holder” means a beneficial owner of Target Bonds or the Series 2024A Bonds that is, for U.S. federal income tax purposes, a U.S. person. For this purpose, a “U.S. person” means (i) an individual who is a citizen or resident of the United States, including an alien individual who is a lawful permanent resident of the United States or who meets the “substantial presence” test under Section 7701(b) of the Code, (ii) a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States (or any state or political subdivision thereof or therein, including the District of Columbia), (iii) any estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) any trust if (x) a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons (within the meaning of the Code) have the authority to control all of its substantial decisions, or (y) a valid election was

made to be treated as a U.S. person for U.S. federal income tax purposes. A “Non-U.S. Holder” is a beneficial owner of Securities that is neither a U.S. person nor a partnership or other entity or arrangement treated as a partnership for U.S. federal income tax purposes.

If a partnership or other flow-through entity holds the Target Bonds or the Series 2024A Bonds, the tax treatment of a partner in the partnership or beneficial owner of the flow-through entity generally will depend upon the status of the partner owner and the activities of the partnership or flow-through entity. A partner of a partnership or a beneficial owner of a flow-through entity holding Target Bonds or Series 2024A Bonds should consult its own tax advisor regarding the U.S. federal income tax consequences of this Invitation.

Non-tendering Bondowners will not be subject to any U.S. federal income tax consequences in connection with the Invitation.

BOWNERS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE U.S. FEDERAL, STATE, LOCAL, FOREIGN AND ANY OTHER TAX CONSEQUENCES TO THEM FROM THE TENDER OF THE TARGET BONDS PURSUANT TO THE TENDER OFFER.

A Bondowner who tenders Target Bonds pursuant to the Invitation generally will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the (1) the amount realized by the Bondowner, and (2) the Bondowner’s adjusted tax basis in the Target Bonds accepted for purchase.

In the case of a Bondowner who tenders Target Bonds pursuant to the Invitation, the amount realized will be the amount of money received by the Bondowner, exclusive of any amount paid for accrued interest. Generally, a Bondowner’s adjusted tax basis in the Target Bonds will be equal to the cost of the Target Bonds to such Bondowner increased by any original issue discount or market discount and reduced by any bond premium properly allocable to such Bondowner.

Any gain or loss arising in connection with a taxable sale pursuant to the Invitation may be capital gain or loss (either long-term or short-term, depending on the Bondowner’s holding period for the Target Bonds accepted for purchase) or may be ordinary income or loss, depending on the particular circumstances of the tendering Bondowner. Non-corporate holders may be eligible for reduced rates of U.S. federal income tax on long-term capital gains. The deductibility of capital losses is subject to various limitations. Without limiting the foregoing, Bondowners who tender Target Bonds and purchase Series 2024A Bonds should be aware that they may be subject to special federal tax law rules, including rules that may limit their ability to recognize losses in respect of the sale of Target Bonds. In addition, these special federal tax law rules may affect the determination of such Bondowners’ basis in the Series 2024A Bonds.

Bondowners that are U.S. Holders will be subject to “backup withholding” of federal income tax in the event they fail to furnish a taxpayer identification number or there are other, related compliance failures.

16. Additional Considerations and Authority Instruction of Special Consideration of Allocations of the Series 2024A Bonds

None of the Authority, the Dealer Manager or the Information Agent and Tender Agent make any recommendation that any Bondowner tender or refrain from tendering all or any portion of the Target Bonds. Each Bondowner must make its decision and should read this Invitation, including the Appendices, and consult with its broker, account executive, financial advisor and/or other financial professional in making such decision.

In deciding whether to participate in the Invitation, each Bondowner should consider carefully, in addition to the other information contained in this Invitation, the following:

- In the event the Series 2024A Bonds are not issued and sold, or are not issued and sold in an amount sufficient to pay the tender price and also provide funds for the other purposes being financed with the proceeds of the Series 2024A Bonds, or the other conditions to purchase are not met, Target Bonds accepted for purchase are not required to be purchased by the Authority and in such event, Bondholders will continue to hold their respective Target Bonds.
- Even if the Authority does not purchase any Target Bonds, the Authority shall have the right now or in the future to refund all or any portion of the Target Bonds or may in the future invite Bondholders to tender such Target Bonds for purchase by the Authority.
- The Authority may choose to purchase some but not all of the Target Bonds of a particular CUSIP offered for purchase. Should the Authority decide to only purchase a portion of the Target Bonds being tendered for purchase of a certain CUSIP, the Authority will accept Bonds tendered for purchase [on a pro-rata basis] [by the sequence (earliest to latest) that such Target Bonds are submitted into DTC's ATOP system. Any offer to sell the Target Bonds for cash will be accepted or rejected in whole, and will not be subject to partial acceptance or rejection].

[Authority Instruction of Special Consideration of Allocations of the Series 2024A Bonds. The Authority, has instructed Morgan Stanley & Co. LLC, as representative ("Representative") of the underwriters of the Series 2024A Bonds (the "2024A Underwriters"), that Bondowners of [Tax-Exempt] Target Bonds accepted for purchase who also submit an order to purchase Series 2024A Bonds will, subject to the following sentence, receive special consideration of allocation for a like maturity of the Series 2024A Bonds up to the principal amount of Target Bonds that such Bondholder is tendering. The Representative has the discretion to accept orders outside of the Authority's instructed special consideration if the Representative determines it is in the best interests of the 2024A Underwriters, as per the rules of the Municipal Securities Rulemaking Board. The Representative will notify the 2024A Underwriters of any change in the Authority's special consideration instructions. As such, Bondholders of the [Tax-Exempt] Target Bonds are advised that such special consideration may not ultimately be possible.]

Market for Target Bonds. The Target Bonds are not listed on any national or regional securities exchange. To the extent that the Target Bonds are traded, their prices may fluctuate greatly depending on the trading volume and the balance between buy and sell orders. Bondowners may be able to effect a sale of the Target Bonds at a price higher than the Purchase Price established pursuant to the Invitation.

Target Bonds Not Tendered for Purchase. Bondowners of Target Bonds who do not accept this Invitation or who tender Target Bonds for purchase pursuant to the Invitation that are not

accepted for purchase by the Authority will continue to hold their interest in such Target Bonds. If Target Bonds are purchased pursuant to this Invitation, the principal amount of Target Bonds for a particular CUSIP that remains outstanding will be reduced, which could adversely affect the liquidity and market value of the Target Bonds of that CUSIP that remain outstanding.

The terms of the Target Bonds that remain outstanding will continue to be governed by the terms of the Target Bonds Indenture related to such Target Bonds.

To the extent Target Bonds are not purchased pursuant to this Invitation, the Authority reserves the right to, and may in the future decide to, acquire some or all of the Target Bonds through open market purchases, privately negotiated transactions, subsequent tender offers, exchange offers or otherwise, upon such terms and at such prices as it may determine, which may be more or less than the consideration offered pursuant to this Invitation, which could be cash or other consideration. Any future acquisition of Target Bonds may be on the same terms or on terms that are more or less favorable to Bondowners than the terms of this Invitation. The Authority also reserves the right in the future to refinance any remaining portion of outstanding Target Bonds through the issuance of publicly offered or privately placed bonds. The decision to undertake any such future transactions will depend on various factors existing at that time. There can be no assurance as to which of these alternatives, if any, the Authority may ultimately choose to pursue in the future.

17. The Dealer Manager

References in this Invitation to the Dealer Manager are to Morgan Stanley & Co. LLC only in its capacity as the Dealer Manager.

The Dealer Manager may contact Bondowners regarding this Invitation and may request brokers, dealers, custodian banks, depositories trust companies and other nominees to forward this Invitation to beneficial owners of the Target Bonds.

The Authority will pay to the Dealer Manager customary fees for its services in connection with this Invitation. In addition, the Authority will pay the Dealer Manager reasonable out-of-pocket costs and expenses relating to this Invitation.

The Dealer Manager, including affiliates, are full-service financial institutions engaged in various activities, which includes securities trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Dealer Manager and affiliates have, from time to time, performed, and may in the future perform, a variety of these services for the Authority, for which they received and/or will receive customary fees and expenses. In the ordinary course of their various business activities, the Dealer Manager and affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own accounts and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority.

In addition to its role as Dealer Manager in connection with this Invitation, the Dealer Manager is currently expected to act as underwriter of the Series 2024A Bonds anticipated to be

issued by the Authority as described in the 2024A Bonds POS and, as such, will receive underwriters' fees in connection with that transaction as well as for acting as the Dealer Manager in connection with this Invitation.

The Dealer Manager is not acting as a financial or municipal advisor to the Authority in connection with this Invitation.

18. Information Agent and Tender Agent

The Authority has retained Globic Advisors to serve as Information Agent and Tender Agent in connection with this Invitation. The Authority has agreed to pay the Information Agent and Tender Agent customary fees for its services and to reimburse the Information Agent and Tender Agent for its reasonable out-of-pocket costs and expenses relating to this Invitation.

19. Miscellaneous

This Invitation is not being made to, and offers will not be accepted from or on behalf of, Bondowners in any jurisdiction in which this Invitation or the acceptance thereof would not be in compliance with the laws of such jurisdiction. In those jurisdictions whose laws require this Invitation to be made through a licensed or registered broker or dealer, this Invitation is being made on behalf of the Authority by the Dealer Manager.

No one has been authorized by the Authority, the Dealer Manager, or the Information Agent and Tender/Exchange Agent to recommend to any Bondowners whether to offer Target Bonds for purchase or exchange pursuant to this Invitation. No one has been authorized to give any information or to make any representation in connection with this Invitation other than those contained in this Invitation. Any recommendation, information and representations given or made cannot be relied upon as having been authorized by the Authority, the Dealer Manager, or the Information Agent and Tender/Exchange Agent.

None of the Authority, the Dealer Manager, or the Information Agent and Tender/Exchange Agent make any recommendation that any Bondowner offer and tender or refrain from offering and tendering all or any portion of such Bondowner's Target Bonds for purchase or exchange. Bondowners must make these decisions and should read consult with their broker, account executive, financial advisor, attorney and/or other appropriate professionals.

DISTRICT OF COLUMBIA WATER AND SEWER
AUTHORITY

By: _____
Name: Matthew T. Brown
Title: Chief Financial Officer and Executive Vice
President, Finance Procurement and
Compliance

APPENDIX [A]
FORM OF PRICING NOTICE

ATTACHMENT 10

**FINANCE & BUDGET COMMITTEE
APPROVAL OF
COMMERCIAL PAPER PROGRAM AND RELATED DOCUMENTS**

ACTION ITEM E: Recommendation for Approval of Commercial Paper Program and Related Documents:

1. Authorizing Resolution
2. 35th Supplemental Indenture
3. Offering Memorandum
4. Dealer Agreement
5. Issuing and Paying Agency Agreement
6. LOC and Reimbursement Agreement

Presented and Adopted: June 6, 2024

Subject: Approving the Substantially Final Form of Certain Documents, Authorizing the Sale and Setting Terms and Details of the Commercial Paper Notes

#24-_____
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority (the "Authority"), at its meeting on June 6, 2024, upon consideration of a joint-use matter, decided by a vote of _____ () in favor and _____ () opposed Approving the Substantially Final Form of Certain Documents, Authorizing the Sale and Setting Terms and Details of the Commercial Paper Notes.

WHEREAS, pursuant to Resolution #10-60, dated May 6, 2010, the Authority previously issued its Commercial Paper Notes, Series A (the "Series A Notes"), in an aggregate principal amount not to exceed \$100,000,000 outstanding at any one time, its Commercial Paper Notes, Series B (the "Series B Notes"), in an aggregate principal amount not to exceed \$50,000,000 outstanding at any one time, and its Commercial Paper Notes, Series C (the "Series C Notes" and, together with the Series A Notes and Series B Notes, the "Prior Notes"), in an aggregate principal amount not to exceed \$75,000,000 outstanding at any one time; and

WHEREAS, pursuant to Resolution #13-41, dated April 4, 2013, the Authority, among other things, decreased the authorized maximum aggregate principal amount of the Series A Notes from \$100,000,000 to \$75,000,000; and

WHEREAS, pursuant to Resolution #15-42, dated May 7, 2015, the Authority authorized (i) the decrease of the authorized maximum aggregate principal amount of the Series A Notes from \$75,000,000 to \$0; (ii) the increase of the authorized maximum aggregate principal amount of the Series B Notes from \$50,000,000 to \$100,000,000; (iii) the decrease of the authorized maximum aggregate principal amount of the Series C Notes from \$75,000,000 to \$50,000,000; and

WHEREAS, the Authority intends to authorize and establish a new commercial paper program that will replace the Prior Notes and therefore intends to issue its Commercial Paper Notes, (the "Notes"), in an aggregate principal amount not to exceed \$250,000,000 outstanding at any one time; and

WHEREAS, the Authority will use the proceeds from the sale of the Notes: (i) to finance certain costs incurred in connection with the construction of certain capital improvements to its wastewater collection treatment and disposal system and its water system (collectively, and as further defined in the Master Indenture (as defined herein), the "System"), (ii) to pay the obligations of TD Bank, N.A. (the "Bank") under the Bank Note (as defined below) resulting from draws made under the Letter of Credit (as defined below); (iii) to finance certain costs of issuance of the Notes and (iv) for any other purpose permitted by law under the Indenture that in the opinion of Bond Counsel will not, in and of itself, adversely affect the exclusion from gross income for federal tax purposes of interest on the Notes issued as tax-exempt obligations (collectively, the "Project"); and

WHEREAS, the Notes will be secured by a letter of credit (the "Letter of Credit") to be issued by the Bank; and

WHEREAS, in accordance with the WASA Act, the Authority and Computershare Trust Company, N.A., as trustee (the "Trustee") (its predecessors in that capacity having been Norwest Bank Minnesota, N.A., Wells Fargo Bank Minnesota, N.A. and Wells Fargo Bank, 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 thirty-two (32) 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 further intends to enter into the Thirty-Third Supplemental Indenture in connection with the issuance of the Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024A, and the Thirty-Fourth Supplemental Indenture in connection with the issuance of the Public Utility Subordinate Lien Multimodal Revenue Refunding Bonds, Series 2024B; and

WHEREAS, there have been presented at this meeting drafts of the substantially final forms of the following documents that the Authority proposes to execute to carry out the transactions described above, copies of which documents shall be filed with the records of the Authority:

(a) a Thirty-Fifth Supplemental Indenture of Trust dated as of August 1, 2024 (the "Thirty-Fifth Supplemental Indenture"), between the Authority and the Trustee;

(b) an Issuing and Paying Agency Agreement (the "Issuing and Paying Agency Agreement") dated as of August 1, 2024, between the Authority and US Bank Trust Company National Association, as Issuing and Paying Agent (the "Issuing and Paying Agent");

(c) the form of the Authority's Commercial Paper Note, attached as an exhibit to the Issuing and Paying Agency Agreement;

(d) the Letter of Credit and Reimbursement Agreement (the "Reimbursement Agreement") dated as of August 1, 2024, between the Authority and TD Bank, N.A., pursuant to which the Letter of Credit will be issued;

(e) the form of the Bank Note (the "Bank Note") attached as an exhibit to the Reimbursement Agreement to bear interest at the Bank Rate or the Default Rate or as otherwise provided in the Reimbursement Agreement;

(f) the form of Dealer Agreement dated as of August 1, 2024 (the "Dealer Agreement"), between the Authority and each of Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC (the "Dealers"), relating to the public offering and sale of the Notes; and

(g) the form of Offering Memorandum dated as of August 1, 2024; and

WHEREAS, the Finance and Budget Committee met on May 23, 2024, to review the issuance of the Notes and has recommended approval of this Resolution by the Board.

NOW, THEREFORE BE IT RESOLVED THAT:

1. Unless otherwise defined herein and unless the context indicates otherwise, the terms used herein and defined in the Indenture (including the Thirty-Fifth 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 CEO and General Manager, the Chief Financial Officer and Executive Vice President, Finance, Procurement and Compliance, the Vice President and Controller, the Vice President, Budget, the Vice President, Finance, and the Vice President, Rates and Revenue of the Authority, including any of the foregoing who are in an interim, acting or similar capacity, 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.

"Thirty-Fifth Supplemental Indenture" means the Thirty-Fifth Supplemental Indenture of Trust by and between the Authority and the Trustee, dated as of the same date as and relating to the Notes.

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.

2. Each of the Dealers is authorized to distribute the Offering Memorandum to prospective purchasers of the Notes.
3. The aggregate principal amount of the Notes shall not exceed \$250,000,000 outstanding at any one time.
4. The Notes shall be issued, from time to time, as taxable and/or tax-exempt obligations as the Authority shall determine, in book-entry form in minimum denominations of \$100,000 and increments of \$1,000 in excess thereof.
5. The Notes shall be issued from time to time as the proceeds thereof are needed to pay the costs of the Project, and are to be repaid pursuant to a subordinate lien on Net Revenues as defined in the Master Indenture of Trust dated as of April 1, 1998, between the Authority and the Trustee (as amended and supplemented to the date hereof, the "Master Indenture"), and from the Pledged Funds as described in the Issuing and Paying Agency Agreement.
6. The Authorized Officials are, and each of them is, authorized and directed to execute the Thirty-Fifth Supplemental Indenture, the Issuing and Paying Agency Agreement, the Reimbursement Agreement, the Bank Note, the Dealer Agreements, and the initial Offering Memorandum, and the Secretary is authorized and directed to affix the Seal of the Authority on such documents as required and to attest to the same.
7. The Authorized Officials are, and each of them is, authorized and directed to execute, by manual or facsimile signature, the Notes and the Bank Note, the Secretary is authorized and directed to affix the Seal of the Authority or a facsimile thereof on the Notes and the Bank Note, and to attest the same, by manual or facsimile signature, and any of such persons is authorized and directed to deliver the Notes to the Issuing and Paying Agent for authentication upon the terms provided in the Issuing and Paying Agency Agreement and to deliver the related Bank Note to the Bank.
8. The Authorized Officials are, and each of them is, appointed as an "Authorized Representative of the Authority" under the Issuing and Paying Agency Agreement and shall determine the date of issuance, principal amount, interest rate and maturity of any Note issued hereunder and under the Issuing and Paying Agency Agreement, all within the parameters and limitations set forth herein and in the Issuing and Paying Agency Agreement, and to take all other actions in the name of and on behalf of the Authority to accomplish the issuance and sale of the Notes from time to time. Each Authorized Representative of the Authority or others designated by any Authorized Representative of the Authority shall approve the issuance and award the sale of the Notes to the Dealers or to the purchaser or

purchasers obtained by the Dealers pursuant to the Dealer Agreements, provided that the Notes shall be sold at a purchase price equal to 100% of the principal amount thereof ("par amount"), if issued as tax-exempt obligations, and at either (i) a discount from the par amount to reflect an interest component to the maturity date (with an implied yield not exceeding the Maximum Rate, as defined below), or (ii) at par and bearing interest at an interest rate to the maturity date agreed to by the Dealer and the Authority, the maturity date of each Note shall be a date (which shall be a Business Day, as defined in the Issuing and Paying Agency Agreement) not later than 270 days from the date of issuance thereof or no fewer than 10 calendar days prior to the termination date of the Letter of Credit, and the interest rate on any Note shall not exceed twelve percent per annum ("Maximum Rate").

9. The Notes and the Authority's obligations under the Bank Note constitute Subordinate Debt under the Master Indenture payable from Net Revenues on a parity with other Subordinate Debt outstanding thereunder from time to time.
10. The Authorized Officials are hereby individually authorized to approve any changes, modifications or updates of the Offering Memorandum from time to time.
11. The Thirty-Fifth Supplemental Indenture, the Issuing and Paying Agency Agreement, the Reimbursement Agreement, the Dealer Agreement, the Notes, and the Bank Note shall be in substantially the forms submitted to the Board at or prior to this meeting, which hereby are approved, with such completions, omissions, insertions and changes necessary to reflect the note principal amount and other terms of the Notes and the Bank Note, and with such changes therein as may be permitted by the Indenture and this Resolution and approved by the Authorized Officer executing the document on behalf of the Authority. The approval of those completions, omissions, insertions and changes shall be conclusively evidenced by the execution of the document by an Authorized Official.
12. The Authorized Officials are, and each of them is, authorized with respect to the Notes to execute, if necessary, a tax certificate on behalf of the Authority in implementation of the covenants and agreements set forth in the Issuing and Paying Agency Agreement, or to make any election permitted by the Internal Revenue Code of 1986, as amended, and determined by such officer to be to the advantage of the Authority; and the representations, agreements, and elections set forth therein shall be deemed the representations, agreements and elections of the Authority, as if the same were set forth in the Issuing and Paying Agency Agreement.
13. The Authorized Officials are, and each of them is, authorized to execute, deliver and file, from time to time, all other certificates and instruments, and any agreement with the provider of any credit facility or liquidity facility for the Notes, including, without limitation, the Banks, and to take all such further actions, from

time to time, as they may consider necessary or desirable in connection with the issuance, sale and distribution of the Notes.

14. The Authority is authorized and directed to take such actions necessary to terminate the commercial paper program for the Prior Notes upon the execution and delivery of the documents authorized by this Resolution regarding the Notes. The Authorized Officials are, and each of them is, authorized to execute, deliver and file, from time to time, such documents to effectuate such termination.
15. This Resolution is effective immediately.

Secretary to the Board of Directors

THIRTY-FIFTH SUPPLEMENTAL INDENTURE OF TRUST

between

**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

and

**COMPUTERSHARE TRUST COMPANY, N.A.
AS TRUSTEE**

Dated as of [_____], 2024

THIS THIRTY-FIFTH SUPPLEMENTAL INDENTURE OF TRUST dated as of the [__ day of _____], 2024, (the “**Thirty-Fifth Supplemental Indenture**”), by and between the District of Columbia Water and Sewer Authority (the “**Authority**”), an independent authority of the District of Columbia (the “**District**”), and Computershare Trust Company, N.A., a national banking association, having a corporate trust office in St. Paul, Minnesota, as trustee (in such capacity, together with any successor in such capacity, herein called the “**Trustee**”), provides:

WHEREAS, the Authority and the Trustee (its predecessor in that capacity having been Norwest Bank, N.A.) entered into the Master Indenture of Trust, dated as of April 1, 1998 (the “**Master Indenture**” and, as previously supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, the Twelfth Supplemental Indenture, the Thirteenth Supplemental Indenture, the Fourteenth Supplemental Indenture, the Fifteenth Supplemental Indenture, the Sixteenth Supplemental Indenture, the Seventeenth Supplemental Indenture, the Eighteenth Supplemental Indenture, the Nineteenth Supplemental Indenture, the Twentieth Supplemental Indenture, the Twenty-First Supplemental Indenture, the Twenty-Second Supplemental Indenture, the Twenty-Third Supplemental Indenture, the Twenty-Fourth Supplemental Indenture, the Twenty-Fifth Supplemental Indenture, the Twenty-Sixth Supplemental Indenture, the Twenty-Seventh Supplemental Indenture, the Twenty-Eighth Supplemental Indenture, the Twenty-Ninth Supplemental Indenture, the Thirtieth Supplemental Indenture, the Thirty-First Supplemental Indenture, the Thirty-Second Supplemental Indenture, the Thirty-Third Supplemental Indenture and the Thirty-Fourth Supplemental Indenture all as hereinafter defined, and as it may further be supplemented and amended in accordance with its terms, 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 defined in the Master Indenture); and

WHEREAS, pursuant to the First Supplemental Indenture of Trust, dated as of April 1, 1998 (the “**First Supplemental Indenture**”), between the Authority and the Trustee, the Authority issued its Public Utility Revenue Bonds, Series 1998 (the “**Series 1998 Senior Lien Bonds**”) in the aggregate principal amount of \$266,120,000 to finance Costs of the System (as defined in the Master Indenture) and to refund then outstanding debt of the Authority; and

WHEREAS, the Master Indenture permits the Authority, for certain purposes and subject to certain conditions, to issue Other System Indebtedness (as defined therein) secured on a parity with the Series 1998 Senior Lien Bonds and referred to collectively with the Series 1998 Senior Lien Bonds as “Senior Debt,” and also permits the Authority to issue Subordinate Debt (as defined therein), to which it has pledged to its payment Net Revenues as a subordinate lien pledge after the pledge of Net Revenues to Senior Debt; and

WHEREAS, pursuant to the Second Supplemental Indenture of Trust, dated as of November 1, 2001 (the “**Second Supplemental Indenture**”), between the Authority and the Trustee, the Authority amended and supplemented the Master Indenture in accordance with its terms to clarify provisions thereof related to certain forms of Indebtedness (as defined in the

Master Indenture, i.e., Senior Debt and Subordinate Debt) and thereby facilitate the issuance of such forms of Indebtedness; and

WHEREAS, pursuant to the Third Supplemental Indenture of Trust, dated as of November 1, 2001 (the “**Third Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Commercial Paper Notes defined therein as the Series A-B Notes, (ii) designated the Series A-B Notes as Subordinate Debt for purposes of the Indenture, and (iii) made provision for the securing of the Series A-B Notes and of the Reimbursement Obligations to the Bank that provided the Letters of Credit (all as defined therein) that secure the Series A-B Notes; and

WHEREAS, pursuant to the Fourth Supplemental Indenture of Trust, dated August 12, 2003 (the “**Fourth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinated Lien Revenue Bonds, Series 2003, dated August 12, 2003 (the “**Series 2003 Subordinate Bonds**”), in the aggregate principal amount of \$176,220,000 to finance certain Costs of the System and retire Series A-B Notes, (ii) designated the Series 2003 Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2003 Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Fifth Supplemental Indenture of Trust, dated August 3, 2004 (the “**Fifth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinated Lien Revenue Bonds, Series 2004, as Subseries 2004A-1, Subseries 2004A-2, Subseries 2004B-1 and Subseries B-2 (collectively, the “**Series 2004 Subordinate Bonds**”) in the aggregate principal amount of \$295,000,000 to finance certain Costs of the System, (ii) designated the Series 2004 Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2004 Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Sixth Supplemental Indenture of Trust, dated June 6, 2007 (the “**Sixth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinated Lien Revenue Bonds, Series 2007A (the “**Series 2007A Subordinate Bonds**”), in the aggregate principal amount of \$218,715,000 to finance certain Costs of the System and retire Series A-B Notes, (ii) designated the Series 2007A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2007A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Seventh Supplemental Indenture of Trust, dated June 6, 2007 (the “**Seventh Supplemental Indenture**”), between the Authority and the Trustee, the

Authority: (i) issued its Public Utility Subordinated Lien Taxable Revenue Bonds, Series 2007B (the “**Series 2007B Subordinate Bonds**”), in the aggregate principal amount of \$59,000,000 to finance certain Costs of the System, (ii) designated the Series 2007B Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2007B Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Eighth Supplemental Indenture of Trust, dated April 24, 2008 (the “**Eighth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinated Lien Revenue Refunding Bonds, Series 2008 (the “**Series 2008 Subordinate Bonds**”), in the aggregate principal amount of \$290,375,000 to (a) currently refund all of the outstanding Series 2004 Subordinate Bonds and a portion of the Series 2007B Subordinate Bonds, and (b) pay issuance costs of the Series 2008 Subordinate Bonds, (ii) designated the Series 2008 Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2008 Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Ninth Supplemental Indenture of Trust, dated December 19, 2008 (the “**Ninth Supplemental Indenture**”), between the Authority and the Trustee, the Authority agreed to confer on the Holders of the Series 2003 Subordinate Bonds additional rights related to the Reserve Credit Facility (as defined therein) and to cure any ambiguity or omission in the Indenture regarding the obligations of the Authority as a consequence of a downgrade of the Reserve Policy related to the Series 2003 Subordinate Bonds, or in the event that the Reserve Policy were to cease to be in effect; and

WHEREAS, pursuant to the Tenth Supplemental Indenture of Trust, dated February 12, 2009 (the “**Tenth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Senior Lien Revenue Bonds, Series 2009A (the “**Series 2009A Senior Lien Bonds**”), in the aggregate principal amount of \$300,000,000 to finance certain Costs of the System and retire Series A-B Notes, (ii) designated the Series 2009A Senior Lien Bonds as Senior Debt for purposes of the Indenture, and (iii) secured the Series 2009A Senior Lien Bonds by a pledge of Net Revenues on a parity with the pledge of Net Revenues that secures other Senior Debt, including, without limitation, other Senior Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Eleventh Supplemental Indenture of Trust, dated June 2, 2010, as supplemented and amended by the First Amendment to Eleventh Supplemental Indenture of Trust, dated April 5, 2013, and by the Second Amendment to Eleventh Supplemental Indenture of Trust, dated May 18, 2015 (together, the “**Eleventh Supplemental Indenture**”), each between the Authority and the Trustee, the Authority: (i) authorized the issuance of its (a) Commercial Paper Notes, Series A (the “**2010 Series A Notes**”) in the aggregate principal amount of \$0 to finance certain Costs of the System, (b) Commercial Paper

Notes, Series B (the “**2010 Series B Notes**”) in the aggregate principal amount of \$100,000,000 to finance certain Costs of the System, and (c) Commercial Paper Notes, Series C (the “**2010 Series C Notes**”) and, together with the 2010 Series A Notes and the 2010 Series B Note, the “**Series 2010 Notes**”) in the aggregate principal amount of \$50,000,000 to finance certain Costs of the System, (ii) designated the Series 2010 Notes as Subordinate Debt for purposes of the Indenture, and (iii) made provision for the securing of the Series 2010 Notes and of the Authority’s reimbursement obligations to the Bank (as defined in the Eleventh Supplemental Indenture) that provided the Substitute Letters of Credit (as defined in the Eleventh Supplemental Indenture) that secure the Series 2010 Notes; and

WHEREAS, pursuant to the Twelfth Supplemental Indenture of Trust, dated October 27, 2010 (the “**Twelfth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2010A (Federally Taxable – Issuer Subsidy – Build America Bonds) (the “**Series 2010A Subordinate Bonds**”), in the aggregate principal amount of \$300,000,000 to finance certain Costs of the System and fund capitalized interest on a portion of the Series 2010A Subordinate Bonds, subject to specified limitations, (ii) designated the Series 2010A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, (iii) secured the Series 2010A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future, and (iv) included provisions in the Indenture related to potential Direct Payments (as defined therein) received or expected to be received by the Authority, including certain provisions requiring the consent of the holders of a majority of Outstanding Bonds; and

WHEREAS, pursuant to the Thirteenth Supplemental Indenture of Trust, dated March 22, 2012 (the “**Thirteenth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i)(a) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2012A (the “**Series 2012A Subordinate Bonds**”), in the aggregate principal of \$177,430,000 to finance certain Costs of the System and pay certain costs of issuance, (b) designated the Series 2012A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (c) secured the Series 2012A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; (ii)(a) issued its Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2012B (the “**Series 2012B Subordinate Bonds**”), in the aggregate principal amount of \$100,000,000 to finance certain Costs of the System, fund capitalized interest on a portion of the Series 2012B Subordinate Bonds subject to specified limitations, and pay certain costs of issuance, (b) designated the Series 2012B Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (c) secured the Series 2012B Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and (iii)(a) issued its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2012C (the “**Series 2012C Subordinate Bonds**”), in the aggregate principal amount of \$163,215,000, and applied the proceeds thereof, together with any

other funds of the Authority, to advance refund the Series 2003 Subordinate Bonds and caused them to be deemed paid and no longer Outstanding for purposes of the Indenture, and paid certain costs of issuance, (b) designated the Series 2012C Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (c) secured the Series 2012C Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Fourteenth Supplemental Indenture of Trust, dated as of August 1, 2013 (the “**Fourteenth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2013A (the “**Series 2013A Subordinate Bonds**”), in the aggregate principal amount of \$300,000,000 to finance certain Costs of the System and pay certain costs of issuance, (ii) designated the Series 2013A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2013A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Fifteenth Supplemental Indenture of Trust, dated July 23, 2014 (the “**Fifteenth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Senior Lien Revenue Bonds, Series 2014A (Federally Taxable) (Green Bonds) (the “**Series 2014A Senior Lien Bonds**”), in the aggregate principal amount of \$350,000,000 to finance certain Costs of the System and pay certain costs of issuance, (ii) designated the Series 2014A Senior Lien Bonds as Senior Debt for purposes of the Indenture, and (iii) secured the Series 2014A Senior Lien Bonds by a pledge of Net Revenues on a parity with the pledge of Net Revenues that secures other Senior Debt, including, without limitation, other Senior Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Sixteenth Supplemental Indenture of Trust, dated July 23, 2014 (the “**Sixteenth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2014B (the “**Series 2014B Subordinate Bonds**”), in the aggregate principal amount of \$100,000,000 to finance certain Costs of the System and pay certain costs of issuance, (ii) designated the Series 2014B Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2014B Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Seventeenth Supplemental Indenture of Trust, dated November 20, 2014 (the “**Seventeenth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2014C (the “**Series 2014C Subordinate Bonds**”), in the aggregate principal amount of \$377,700,000 to (a) advance refund all or a portion of the Authority’s outstanding Series

2007A Subordinate Bonds, the Series 2008A Subordinate Bonds, and the Series 2009A Senior Lien Bonds, and current refund all of the Authority's outstanding Subseries 2012B-1 of the Series 2012 Subordinate Bonds, and (b) pay issuance costs of the Series 2014C Subordinate Bonds, (ii) designated the Series 2014C Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2014C Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Eighteenth Supplemental Indenture of Trust, dated October 15, 2015 (the "**Eighteenth Supplemental Indenture**"), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2015A (the "**Series 2015A Subordinate Bonds**"), in the aggregate principal amount of \$100,000,000 to (a) finance certain Costs of the System, and (b) pay issuance costs of the Series 2015A Subordinate Bonds, (ii) designated the Series 2015A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, (iii) secured the Series 2015A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future, (iv) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2015B (the "**Series 2015B Subordinate Bonds**" and, together with the Series 2015A Subordinate Bonds, the "**Series 2015A/B Subordinate Bonds**"), in an aggregate principal amount of \$250,000,000 to (a) finance certain Costs of the System, and (b) pay issuance costs of the Series 2015B Subordinate Bonds, (v) designated the Series 2015B Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (vi) secured the Series 2015B Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Nineteenth Supplemental Indenture of Trust, dated December 1, 2015 (the "**Nineteenth Supplemental Indenture**") between the Trustee and the Authority, the Authority: (i) authorized the issuance of its Extendable Municipal Commercial Paper Notes, Series A (the "**Series A EMCP Notes**"), in the aggregate principal amount of not to exceed \$100,000,000 outstanding at any time to finance certain Costs of the System, (ii) designated the Series A EMCP Notes as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series A EMCP Notes 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, pursuant to the Twentieth Supplemental Indenture of Trust, dated February 24, 2016 (the "**Twentieth Supplemental Indenture**") between the Trustee and the Authority, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2016A (the "**Series 2016A Subordinate Bonds**"), in the aggregate principal amount of \$389,110,000 to (a) refund all or a portion of the Authority's outstanding Series

2007A Subordinate Bonds, Series 2008A Subordinate Bonds, and Series 2009A Senior Lien Bonds, and (b) pay issuance costs of the Series 2016A Subordinate Bonds, (ii) designated the Series 2016A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2016A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Twenty-First Supplemental Indenture of Trust, dated September 29, 2016 (the “**Twenty-First Supplemental Indenture**”) between the Trustee and the Authority, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2016B (Environmental Impact Bonds) (the “**Series 2016B Subordinate Bonds**”), in the aggregate principal amount of \$25,000,000 to (a) finance certain Costs of the System (specifically, a portion of the costs of the Authority’s DC Clean Rivers Project), and (b) pay certain costs of issuance, (ii) designated the Series 2016B Subordinate Bonds as Subordinate Debt, as Variable Rate Indebtedness and as Tender Indebtedness for purposes of the Indenture, and (iii) secured the Series 2016B Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Twenty-Second Supplemental Indenture of Trust, dated February 23, 2017 (the “**Twenty-Second Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Senior Lien Revenue Bonds, Series 2017A (the “**Series 2017A Senior Lien Bonds**”), in the aggregate principal amount of \$100,000,000 to (a) finance certain Costs of the System (specifically, a portion of the costs of the Authority’s DC Clean Rivers Project), and (b) pay issuance costs of the Series 2017A Senior Lien Bonds, (ii) designated the Series 2017A Senior Lien Bonds as Senior Debt for purposes of the Indenture, (iii) secured the Series 2017A Senior Lien Bonds by a pledge of Net Revenues on a parity with the pledge of Net Revenues that secures other Senior Debt, including, without limitation, other Senior Debt that the Authority may issue from time to time in the future, (iv) issued its Public Utility Senior Lien Revenue Bonds, Series 2017B (the “**Series 2017B Senior Lien Bonds**” and, together with the Series 2017A Senior Lien Bonds, the “**Series 2017A/B Senior Lien Bonds**”), in an aggregate principal amount of \$200,000,000 to (a) finance certain Costs of the System, and (b) pay issuance costs of the Series 2017B Senior Lien Bonds, (v) designated the Series 2017B Senior Lien Bonds as Senior Debt for purposes of the Indenture, and (vi) secured the Series 2017B Senior Lien Bonds by a pledge of Net Revenues on a parity with the pledge of Net Revenues that secures other Senior Debt, including, without limitation, other Senior Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Twenty-Third Supplemental Indenture of Trust, dated April 30, 2018 (the “**Twenty-Third Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2018A (the “**Series 2018A Senior Lien Bonds**”), in the aggregate principal amount of \$100,000,000 to (a) finance certain Costs of the System (specifically, a portion of the costs of the Authority’s DC Clean Rivers Project), and (b) pay issuance costs of the Series 2018A Senior

Lien Bonds, (ii) designated the Series 2018A Senior Lien Bonds as Senior Debt for purposes of the Indenture, (iii) secured the Series 2018A Senior Lien Bonds by a pledge of Net Revenues on a parity with the pledge of Net Revenues that secures other Senior Debt, including, without limitation, other Senior Debt that the Authority may issue from time to time in the future, (iv) issued its Public Utility Senior Lien Revenue Bonds, Series 2018B (the “**Series 2018B Senior Lien Bonds**” and, together with the Series 2018A Senior Lien Bonds, the “**Series 2018A/B Senior Lien Bonds**”), in an aggregate principal amount of \$200,000,000 to (a) finance certain Costs of the System, (b) pay issuance costs of the Series 2018B Senior Lien Bonds and (c) refund all of the Authority’s then outstanding Commercial Paper Notes, Series B, (v) designated the Series 2018B Senior Lien Bonds as Senior Debt for purposes of the Indenture, and (vi) secured the Series 2018B Senior Lien Bonds by a pledge of Net Revenues on a parity with the pledge of Net Revenues that secures other Senior Debt, including, without limitation, other Senior Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Twenty-Fourth Supplemental Indenture of Trust, dated November 6, 2019 (the “**Twenty-Fourth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i)(a) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2019A (Green Bonds) (the “**Series 2019A Subordinate Bonds**”) in the aggregate principal amount of \$104,010,000 to (1) finance certain Costs of the System (specifically, a portion of the costs of the Authority’s DC Clean Rivers Project), and (2) pay issuance costs of the Series 2019A Subordinate Bonds, (b) designated the Series 2019A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2019A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future, and (ii)(a) issued its Public Utility Subordinate Revenue Bonds, Series 2019B (the “**Series 2019B Subordinate Bonds**” and, together with the Series 2019A Subordinate Bonds, the “**Series 2019A/B Subordinate Bonds**”) in an aggregate principal amount of \$58,320,000 to (1) finance certain Costs of the System, and (2) pay issuance costs of the Series 2019B Subordinate Bonds, (b) designated the Series 2019B Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2019B Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Twenty-Fifth Supplemental Indenture of Trust, dated November 6, 2019 (the “**Twenty-Fifth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2019C (the “**Series 2019C Subordinate Bonds**”), in the aggregate principal amount of \$99,505,000 to (a) finance certain Costs of the System, and (b) pay issuance costs of the Series 2019C Subordinate Bonds, (ii) designated the Series 2019C Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2019C Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt,

including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Twenty-Sixth Supplemental Indenture of Trust, dated November 6, 2019 (the “**Twenty-Sixth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2019D (Federally Taxable) (the “**Series 2019D Subordinate Bonds**”), in the aggregate principal amount of \$343,160,000 to (a) refund the Authority’s outstanding Series 2013A Subordinate Bonds, and (b) pay issuance costs of the Series 2019D Subordinate Bonds, (ii) designated the Series 2019D Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2019D Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Twenty-Seventh Supplemental Indenture of Trust, dated April 8, 2020 (the “**Twenty-Seventh Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) entered into the 2020 Term Loan Agreement in connection with the Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2022A (the “**Series 2022A Subordinate Lien Refunding Bonds**”), (ii) pursuant to the 2020 Term Loan Agreement issued its Series 2022A Subordinate Lien Refunding Bonds in the aggregate principal amount of \$294,305,000 in July 2022 to (a)(I) refund all of its outstanding Series 2012A Subordinate Bonds and Series 2012C Subordinate Bonds; and (II) pay certain costs of issuance, (iii) designated the Series 2022A Subordinate Lien Refunding Bonds as Subordinate Debt for purposes of the Indenture, and (iv) secured the Series 2022A Subordinate Lien 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, pursuant to the Twenty-Eighth Supplemental Indenture of Trust, dated as of March 5, 2021 (the “**Twenty-Eighth Supplemental Indenture**”) between the Authority and the Trustee, the Authority entered into a revised Master Letter of Credit Agreement with TD Bank, N.A. to provide letters of credit for the benefit of the Authority’s Rolling Owner Controlled Insurance Program, in an aggregate maximum amount at any one time outstanding of \$25,000,000 and secured the Reimbursement Obligations (as defined in the Twenty-Eighth Supplemental Indenture) 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, pursuant to the Twenty-Ninth Supplemental Indenture of Trust, dated as of March 12, 2021 between the Authority and the Trustee, as amended by the First Amendment to the Twenty-Ninth Supplemental Indenture of Trust dated September 17, 2021 between the Authority and the Trustee (together, the “**Twenty-Ninth Supplemental Indenture**”), the Authority: (i) entered into a 2021 WIFIA Loan Agreement in connection with the Series 2021 Senior Lien Bonds; (ii) issued its Public Utility Senior Lien Revenue Bonds, Series 2021 Senior

Lien Bonds (the “**Series 2021 Senior Lien Bonds**”) in the aggregate principal amount of up to \$156,367,104 to (1) finance certain Costs of the System (specifically, the costs of the 2021 WIFIA Project as defined therein), and (2) pay issuance costs of the Series 2021 Senior Lien Bond, (iii) designate the Series 2021 Senior Lien Bond as Senior Debt for purposes of the Indenture, and (iv) secure the Series 2021 Senior Lien Bond by a pledge of Net Revenues on a parity with the pledge of Net Revenues that secures other Senior Debt, including, without limitation, other Senior Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Thirtieth Supplemental Indenture of Trust, dated as of March 23, 2022 (the “**Thirtieth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i)(a) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2022B (Green Bonds) (the “**Series 2022B Subordinate Bonds**”), in the aggregate principal amount of \$79,585,000 to (1) finance certain Costs of the System (specifically, a portion of the costs of the Authority’s DC Clean Rivers Project), and (2) pay issuance costs of the Series 2022B Subordinate Bonds, (b) designate the Series 2022B Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (c) secure the Series 2022B Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future, (ii)(a) issue the Public Utility Subordinate Lien Revenue and Revenue Refunding Bonds, Series 2022C-1 in an aggregate principal amount of \$206,730,000 (the “**Series 2022C-1 Subordinate Bonds**”) to (1) finance certain Costs of the System, (2) refund a portion of the outstanding subordinate commercial paper notes, (3) purchase the Purchased Refunded Bonds (as defined therein) and (4) pay issuance costs of the Series 2022C Subordinate Bonds and (b) designate the Series 2022C-1 Subordinate Bonds as Subordinate Debt for purposes of the Indenture, (iii)(a) issue the Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2022C-2 in an aggregate principal amount of \$4,418,000 (the “**Series 2022C-2 Subordinate Bonds**”), and together with the Series 2022C-1 Subordinate Bonds, the “**Series 2022C Subordinate Bonds**”) to replace the Exchanged Refunded Bonds and (b) designate the Series 2022C-2 Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iv) secure the Series 2022C Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Thirty-First Supplemental Indenture of Trust, dated March 23, 2022 (the “**Thirty-First Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2022D (Federally Taxable) (the “**Series 2022D Subordinate Bonds**”) in the aggregate principal amount of \$148,925,000 to (a) finance certain Costs of the System, (b) refund a portion of the Authority’s outstanding Series 2014C Subordinate Bonds, and (c) pay issuance costs of the Series 2022D Subordinate Bonds, (ii) designate the Series 2022D Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secure the Series 2022D Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future;

WHEREAS, pursuant to the Thirty-Second Supplemental Indenture of Trust, dated as of March 23, 2022 (the “**Thirty-Second Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2022E (the “**Series 2022E Subordinate Bonds**”), in the aggregate principal amount of \$96,350,000 to: (a) finance certain Costs of the System, and (b) pay issuance costs of the Series 2022E Subordinate Bonds, (ii) designated the Series 2022E Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2022E Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future;

WHEREAS, pursuant to the Thirty-Third Supplemental Indenture of Trust, dated as of July [], 2024 (the “**Thirty-Third Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024A (the “**Series 2024A Subordinate Bonds**”), in the aggregate principal amount of \$[] to: (a) purchase the Tendered Bonds, as defined therein, and (b) currently refund or advance refund, as applicable, the Refunded Bonds, as defined therein, and (c) pay issuance costs of the Series 2024A Subordinate Bonds; (ii) designate the Series 2024A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secure the Series 2024A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future;

WHEREAS, pursuant to the Thirty-Fourth Supplemental Indenture of Trust, dated as of July [], 2024 (the “**Thirty-Fourth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024B (the “**Series 2024B Subordinate Bonds**”), in the aggregate principal amount of \$[] to: (a) currently refund the Series 2019C Subordinate Bonds and (b) pay issuance costs of the Series 2024B Subordinate Bonds; (ii) designate the Series 2024B Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secure the Series 2024B Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future;

WHEREAS, within the limitations of and in compliance with the Master Indenture of Trust, the Authority is authorized to issue bonds, notes and other obligations, including commercial paper, under the Master Indenture of Trust to finance Costs of the System; and

WHEREAS, the Authority has determined to issue not to exceed \$250,000,000 aggregate principal amount of its Commercial Paper Notes (the “**Notes**”) pursuant to the terms of a certain Issuing and Paying Agency Agreement dated as of [], 2024, between the Authority and US Bank Trust Company National Association, as issuing and paying agent thereunder, to finance Costs of the System; and

WHEREAS, the Notes will be secured by an irrevocable direct pay letter of credit issued by TD Bank, N.A. (the “**TD Bank**”) pursuant to the terms of a certain Reimbursement Agreement dated as of [_____], 2024, between the Authority and TD Bank; and

WHEREAS, the Authority intends to provide the holders of the Notes and the Bank with a subordinate lien on Net Revenues to secure the Notes and the Reimbursement Obligations (as defined herein).

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, the parties hereto agree as follows:

ARTICLE I THIRTY-FIFTH SUPPLEMENTAL INDENTURE

Section 101. Authorization of Thirty-Fifth Supplemental Indenture.

This Thirty-Fifth Supplemental Indenture is authorized and executed by the Authority and delivered to the Trustee pursuant to and in accordance with Articles III and X of the Master Indenture of Trust. All terms, covenants, conditions and agreements of the Indenture shall apply with full force and effect to the Notes and to the holders thereof, except as otherwise provided in this Thirty-Fifth Supplemental Indenture.

Section 102. Definitions.

Except as otherwise defined in this Thirty-Fifth Supplemental Indenture, terms defined in the Indenture are used in this Thirty-Fifth Supplemental Indenture with the meanings assigned to them in the Indenture. In addition, the following words as used in this Thirty-Fifth Supplemental Indenture and in the Indenture have the following meanings unless a different meaning clearly appears from the context:

“**Bank**” shall mean the provider of the Letter of Credit in support of the Notes and shall mean initially TD Bank, and its successors and assigns.

“**Bank Obligations**” shall mean the obligations of the Authority to the Bank arising under and in relation to the Reimbursement Agreement and the Bank Note, but shall not include Fee Obligations (as defined in the Reimbursement Agreement).

“**Business Day**” means any day other than (i) a Saturday or Sunday or a day on which institutions are authorized or required by law or executive order to be closed in the State of New York or the District of Columbia for commercial banking purposes; (ii) a day on which the New York Stock Exchange is authorized or required by law or executive order to be closed; and (iii) a day upon which commercial banks are authorized or required by law or executive order to be closed in the cities and states in which demands for payment may be presented under this Letter of Credit.

“**Commercial Paper Account**” shall mean the account by such name created under the Issuing and Paying Agency Agreement.

“Thirty-Fifth Supplemental Indenture” shall mean this Thirty-Fifth Supplemental Indenture of Trust, dated as of [_____], 2024, between the Authority and the Trustee, which supplements and amends the Master Indenture of Trust, as this Thirty-Fifth Supplemental Indenture may be supplemented and amended.

“Indenture” shall mean the Master Indenture as supplemented and amended from time to time.

“Issuing and Paying Agency Agreement” shall mean the Issuing and Paying Agency Agreement between the Authority and US Bank Trust Company National Association dated as of [_____], 2024.

“Issuing and Paying Agent” shall mean the Issuing and Paying Agent named as such pursuant to the Issuing and Paying Agency Agreement, and its successors and assigns, and shall constitute a Subordinate Debt trustee for purposes of the Master Indenture.

“Letter of Credit” means the [Irrevocable Letter of Credit No. _____] in a Maximum Stated Amount of \$[250,000,000] as may be amended or supplemented from time to time, and any substitute Letter or Letters of Credit.

“Reimbursement Agreement” shall mean that certain Letter of Credit and Reimbursement Agreement, dated as of [_____], 2024, between the Authority and TD Bank.

“Reimbursement Obligations” shall mean any and all obligations of the Authority to reimburse the Bank for any Drawings under the Letter of Credit and all obligations to repay the Bank for any Advance (as defined in the Reimbursement Agreement), including in each instance all interest accrued thereon.

“CP Notes Subordinate Interest Subaccount” shall mean the CP Notes Subordinate Interest Subaccount in the Subordinate Bond Fund established in Section 201(a) of this Thirty-Fifth Supplemental Indenture.

“CP Notes Subordinate Principal Subaccount” shall mean the CP Notes Subordinate Principal Subaccount in the Subordinate Bond Fund established in Section 201(a) of this Thirty-Fifth Supplemental Indenture.

“Stated Maturity Date” when used with respect to any Note means the date specified in such Note as the fixed date on which principal of or interest on such respective Note is due and payable.

“Subordinate Interest Account” shall mean the Subordinate Interest Account in the Subordinate Bond Fund established in Section 201(a) of this Thirty-Fifth Supplemental Indenture.

“Subordinate Principal Account” shall mean the Subordinate Principal Account in the Subordinate Bond Fund established in Section 201(a) of this Thirty-Fifth Supplemental Indenture.

Section 103. Reference to Articles and Sections.

Unless otherwise indicated, all references herein to particular articles or sections are references to articles or sections of this Thirty-Fifth Supplemental Indenture.

**ARTICLE II
FUNDS AND ACCOUNTS**

Section 201. Subordinate Interest Accounts and Subordinate Principal Accounts.

(a) There shall be established a “Subordinate Interest Account” and a “Subordinate Principal Account” within the Subordinate Bond Fund. Within the Subordinate Interest Account there shall be established a “CP Notes Subordinate Interest Subaccount.” Within the Subordinate Principal Account there shall be established a “CP Notes Subordinate Principal Subaccount.”

(b) In accordance with Section 604(e) of the Master Indenture, Net Revenues shall be deposited in the CP Notes Subordinate Interest Subaccount on the last Business Day of the month prior to the Stated Maturity Date of any Notes in an amount equal to (1) the interest due and payable on such Notes maturing on any Stated Maturity Date that is expected to occur in the next succeeding calendar month, and (2) any interest that may be due and payable during the next succeeding calendar month with respect to the Reimbursement Obligations.

(c) In accordance with Section 604(e) of the Master Indenture, Net Revenues shall be deposited in the CP Notes Subordinate Principal Subaccount on the last Business Day of the month prior to the Stated Maturity Date of the Notes in an amount equal to (1) the principal due and payable on the Notes on any Stated Maturity Date that is expected to occur in the next succeeding calendar month, and (2) any additional amounts that may be due and payable during the next succeeding calendar month with respect to the Reimbursement Obligations.

(d) Such payments made pursuant to this Section 201 shall be made to the Issuing and Paying Agent pursuant to the terms of a certificate signed by a duly Authorized Representative of the Authority which shall set forth the amounts that are due with respect to the Notes or the Reimbursement Obligations, and the dates for payment thereof. On the last Business Day of the month prior to the Stated Maturity Date of the Notes to the extent that the interest due on the Notes is not fully determinable for the entire month, then for that portion of the month for which interest is not fully determinable, Net Revenues shall be deposited in the CP Notes Subordinate Interest Subaccount in an amount equal to interest accruing at a rate per annum on such Notes, as determined by the Authority, which rate shall not initially exceed 12% per annum all as set forth in the certificate of the duly Authorized Representative of the Authority.

**ARTICLE III
SECURITY FOR NOTES**

Section 301. Security for Notes.

The Notes and the Reimbursement Obligations constitute Subordinate Debt under the terms and provisions of the Master Indenture, and as such, are entitled to the security and repayment provisions thereof, as limited therein, as set forth in the granting clauses and Section

305 thereof. The Notes and the Reimbursement Obligations shall be equally and ratably secured under the Indenture with any other Subordinate Debt issued pursuant to Article III of the Master Indenture of Trust, without preference, priority or distinction of any Subordinate Debt over any other Subordinate Debt, as provided in the Indenture.

ARTICLE IV LETTERS OF CREDIT RELATING TO THE NOTES

Section 401. Requirements of the Bank.

(a) The Bank shall be deemed to be the sole holder of the Notes secured by the related Letter of Credit for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Notes secured by the Letter of Credit are entitled to take pursuant to Article IX (pertaining to defaults and remedies), Section 1002(f) regarding consents for Supplemental Indentures affecting the Notes and Article XI (pertaining to the Trustee) of the Indenture. The Trustee shall take no action with respect to the Notes except with the consent, or at the direction, of the Bank. To the extent applicable, the maturity of the Notes shall not be accelerated without the consent of the Bank.

(b) The Bank shall be a third-party beneficiary under the Indenture.

(c) The rights of the Bank to direct or consent to the actions of the Authority, Trustee or holders of the Notes under the Indenture shall be suspended during any period in which the Bank is in default in its payment obligations under the Letter of Credit (except to the extent of amounts previously paid by the Bank and due and owing to the Bank) and shall be of no force or effect in the event the Letter of Credit is no longer in effect or the Bank asserts that the Letter of Credit is not in effect or the Bank shall have provided written notice that it waives such rights.

(d) The rights granted to the Bank under the Indenture to request, consent to or direct any action are rights granted to the Bank in consideration of its issuance of the Letter of Credit. Any exercise by the Bank of such rights is merely an exercise of the Bank's contractual rights and shall not be construed or deemed to be taken for the benefit or on behalf of the holders of the Notes nor does such action evidence any position of the Bank, positive or negative, as to whether the consent of the holders of the Notes is required in addition to the consent of the Bank.

(e) Amounts paid by the Bank under the Letter of Credit shall not be deemed paid for purposes of the Indenture and shall remain outstanding and continue to be due and owing until paid by the Authority in accordance with the Indenture.

(f) The Indenture shall not be discharged unless all amounts due or to become due to the Bank have been paid in full or duly provided for. Notwithstanding the last paragraph of Section 906 and Section 610 of the Indenture, no moneys may be transferred to the Authority until such times as all the amounts described in the immediately preceding sentence have been paid to the Bank.

(g) The Bank shall, to the extent it makes any payment of principal of or interest on the Notes, become subrogated to the rights of the recipients of such payments in accordance with

the terms of the Reimbursement Agreement, the Notes, the Indenture and the Issuing and Paying Agency Agreement.

**ARTICLE V
MISCELLANEOUS**

Section 501. Limitation of Rights.

With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Thirty-Fifth Supplemental Indenture or the Notes is intended or shall be construed to give to any person other than the parties hereto, the holders of Notes and the Bank any legal or equitable right, remedy or claim under or in respect to this Thirty-Fifth Supplemental Indenture or any covenants, conditions and agreements herein contained since this Thirty-Fifth Supplemental Indenture and all of the covenants, conditions and agreements hereof are intended to be and are for the sole and exclusive benefit of the parties hereto, the holders of the Notes and the Bank as herein provided.

Section 502. Severability.

If any provision of this Thirty-Fifth Supplemental Indenture shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof and this Thirty-Fifth Supplemental Indenture shall be construed and enforced as if such illegal provision had not been contained herein.

Section 503. Successors and Assigns.

This Thirty-Fifth Supplemental Indenture shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 504. Applicable Law.

This Thirty-Fifth Supplemental Indenture shall be governed by the applicable laws of the District of Columbia.

Section 505. Counterparts.

This Thirty-Fifth Supplemental Indenture may be executed in several counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Thirty-Fifth Supplemental Indenture to be executed in their respective corporate names as of the date first above written.

**DISTRICT OF COLUMBIA WATER
AND SEWER AUTHORITY**

By _____
Mathew T. Brown
Chief Financial Officer and Executive Vice
President, Finance Procurement and
Compliance

**COMPUTERSHARE TRUST COMPANY,
N.A.,
AS TRUSTEE**

By _____
Its _____

BOOK-ENTRY ONLY

OFFERING MEMORANDUM

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

\$250,000,000

**Commercial Paper Notes
(Tax Exempt)**

and

**Commercial Paper Notes
(Taxable)**

**J.P. Morgan
Dealer**

**Goldman Sachs & Co. LLC
Dealer**

Dated: August 1, 2024



As Letter of Credit Provider
for the Commercial Paper Notes

This Offering Memorandum (“Offering Memorandum”) is intended for use only in an offering to qualifying investors and is not to be used for any other purpose. It does not purport to provide a complete description of all risks and factors that may be considered by an investor. Qualifying investors include institutional investors and individual investors who customarily purchase commercial paper in denominations of at least \$100,000.

This Offering Memorandum has been prepared by the District of Columbia Water and Sewer Authority (the “Authority”) and is provided in connection with the sale of the Notes referred to herein and may not be reproduced or be used, in whole or in part, for any other purpose. The information contained in this Offering Memorandum has been obtained from the Authority, TD Bank, N.A. (the “Bank”) and other sources that are believed to be reliable. The CP Dealers, J.P. Morgan Securities LLC and Goldman Sachs & Co. LLC, have provided the following sentence for inclusion in this Offering Memorandum. The CP Dealers have reviewed the information in this Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities law as applied to the facts and circumstances of this transaction, but the CP Dealers do not guarantee the accuracy or completeness of such information.

No dealer, broker, salesman or other person has been authorized by the Authority or the CP Dealers to give any information or to make any representations other than those contained in this Offering Memorandum, and, if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein speak as of their date unless otherwise noted and are subject to change without notice. Neither the delivery of this Offering Memorandum nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Authority since the date hereof.

The Notes will be exempt from registration under the Securities Act of 1933, as amended.

The short-term ratings in this Offering Memorandum are only accurate as of the date hereof, and do not reflect watch status, if any. The ratings may subsequently be changed or withdrawn, and, therefore, any prospective purchaser should confirm the ratings prior to purchasing the Notes.

If for any reason the Bank fails to make a payment due under the relevant Letter of Credit, no assurance can be given that the Authority will have sufficient funds on hand and available to make such payment of principal of and/or interest on the relevant Commercial Paper Notes or to make such payments in a timely manner. Prospective investors therefore should base their investment decision primarily on the credit standing of the Bank, rather than on that of the Authority.

This Offering Memorandum contains certain information for quick reference only; it is not a summary of the terms of the Notes. Information essential to the making of an informed decision with respect to the Notes may be obtained in the manner described herein. All references to the documents and other materials not purporting to be quoted in full are qualified in their entirety by reference to the complete provisions of the documents and other materials referenced which may be obtained in the manner described herein. The information in this Offering Memorandum is

subject to change without notice after [_____, 2024], and future use of this Offering Memorandum shall not otherwise create any implication that there has been no change in the matters referred to in this Offering Memorandum since [_____, 2024].

This Offering Memorandum has been prepared by the Authority and is provided in connection with the sale of the Notes referred to herein by the CP Dealers. Neither the information, nor any opinion expressed, constitutes a solicitation by either CP Dealer of the purchase or sale of any instruments. The information contained herein will not typically be distributed or updated upon each new sale of Notes, although the information will be distributed from time to time. Further, the information herein is not intended as substitution for the investors' own inquiry into the creditworthiness of the Authority, and, if applicable, another party providing credit or liquidity support for the Notes, and investors are encouraged to make such inquiry.

**OFFERING MEMORANDUM
RELATING TO**

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

\$250,000,000

**Commercial Paper Notes
(Tax-Exempt)**

**Commercial Paper Notes
(Taxable)**

This Offering Memorandum is being provided in connection with the anticipated issuance and delivery of the Authority’s Commercial Paper Notes (Tax-Exempt) and Commercial Paper Notes (Taxable), together in an aggregate principal amount not to exceed \$250,000,000 at any one time outstanding, all as further described herein.

The Authority: The District of Columbia Water and Sewer Authority (the “Authority”), an independent authority of the District of Columbia Government (the “District”), was created in April 1996. The Authority began operating on October 1, 1996, under and pursuant to an act of the Council of the District of Columbia (the “Council”) entitled the “Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996,” (D.C. Law 11-111, codified as amended as D.C. Code Ann. § 34-2201.01 *et seq.* (2001)) and the acts amendatory thereof and supplemental thereto (the “Act”), and an act of the United States Congress entitled the “District of Columbia Water and Sewer Authority Act of 1996,” Pub.L. No. 104-184 (the “Federal Act”).

The Act created the Authority for the purpose of assuming full responsibility from the District for the financing, operating and the providing of essential retail water and wastewater services to approximately 700,000 residents and 24.6 million annual visitors to the area and wholesale wastewater conveyance and treatment to approximately 1.6 million people in the suburban areas of Prince George’s and Montgomery Counties, Maryland and Fairfax and Loudoun Counties, Virginia, among others.

Significant users of the Authority’s services include the Washington Suburban Sanitary Commission (“WSSC”), Fairfax County, Virginia, the federal government, including several federal agencies such as the Department of Defense, the Department of the Navy, and the General Services Administration, and commercial and residential customers within the District.

The Authority is governed by a Board of Directors (the “Board”) that includes representatives from the District, Prince George’s and Montgomery Counties, Maryland, and Fairfax County, Virginia. Since its inception, the Authority has improved its financial performance and operations. Specifically, the Authority has developed and is implementing a ten-year, \$6.42 billion capital improvement program (the “CIP”) and has regularly raised its retail rates since 1996 to support this program. In accordance with Board policy, the Authority annually revises its comprehensive ten-year financial plan which provides financing for the CIP, required regulatory improvements and operating and maintenance expenses, while meeting Board policy requirements for cash reserves and debt service coverage.

Pursuant to the Act, the District has authorized the Authority to use all of the property and assets of the water distribution system (the “Water System”) and the sewage collection, treatment and disposal system (the “Sewer System” and together with the Water System, the “System”) formerly operated by the District’s Department of Public Works, Water and Sewer Utility Administration, for as long as any revenue bonds of the Authority remain outstanding. In accordance with the Act, the District retains full legal title to and a complete equitable interest in the System, but the System will remain under the uninterrupted control of the Authority for as long as any Authority debt remains outstanding.

One of the facilities comprising the Sewer System is the Blue Plains Wastewater Treatment Plant, the largest advanced wastewater treatment facility in the United States. This facility has the capacity to process 384 million gallons of wastewater per day. Wastewater conveyance, treatment and disposal services are provided to the District and to jurisdictions outside the District pursuant to several intermunicipal agreements. Wastewater collection services are primarily offered within the District.

Water transmission and distribution services are provided by the Authority primarily to the District. Pursuant to a Water Sales Agreement, the Authority purchases all of its water, fully treated, from the Washington Aqueduct, which is owned by the federal government and operated by the U.S. Army Corps of Engineers.

The ability to establish the Authority’s water and sewer rates rests solely with the Board, and neither the Council of the District of Columbia nor the United States Congress have any authority over the rate setting process.

Inquiries regarding information about the Authority and its financial matters contained in this Offering Memorandum may be directed to the Chief Financial Officer and Executive Vice President, Finance Procurement and Compliance at (202) 787-2000. The Authority is obligated to provide certain disclosures pursuant to its Continuing Disclosure Agreements entered into in connection with the issuance of its publicly offered bonds and such disclosures are available at emma.msrb.org. This reference to the Authority’s continuing disclosure obligations is for informational purposes only and such disclosure obligations shall not be deemed incorporated herein by reference. **The Authority is not obligated to provide continuing disclosure to holders of the Notes.**

Not all relevant information with respect to the operations of the Authority that may be necessary to analyze its current financial condition is included in this Offering Memorandum in light of the presence of the Letter of Credit, as described below. Investors should primarily consider the relevant Letter of Credit in assessing the Authority’s ability to repay the Notes promptly when due. See “The Letter of Credit” herein.

Issuance of the Notes: The Authority will issue, from time to time, its Commercial Paper Notes, (Tax-Exempt) (the “Tax-Exempt Notes”) and its Commercial Paper Notes (Taxable) (the “Taxable Notes,” and together with the Tax-Exempt Notes, the “Notes”), together in an aggregate principal amount not to exceed \$250,000,000 at any one time outstanding. The Notes are issued pursuant to a resolution adopted by the Board on June 6, 2024 (the “Resolution”), and an Issuing and Paying Agency Agreement dated as of August 1, 2024 (the “Issuing and Paying Agency

Agreement”) between the Authority and U.S. Bank Trust Company National Association (the “Issuing and Paying Agent”).

Amount of Notes: The Board has authorized the issuance of the Authority’s Tax-Exempt Notes and its Taxable Notes, together in an aggregate principal amount not to exceed \$250,000,000 at any one time outstanding.

Plan of Finance: Proceeds of the Notes will be used to provide funds to pay (i) certain costs incurred in connection with the construction of certain capital improvements to its Water System and Sewer System, (ii) obligations of the Bank under the Bank Note resulting from draws under the Letter of Credit, (iii) the costs of issuance of the Notes and (iv) any expenditure permitted by law under the Indenture that in the opinion of Co-Bond Counsel will not, in and of itself, adversely affect the exclusion from gross income for federal tax purposes of interest on the CP Notes issued as tax-exempt obligations.

Issuing and Paying Agent: U.S. Bank Trust Company National Association will act as Issuing and Paying Agent for the Notes.

Dealers: J.P. Morgan Securities LLC and Goldman Sachs & Co. LLC (each, a “CP Dealer” and together the “CP Dealers”) will serve as commercial paper dealers for the offering of the Notes to qualifying investors, pursuant to the terms of the respective Commercial Paper Dealer Agreements between the Authority and each CP Dealer, dated as of [____ _], 2024 (together, the “Dealer Agreement”).

Form and Terms of Notes: The Notes initially will be registered in the name of The Depository Trust Company (“DTC”) or Cede & Co., its nominee, and will be issued in denominations of \$100,000 or in additional increments of \$1,000. See APPENDIX A - INFORMATION REGARDING DTC AND THE BOOK-ENTRY ONLY SYSTEM. The Notes shall be dated and bear interest from their date of delivery at a rate per annum not in excess of the Maximum Rate, calculated on the basis of a 365- or 366-day year and the actual number of days elapsed, as appropriate. The “Maximum Rate” means the maximum interest rate authorized by the Authority from time to time for the Notes and shall initially mean 12% per annum. The Notes will mature on a Business Day and become payable on such dates as an authorized representative of the Authority may establish at the time of issuance, provided that no Note shall mature or become payable more than 270 days from the date of issuance. No Note will mature fewer than 10 calendar days prior to the expiration of the appropriate Letter of Credit delivered in connection with such Series of Notes, which expiration date is currently [August __, 2029]. The Notes are not subject to redemption prior to maturity. The Tax-Exempt Notes will be sold at their par amount. [The Taxable Notes may be issued either (i) at a discount from the par amount to reflect an interest component to the maturity date (with an implied yield not exceeding the Maximum Rate), or (ii) at par and bearing interest at an interest rate to the maturity date agreed to by the Dealer and the Authority][TBD].

Exemption: The Notes are exempt from registration under Section 3(a)(2) of the Securities Act of 1933, as amended.

Maturity Date: 1 to 270 days, on a Business Day.

Interest Payment Dates: Interest on each Note is payable on the related Maturity Date.

Defined Terms: Capitalized terms used in this Offering Memorandum and not defined herein have the meanings set forth in the Issuing and Paying Agency Agreement attached hereto as Appendix C. See “Miscellaneous” herein.

Source of Payment for the Notes: The Notes will be secured by and payable solely from a subordinate lien on the Trust Estate, including but not limited to the Net Revenues, a lien on Pledged Funds, the income derived from the investment of any Pledged Funds, and other moneys that have been pledged as described in the Indenture and the Issuing and Paying Agency Agreement to secure payment thereof. “Pledged Funds” means (i) proceeds of the sale of the Notes deposited in the Commercial Paper Account, (ii) moneys held in the Construction Account, (iii) amounts on deposit in the appropriate Letter of Credit Account made available from draws under the appropriate Letter of Credit with respect to such Notes, and (iv) other legally available funds as shall be determined by the Authority and paid into the Commercial Paper Account, all of which are pledged by the Authority to the Issuing and Paying Agent under the Issuing and Paying Agency Agreement as security for the Notes and the Bank Note. “Trust Estate” means the money, investments, property and certain rights of the Authority thereto, including, without limitation, the Net Revenues, granted under the Indenture for certain holders of Authority debt, including holders of the Notes.

UNDER THE ACT AND THE FEDERAL ACT, THE NOTES ARE SPECIAL OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM AND SECURED BY A SUBORDINATE LIEN ON THE TRUST ESTATE, INCLUDING BUT NOT LIMITED TO THE NET REVENUES, A LIEN ON PLEDGED FUNDS, THE INCOME DERIVED FROM THE INVESTMENT OF ANY PLEDGED FUNDS, AND OTHER MONEYS THAT HAVE BEEN PLEDGED AS DESCRIBED IN THE INDENTURE AND THE ISSUING AND PAYING AGENCY AGREEMENT TO SECURE PAYMENT THEREOF. THE NOTES SHALL BE WITHOUT RECOURSE TO THE DISTRICT. THE NOTES SHALL NOT BE GENERAL OBLIGATIONS OF THE DISTRICT OR OF THE AUTHORITY. THE NOTES SHALL NOT BE A PLEDGE OF OR INVOLVE THE FAITH AND CREDIT OR THE TAXING POWER OF THE DISTRICT, SHALL NOT CONSTITUTE A DEBT OF THE DISTRICT, THE UNITED STATES OF AMERICA AND NEITHER THE DISTRICT NOR THE UNITED STATES SHALL BE LIABLE THEREON. THE NOTES ALSO SHALL NOT CONSTITUTE THE LENDING OF THE PUBLIC CREDIT FOR PRIVATE UNDERTAKINGS AS PROHIBITED BY THE HOME RULE ACT OF THE DISTRICT (AS DEFINED HEREIN). THE AUTHORITY HAS NO TAXING POWER.

No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Notes or for any claim based thereon or upon any obligation, covenant or agreement in the Indenture or the Issuing and Paying Agency Agreement contained, against the Authority, any past, present or future member of its governing body, its officers, attorneys, accountants, financial advisors, agents or staff, or the officers, attorneys, accountants, financial advisors, agents or staff of any successor public entity, as such, either directly or through the Authority or any successor public entity, under any rule of law or penalty or otherwise.

Events of Default on the Notes. Each of the following events constitutes an “Event of Default” under the Issuing and Paying Agency Agreement:

- (a) Default in the payment of interest on any Note when it becomes due and payable; and
- (b) Default in the payment of principal of (or premium, if any, on) any Note when the same becomes due and payable.

Upon the happening and continuance of any Event of Default, if the Bank is then in default under its Letter of Credit, the holders of the Notes may take any one or more of the following steps:

(a) by mandamus or other suit, action or proceeding at law or in equity enforce all rights of the holders of the Notes, and require the Authority or the Issuing and Paying Agent to carry out any agreements with or for the benefit of the holders of the Notes and to perform its or their duties under the Act, the Letter of Credit and the Issuing and Paying Agency Agreement, including that the Issuing and Paying Agent immediately draw on the Letter of Credit and use the proceeds of the Drawings and, to the extent needed, other Pledged Funds, to repay the Notes at their stated maturities;

(b) by action or suit in equity require the Authority to account as if it were the trustee of an express trust for the holders of the Notes; or

(c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the Notes.

The Letter of Credit. The Authority and TD Bank, N.A. (the “Bank”), have entered into a Letter of Credit and Reimbursement Agreement, dated as of [_____, 2024] relating to the Notes, (the “Reimbursement Agreement”). In order to ensure timely payment of the principal of and interest on the Notes, at the Authority’s request, the Bank has issued an irrevocable, direct pay Letter of Credit for the Notes (“Letter of Credit”) to the Issuing and Paying Agent as beneficiary pursuant to, and upon the terms and conditions stated in, the Reimbursement Agreement. On or before the date of maturity of any Note, the Issuing and Paying Agent shall draw on the Letter of Credit an amount equal to the principal amount and interest due on the related Notes maturing on such date. Pursuant to the Issuing and Paying Agency Agreement, all amounts received from any drawing on the Letter of Credit are required to be deposited in the applicable subaccount of the Letter of Credit Account established thereunder and held in trust and set aside exclusively for the payment of the related Notes for which such drawing was made, and the Issuing and Paying Agent is required to apply such amounts to the payment of the principal of and interest on such Notes, upon presentation for payment. The Letter of Credit has been issued in a stated principal amount of up to \$250,000,000, with interest thereon at the Maximum Rate for the Maximum Term, which may be drawn upon by the Issuing and Paying Agent to pay the principal amount of and interest on the maturing Notes. Unless further extended, the current expiration date of each Letter of Credit is [_____, 2029]. See Appendix B – “Letter of Credit and Reimbursement Agreement”.

The Authority will at all times maintain the Letter of Credit or other credit facilities (each a “Substitute Letter of Credit”) supporting all Outstanding Notes. Any Substitute Letter of Credit shall go into effect at least one Business Day prior to the termination of the Letter of Credit then

in effect, and on the stated maturity of the then Outstanding Notes secured by such Letter of Credit. The termination date with respect to such substitute Letter of Credit shall be no earlier than the later of (i) six months after its date or (ii) the termination date set forth in such Letter of Credit then in effect. The Substitute Letter of Credit shall have a stated amount at least as great as the principal amount of Outstanding Commercial Paper Notes, plus interest at the Maximum Rate for the Maximum Term. Other conditions to the Issuing and Paying Agent's ability to release an existing Letter of Credit and accept a Substitute Letter of Credit include: (1) the Authority shall deliver written notice of the proposed substitution to the Issuing and Paying Agent, the Bank and each Dealer not fewer than 25 days prior to the substitution date; (2) there shall be delivered to the Authority and the Issuing and Paying Agent written evidence from each rating agency then maintaining a rating on the Notes at the request of the Authority, that the substitution of such Letter of Credit will not, in and of itself, result in any rating then assigned to the Notes being suspended, reduced or withdrawn; and (3) the Issuing and Paying Agent shall deliver written notice to the holders of the Notes at least 15 days prior to the substitution date.

Current Letter of Credit Expiration Date: [_____, 2029].

Maximum Rate: The Maximum Rate for the Notes is currently 12% per annum.

Maximum Term: The Maximum Term for the Notes is currently 270 days.

The Bank: [Bank counsel and TD Bank Team to review]

If for any reason the Bank fails to make a payment due under the relevant Letter of Credit, no assurance can be given that the Authority will have sufficient funds on hand and available to make such payment of principal of and/or interest on the relevant Commercial Paper Notes or to make such payments in a timely manner. Prospective investors therefore should base their investment decision primarily on the credit standing of the Bank, rather than on that of the Authority.

The Bank is a national banking association organized under the laws of the United States, with its main office located in Wilmington, Delaware. The Bank is an indirect, wholly-owned subsidiary of The Toronto-Dominion Bank ("TD") and offers a full range of banking services and products to individuals, businesses and governments throughout its market areas, including commercial, consumer and trust services and indirect automobile dealer financing. The Bank operates banking offices in Connecticut, Delaware, the District of Columbia, Florida, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, North Carolina, New York, Pennsylvania, Rhode Island, South Carolina, Vermont and Virginia. As of [December 31, 2019], the Bank had consolidated assets of \$320.5 billion, consolidated deposits of \$273.6 billion and stockholder's equity of \$40.2 billion, based on regulatory accounting principles.]

Additional information regarding the foregoing, and the Bank and TD, is available from the filings made by TD with the U.S. Securities and Exchange Commission (the "SEC"), which filings can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. In addition, the SEC maintains a website at <http://www.sec.gov>, which contains reports, proxy statements and other information regarding registrants that file such information electronically with the SEC.

The information concerning TD and the Bank contained herein is furnished solely to provide limited introductory information and does not purport to be comprehensive. Such information is qualified in its entirety by the detailed information appearing in the documents and financial statements referenced herein.

Each Letter of Credit has been issued by the Bank and is the obligation of the Bank and not TD.

The Bank will provide copies of the publicly available portions of the most recent quarterly Call Report of the Bank delivered to the Comptroller of the Currency, without charge, to each person to whom this document is delivered, on the written request of such person. Written requests should be directed to:

TD Bank, N.A.
1701 Route 70 East
Cherry Hill, New Jersey 08034
Attn: Corporate and Public Affairs

Information regarding the financial condition and results of operations of the Bank is contained in the quarterly Call Reports of the Bank delivered to the Comptroller of the Currency and available online at <https://cdr.ffiec.gov/public>. General information regarding the Bank may be found in periodic filings made by TD with the SEC. TD is a foreign issuer that is permitted, under a multijurisdictional disclosure system adopted by the United States, to prepare certain filings with the SEC in accordance with the disclosure requirements of Canada, its home country. Canadian disclosure requirements are different from those of the United States. TD's financial statements are prepared in accordance with International Financial Reporting Standards, and may be subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements of United States companies prepared in accordance with United States generally accepted accounting principles.

The delivery hereof shall not create any implication that there has been no change in the affairs of TD or the Bank since the date hereof, or that the information contained or referred to in this Offering Memorandum is correct as of any time subsequent to its date.

NEITHER TD NOR ANY OTHER SUBSIDIARY OF TD OTHER THAN THE BANK IS OBLIGATED TO MAKE PAYMENTS UNDER EACH LETTER OF CREDIT.

The Bank is responsible only for the information contained in this section of the Offering Memorandum and did not participate in the preparation of, or in any way verify the information contained in, any other part of the Offering Memorandum. Accordingly, the Bank assumes no responsibility for and makes no representation or warranty as to the accuracy or completeness of information contained in any other part of the Offering Memorandum.

Tax Status of Interest on the Notes:

- *Tax-Exempt Notes.* As a condition to the issuance of any Tax-Exempt Notes Squire Patton Boggs (US) LLP and Bellamy Penn LLC, Co-Bond Counsel, will deliver their opinions that

under existing law: (i) interest on the Tax-Exempt Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; and (ii) the Tax-Exempt Notes and the interest thereon are exempt from District taxation, except estate, inheritance and gift taxes. Co-Bond Counsel will express no opinion as to any other tax consequences regarding the Tax-Exempt Notes.

The opinion on federal tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Authority contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Tax-Exempt Notes are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Co-Bond Counsel will not independently verify the accuracy of the Authority’s representations and certifications or the continuing compliance with the Authority’s covenants.

The opinion of Co-Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Co-Bond Counsel’s legal judgment as to exclusion of interest on the Tax-Exempt Notes from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (the “IRS”) or any court. Co-Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the Authority may cause loss of such status and result in the interest on the Tax-Exempt Notes being included in gross income for federal income tax purposes retroactively to the date of issuance of the Tax-Exempt Notes. The Authority has covenanted to take the actions required of it for the interest on the Tax-Exempt Notes to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Tax-Exempt Notes, Co-Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Co-Bond Counsel’s attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Notes or the market value of the Tax-Exempt Notes.

Interest on the Tax-Exempt Notes may be subject: (1) to a federal branch profits tax imposed on certain foreign corporations doing business in the United States; (2) to a federal tax imposed on excess net passive income of certain S corporations; and (3) to the alternative minimum tax imposed under Section 55(b) of the Code on “applicable corporations” (within the meaning of Section 59(k) of the Code). Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and

individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Tax-Exempt Notes. Co-Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Tax-Exempt Notes, are generally subject to IRS Form 1099-INT information reporting requirements. If a Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel's engagement with respect to the Tax-Exempt Notes ends with the issuance of the Tax-Exempt Notes, and, unless separately engaged, Co-Bond Counsel is not obligated to defend the Authority or the owners of the Tax-Exempt Notes regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Tax-Exempt Notes, under current IRS procedures, the IRS will treat the Authority as the taxpayer and the beneficial owners of the Tax-Exempt Notes will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Tax-Exempt Notes for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Tax-Exempt Notes.

Prospective purchasers of the Tax-Exempt Notes upon their original issuance at prices other than the respective prices indicated on the inside cover of this Official Statement, and prospective purchasers of the Tax-Exempt Notes at other than their original issuance, should consult their own tax advisors regarding other tax considerations such as the consequences of market discount, as to all of which Co-Bond Counsel expresses no opinion.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the Council and State legislatures. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Tax-Exempt Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Tax-Exempt Notes will not have an adverse effect on the tax status of interest on the Tax-Exempt Notes or the market value or marketability of the Tax-Exempt Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Tax-Exempt Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, federal tax legislation that was enacted on December 22, 2017 reduced corporate tax rates, modified individual tax rates, eliminated many deductions, repealed the corporate alternative minimum tax that was in effect at that time, and eliminated the tax-exempt advance refunding of tax-exempt bonds and tax-advantaged bonds, among other things.

Additionally, investors in the Tax-Exempt Notes should be aware that future legislative actions might increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Tax-Exempt Notes for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Tax-Exempt Notes may be affected and the ability of holders to sell their Bonds in the secondary market may be reduced.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

- Taxable Notes. As a condition to the issuance of any Taxable Notes Squire Patton Boggs (US) LLP and Bellamy Penn LLC, Co-Bond Counsel, will deliver their opinions that on the date of issuance of the Taxable Notes, under then-existing law and assuming compliance with certain covenants in the documents pertaining to the Taxable Notes, interest on the Taxable Notes was exempt from all District of Columbia taxation except estate, inheritance and gift taxes. Co-Bond Counsel expressed no other opinion as to the tax consequences of the Taxable Notes. That opinion speaks only as of its date.

Legal and Other Matters. Certain legal matters relating to the authorization and validity of the Notes were subject to the approving opinions of Co-Bond Counsel, each of which was furnished at the expense of the Authority upon the initial delivery of each Series of Notes (collectively, the “Bond Opinion”). The Bond Opinion was limited to matters relating to authorization and validity of the Notes, to the tax-exempt status of interest on the tax-exempt Notes as described in the section “Tax Status of Interest on the Notes” herein and to the exemption of the interest on the Taxable Notes from District taxation, except estate, inheritance and gift taxes. Co-Bond Counsel has not been engaged to investigate the financial resources of the Authority or its ability to provide for payment of the Notes, and the Bond Opinion makes no statement as to such matters or as to the accuracy or completeness of this Offering Memorandum or any other information that may have been relied on by individuals in making the decision to purchase the Notes.

Certain legal matters were passed upon for the Authority by the then General Counsel of the Authority, and for the Bank by its counsel, McGuireWoods LLP.

The Issuing and Paying Agent has not participated in the preparation of this Offering Memorandum and takes no responsibility for its content.

Ratings of the Notes:

Tax-Exempt Notes

	<u>Moody's</u>	<u>S&P</u>	<u>Fitch, Inc.</u>
Short Term			

Taxable Notes

	<u>Moody's</u>	<u>S&P</u>	<u>Fitch, Inc.</u>
Short Term			

The ratings on the Notes from Moody's Investors Service, Standard and Poor's Ratings Group and Fitch, Inc. are based upon the availability of the Letter of Credit to provide credit enhancement for the Notes.

Miscellaneous. No attempt is made herein to summarize the Resolution, the Issuing and Paying Agency Agreement, the Letter of Credit and agreement with respect thereto, the Bond Opinion, the financial condition or operations of the Authority, the terms and provisions of the Notes or other matters which may be material to a credit decision to purchase the Notes. Note purchasers are expected to conduct their own due diligence and analysis prior to making an investment decision. Copies of all relevant documents may be examined at the office of the Chief Financial Officer of the Authority during regular business hours. Copies of the Resolution, the Issuing and Paying Agency Agreement and Letter of Credit also are on file with the Issuing and Paying Agent for the Notes.

The Appendices are an integral part of this Offering Memorandum and must be read together with all other parts of this Offering Memorandum. So far as any statements made in this Offering Memorandum involve matters of opinion, whether or not expressly stated, they are set forth as such and not as representation of fact.

This Offering Memorandum shall be deemed to be amended, supplemented and reissued as of the latest date of any supplement hereto.

Schedule of Appendices

Appendix A – INFORMATION REGARDING DTC AND THE BOOK-ENTRY ONLY SYSTEM

Appendix B – LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT

Appendix C – ISSUING AND PAYING AGENCY AGREEMENT

Appendix D – THIRTY-FIFTH SUPPLEMENTAL INDENTURE OF TRUST

Appendix E – OPINIONS OF CO-BOND COUNSEL

APPENDIX A

INFORMATION REGARDING DTC AND THE BOOK-ENTRY ONLY SYSTEM

The description that follows of the procedures and record keeping with respect to beneficial ownership interests in the Notes, payments of principal, premium, if any, and interest on the Notes to DTC, its nominee, Participants, defined below, or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Notes and other bond-related transactions by and between DTC, Participants and Beneficial Owners is based solely on information furnished by DTC.

General. The Depository Trust Company, New York, New York (“DTC”) will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee). One fully-registered Note will be issued for the Notes in the aggregate principal amount of each maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for such Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct

and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of the Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name, and will be the responsibility of such Participant and not of DTC or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Authority, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Notes at any time by giving reasonable notice to the Authority or the Issuing and Paying Agent. Under such circumstances, in the event that a successor securities depository is not selected, Note certificates are required to be printed and delivered. The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered.

So long as Cede & Co. is the registered owner of the Notes, as nominee for DTC, references herein to Bondholders or registered owners of the Notes (other than under the caption "OTHER INFORMATION - Tax Status of Interest on the Notes") shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Notes.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the Issuing and Paying Agent to DTC only.

NEITHER THE AUTHORITY NOR THE ISSUING AND PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DTC PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (ii) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE NOTES UNDER THE IMPLEMENTING RESOLUTION; (iii) THE SELECTION BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE NOTES; (iv) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE NOTES; (v) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF NOTES; OR (vi) ANY OTHER MATTER.

Appendix B

LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT

Appendix C

ISSUING AND PAYING AGENCY AGREEMENT

Appendix D

THIRTY-FIFTH SUPPLEMENTAL INDENTURE OF TRUST

Appendix E

OPINIONS OF CO-BOND COUNSEL

M&A draft dated 5/15/2024

DEALER AGREEMENT

This Dealer Agreement (this “Agreement”), dated as of _____, 2024, is between the District of Columbia Water and Sewer Authority, an independent authority of the District of Columbia government (the “Authority”), and _____ (the “Dealer”). In order to facilitate the sale of the Authority’s Commercial Paper Notes (Tax-Exempt) and Commercial Paper Notes (Taxable), in the aggregate principal amount of not to exceed \$250,000,000 the Authority and the Dealer agree as follows:

1. **Definitions.**

Unless the context clearly requires otherwise, the terms defined in this Section 1 shall have the meanings herein specified. Unless otherwise defined herein, all capitalized terms used herein shall have the meanings assigned to them in the Issuing and Paying Agency Agreement and the Indenture.

“Authorized Representative of the Authority” shall mean such person or persons as may be designated to act on behalf of the Authority by a certificate executed by the _____ and on file with the Issuing and Paying Agent.

“Bank” or “Banks” shall mean _____.

“Issuing and Paying Agent” means U.S. Bank Trust Company National Association, in its capacity as Issuing and Paying Agent, or any successor thereto, as party to the Issuing and Paying Agency Agreement (defined below).

“Indenture” means the Master Indenture of Trust, dated as of April 1, 1998 (the “Master Indenture”), between the Authority and Computershare Trust Company, N.A., as trustee (the “Trustee”), as amended and supplemented, including by the Thirty-Fifth Supplemental Indenture of Trust, dated as of _____ 2024.

“Issuing and Paying Agency Agreement” means the Issuing and Paying Agency Agreement, dated as of ___ 1, 2024 between the Authority and the Issuing and Paying Agent, and any amendment and supplement thereto, provided such amendment or supplement shall have been furnished to the Dealer in accordance with Section 11 of this Agreement.

“Credit Facility” means collectively, the irrevocable, direct-pay Letter of Credit issued by the Bank in connection with the Notes and any alternate Credit Facility, issued by the Bank or any other bank, pursuant to the terms of each Letter of Credit and Reimbursement Agreement (the “Reimbursement Agreement”), including any amendment or supplement thereto, provided such amendment or supplement shall have been furnished to the Dealer in accordance with Section ___ of this Agreement.

“Notes” means collectively, the Authority’s Commercial Paper Notes (“Tax-Exempt”) and its Commercial Paper Notes (“Taxable”), in an aggregate principal amount not to exceed \$250,000,000 outstanding at any time in the form contemplated by and with terms consistent with limits specified in the Indenture and the Issuing and Paying Agency Agreement.

“Offering Memorandum” means the Offering Memorandum relating to the Notes dated as of _____, 2024, and any amendment or supplement thereto.

“Pledged Funds” means (a) proceeds of the sale of the Commercial Paper Notes deposited in the Commercial Paper Account, (b) moneys held in the Construction Account, (c) amounts on deposit in the Letter of Credit Account made available from draws under the Letter of Credit with respect to the Commercial Paper Notes, (d) other legally available funds as shall be determined by the Authority and paid into the Commercial Paper Account, all of which are pledged by the Authority to the Issuing and Paying Agent hereunder as security for the Commercial Paper Notes and the Bank Notes as described in Section 5.04 hereof, and (e) moneys held in the Bank Reimbursement Account, which are pledged solely to the Bank to secure the Bank Note.

“Reimbursement Agreement” means that certain Letter of Credit and Reimbursement Agreement, dated as of _____ 1, 2024, between the Authority and the Bank, pursuant to which the Letter of Credit has been issued, as said Reimbursement Agreement may hereafter be amended or supplemented, and including any substitute therefor or replacement thereof.

2. Appointment of Dealer; Responsibilities of Dealer.

- a. Subject to the terms and conditions herein contained, the Authority hereby appoints [Dealer] and [Dealer] hereby accepts such appointment, as dealer for the Authority in connection with the offering and sale of the Notes.
- b. It is understood and agreed that ___ responsibilities hereunder will include (i) the soliciting of purchases of Notes from investors that can purchase tax-exempt and taxable commercial paper or other short-term securities on such terms and conditions, including maturity dates and interest rates, as may prevail in the commercial paper market and subject to the terms and conditions established in the Issuing and Paying Agency Agreement, (ii) providing information to the Authorized Representative of the Authority concerning such purchases, (iii) billing and receiving payment for Notes purchased and sold, and (iv) performing such other related functions as may be requested by the Authority and agreed to by [Dealer].
- c. For services rendered hereunder, the Authority will pay to _____ from Pledged Funds (other than moneys held in the Bank Reimbursement Account, which are pledged solely to the Bank to secure the Bank Note) a commission commencing upon the issuance of the Notes initially placed, calculated at the rate of _____ basis points (___%) per annum on the average daily amount of Notes Outstanding. This commission on the Notes shall be payable quarterly in arrears by the Authority on each September 1, December 1, March 1 and June 1, of each year, commencing _____ 2024, against billings of _____ setting forth in reasonable detail the calculation of the commission payable; provided, however, that if this Agreement is terminated, _____ will receive only a pro rata portion of its quarterly fee for the quarter in which this Agreement was terminated and any other amounts due but unpaid as of the termination date.

- d. All transactions in Notes between the Dealer and the Authority shall be in accordance with the Issuing and Paying Agency Agreement and custom and practice in the commercial paper market to the extent such custom and practice is not inconsistent with the Issuing and Paying Agency Agreement. The Dealer shall use its best efforts to arrange the sale of Notes for the Authority; provided, however, that each such sale arranged by the Dealer shall be agreed upon orally between Dealer personnel and the Authorized Representative of the Authority, and, subject to the Issuing and Paying Agency Agreement, the principal amount of the Notes to be sold, the interest rate applicable thereto, and the maturity date thereof shall be so determined. The Dealer may but shall not be obligated to purchase any Notes for its own account or arrange the sale of any Notes unless and until agreement has been reached in each case on the foregoing points and any other relevant terms and the Dealer has agreed to such purchase or arranged sale.
- e. With respect to all Notes marketed by [Dealer], [Dealer] will provide to the Authority and the Issuing and Paying Agent at times and in the manner required by the Issuing and Paying Agency Agreement, on the date the Notes are to be issued, the following trade information: (i) the amount of such Notes sold on that date, (ii) the maturity(ies) of such Notes, and (iii) the interest rate(s) on such Notes. This trade information will be delivered by facsimile or telephonically or by other electronic means to the Authorized Representative of the Authority and electronically to the Issuing and Paying Agent. Unless notified to the contrary by [Dealer], the Authority may assume that the price of each issue of Notes is 100% of the principal amount thereof and the representations contained in the Certificate of the Dealer are true and correct with respect to each issue of the Notes.

3. Sale and Purchase of Notes.

The Notes are issued pursuant to a resolution adopted by the Board on June 6, 2024 (the “Resolution”), the Indenture, and an Issuing and Paying Agency Agreement dated as of August 1, 2024 (the “Issuing and Paying Agency Agreement”) between the Authority and U.S. Bank Trust Company National Association (the “Issuing and Paying Agent”). The Dealer and the Issuer agree that any Note which the Dealer may purchase or for which the Dealer may arrange the sale, will be purchased or sold on the terms and conditions and in the manner provided in the Indenture, the Issuing and Paying Agency Agreement and this Agreement.

4. Representations and Warranties of the Authority.

The Authority hereby represents and warrants to [Dealer] that:

- a. it is an independent authority of the District of Columbia, duly organized and validly existing under the applicable laws of such jurisdiction, and has full power and authority to execute and deliver this Agreement, the Reimbursement Agreement and the Issuing and Paying Agency Agreement;
- b. it is empowered to issue the Notes and to perform its obligations under the Resolution, the Indenture and the Issuing and Paying Agency Agreement;

- c. no breach or default is continuing under the instruments related to the Bonds, and the issuance of the Notes pursuant to the Issuing and Paying Agency Agreement will not result in any such breach or default;
- d. the making and performance by the Authority of this Agreement, the Indenture, the Reimbursement Agreement, the Issuing and Paying Agency Agreement and the Notes have been duly authorized by all necessary action of the Authority and this Agreement, the Reimbursement Agreement, and the Issuing and Paying Agency Agreement constitute, and the Notes when duly issued, authenticated and delivered as provided in the Issuing and Paying Agency Agreement will constitute, legal, valid and binding obligations of the Authority payable from Pledged Funds (other than moneys held in the Bank Reimbursement Account, which are pledged solely to the Bank to secure the Bank Note) and enforceable against the Authority in accordance with their respective terms, except as enforceability may be limited by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) or by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally;
- e. no approval, permit, consent, authorization or order of any court or any governmental or public agency, authority or person not already obtained (other than any approvals that may be required under the "blue sky" laws of any jurisdiction) is required with respect to the Authority in connection with the issuance and sale of the Notes or the execution and delivery by the Authority of, or in the performance by the Authority of its obligations under, this Agreement, the Reimbursement Agreement, the Issuing and Paying Agency Agreement or the Notes and the consummation of the transactions contemplated by the Offering Memorandum;
- f. the Authority is not now and has not ever been in breach of or in default under any applicable law or administrative regulation of the District of Columbia or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority is a party or is otherwise subject, the consequence of any of the foregoing of which or the correction of any of the foregoing of which materially and adversely affects the operations of the Authority as of such dates;
- g. the adoption by the Authority of Resolution No. 24-__, and the making and performance by the Authority of this Agreement, the Reimbursement Agreement, the Issuing and Paying Agency Agreement and the Notes do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any resolution, indenture, deed of trust, mortgage commitment, agreement or other instrument to which the Authority is a party or by which the Authority is bound, or any constitutional provision, existing law, administrative regulation, court order or consent decree to which the Authority or its property is subject;

- h. except as otherwise described in the Offering Memorandum, there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, governmental agency, public board or body, pending or, to the best of the knowledge of the undersigned, threatened against or affecting the Authority and, to the best of the knowledge of the undersigned, there is no basis therefor, (i) which in any way questions the powers of the Authority or the validity of Resolution No. 24- __, this Agreement, the Reimbursement Agreement, the Issuing and Paying Agency Agreement or the Notes, (ii) wherein an unfavorable decision, ruling or finding would materially and adversely affect the transactions contemplated by Resolution No. 24- __, this Agreement, the Reimbursement Agreement, the Issuing and Paying Agency Agreement or the Notes, or would in any way affect adversely the validity or enforceability of Resolution No. 10-60, this Agreement, the Reimbursement Agreement, the Issuing and Paying Agency Agreement or the Notes;
- i. any information relating to the Authority, the Bank, the Credit Facility and the Notes furnished by the Authority pursuant to Section 4 hereof does not and will not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and
- j. the Authority will cooperate with the Dealer in arranging for the qualification of the Notes for sale and the determination of their eligibility for investment under the laws of such jurisdictions as the Dealer may designate and will use its best efforts to continue such qualifications in effect so long as the Notes are being offered by the Dealer; provided, however, that the Authority will not be required to execute a special or general consent to service of process or qualify to do business in connection with action taken under this subsection.

Each delivery of a Note to _____ or to a person whose purchase of such Note was arranged by _____ shall constitute a representation and warranty by the Authority, as of the date thereof; that (i) the representations and warranties of the Authority in this Section 3 are true and correct on and as of such date with the same effect as if made on and as of such date, (ii) the Notes issued on such date have been duly and validly issued and delivered in accordance with the Issuing and Paying Agency Agreement and (iii) the Authority has complied or will comply, as the case may be, with all covenants contained in this Agreement. The Authority shall not cause to be issued any Note unless such representations and warranties are true and correct.

5. Covenants of the Authority.

The Authority hereby covenants to [Dealer] that:

- a. it will promptly deliver to [Dealer] copies of all (i) general mailings to holders of the Notes, and (ii) all required filings with respect to the Authority's outstanding Bonds pursuant to Securities and Exchange Commission Rule 15c2-12;

- b. it will respond promptly to all reasonable requests for information concerning the Authority made from time to time by [Dealer]; and
- c. the Authority will provide prompt notice to the Dealer of the occurrence of any event with respect to the Notes referred to in Rule 15c2-12(b)(5)(i)(C) promulgated under the Securities Exchange Act of 1934, as amended, except that draws on the Credit Facility shall not require such Notice be given.

6. Offering Memorandum.

- a. The Offering Memorandum shall be prepared for use in connection with the transactions contemplated by this Dealer Agreement. The Offering Memorandum and its contents (other than any material concerning [Dealer] provided by [Dealer] in writing expressly for inclusion in the Offering Memorandum and any material concerning the Bank) shall be the sole responsibility of the Authority. The Authority authorizes the Dealer to distribute each Offering Memorandum as determined by [Dealer]; and
- b. The Authority further agrees to notify [Dealer] promptly upon the occurrence of any event relating to or affecting the Authority or the Notes that would cause the Offering Memorandum then in existence to include an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading in any adverse respect. The Authority agrees promptly to supplement or amend such Offering Memorandum, so that the Offering Memorandum, as amended or supplemented, shall not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading in any adverse respect, and the Authority shall make such supplement or amendment available to [Dealer].

7. Payment and Delivery.

_____ shall pay for the Notes sold by _____ (or purchased by _____ for its own account) in immediately available funds through the facilities of The Depository Trust Company by __ p.m. (New York City time) on the Business Day such Notes are delivered to _____ (provided that such Notes are so delivered to _____ by __ p.m. on such Business Day). All Notes will be sold at par, and will be evidenced either by (i) a global note immobilized with The Depository Trust Company of New York or (ii) if not, will be executed in the manner provided for in the Issuing and Paying Agency Agreement.

8. Conditions Precedent.

Prior to the first purchase or sale of Notes hereunder and as a condition precedent to any obligations of the Dealer under this Agreement, the Dealer shall have received the following documents, in form and substance satisfactory to the Dealer:

- a. a copy of the Credit Facility and the Reimbursement Agreement, the Issuing and Paying Agency Agreement, and Resolution No. 24- ;
- b. a favorable written opinion of _____, co-bond counsel, in substantially the form attached as Appendix _ to the Offering Memorandum;
- c. a favorable written opinion of general counsel for the Authority, addressed to _____ and satisfactory in form and substance to _____ with respect to matters set forth in Section 3 hereof and such other matters as [Dealer] may require;
- d. an opinion of Counsel to the Bank as to the legality and enforceability of the Credit Facility and certain related securities law matters; and
- e. all other certificates, opinions and legal documents given, rendered or executed in connection with the contemplated sale of the Notes, all as the Dealer may reasonably request.

9. Indemnification by the Authority.

- a. To the extent permitted by law, to the extent permitted by law (including without limitation the Anti-Deficiency Act codified at 31 U.S.C. Sec. 1341 (the “ADA”)), the Authority shall indemnify and hold harmless [Dealer] and each director, trustee, partner, member, officer, official or employee thereof and each person, if any, who controls [Dealer] (or any of them) (each herein called a “**Controlling Person**”) within the meaning of Section 15 of the Securities Act of 1933, as amended (the “**Securities Act**”) (any such person being herein sometimes called an “**Indemnified Party**”), against any and all losses, claims, damages or liabilities joint or several, (i) to which any such Indemnified Party may become subject, under statute or regulation at law or in equity or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact set forth in the Offering Memorandum or any amendment or supplement thereto or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or which is necessary to make the statements made therein not misleading in any material respect, in light of the circumstances under which they were made and considering (1) the purpose for which such information was supplied in the offering of the Notes to qualifying investors (which term is defined in the Offering Memorandum) pursuant to the disclosure documents (which includes the Offering Memorandum and any amendments and supplements thereto and replacements thereof), and (2) the presence of the Credit Facility, but the Authority will not be liable in any such case to the extent that any such loss, claim, damage or liability (including legal counsel fees and expenses) arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made or incorporated in the disclosure documents (x) in reliance upon and in conformity with written information furnished to the Authority by _____ specifically for use in the disclosure documents, or (y) any information contained in the disclosure documents relating to the Bank or the Credit Facility, and (ii) to the extent of the aggregate amount paid in

any settlement of any litigation commenced or threatened arising from a claim based upon any such untrue statement or alleged untrue statement or omission or alleged omission if such settlement is effected with the written consent of the Authority (which consent shall not be unreasonably withheld). The Issuer will not be liable to _____ in any case to the extent that any loss, claim, damage or liability (including legal counsel fees and expenses) arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission which is made to investors by _____ but is not contained, made or incorporated in the disclosure documents.

- b. An Indemnified Party shall, promptly after the receipt of notice of a written threat of the commencement of any action against such Indemnified Party in respect to which indemnification may be sought against the Authority, notify the Authority in writing of the commencement thereof. Failure of the Indemnified Party to give such notice shall reduce the liability of the Authority by the amount of damages, if any, attributable to the failure of the Indemnified Party to give such notice to the Authority, but the omission to notify the Authority of any such action shall not relieve the Authority from any liability that it may have to such Indemnified Party otherwise than under this Section. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the Authority of the commencement thereof, the Authority may, or if so requested by such Indemnified Party shall, participate therein or assume the defense thereof, with counsel reasonably satisfactory to such Indemnified Party and the Authority (it being understood that, except as hereinafter provided, the Authority shall not be liable for the expenses of more than one counsel representing the Indemnified Parties in such action), and after notice from the Authority to such Indemnified Party of an election so as to assume the defense thereof, the Authority shall not be liable to such Indemnified Party under this Section for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation; provided, however, that unless and until the Authority assumes the defense of any such action at the request of such Indemnified Party, the Indemnified Party shall have the right to participate at its own expense in the defense of any such action. If the Authority shall not have employed counsel to have charge of the defense of any such action or if an Indemnified Party shall have reasonably concluded that there may be defenses available to it and/or other Indemnified Parties that are different from or additional to those available to the Authority (in which case the Authority shall not have the right to direct the defense of such action on behalf of such Indemnified Party) or to other Indemnified Parties, legal and other expenses, including the expense of separate counsel, incurred by such Indemnified Party shall be borne by the Authority.

10. Closing.

On a date mutually acceptable to the Issuer and the Dealer (the “Closing”) there shall be delivered to the Dealer the following documents:

(a) A Certificate signed by the Chief Financial Officer and Executive Vice President, Finance Procurement and Compliance stating that the representations and warranties set forth in this Agreement, the Indenture and Issuing and Paying Agency Agreement are true and accurate as of the date of Closing.

(b) An opinion of Co-Bond Counsel, dated the Closing, [substantially in the form attached to the Offering Memorandum or in form and substance acceptable to the Dealer and its co-counsel].

(c) A supplemental opinion of Co-Bond Counsel, dated the Closing, in form and substance acceptable to the Dealer and its co-counsel.

(d) Such additional documentation as Co-Bond Counsel or the Dealer may reasonably request to evidence compliance with applicable law.

11. Notices.

Except as otherwise specifically provided herein, all notices and documents required of and provided for under this Agreement shall be in writing and shall be delivered by hand, first class mail (postage prepaid), telex, telecopier, telegram or overnight express delivery, and shall be effective when received at the following addresses or at such other address as a party may designate in a notice delivered to the other party hereto in accordance herewith.

If to the Authority or Authorized Representative of the Authority:	District of Columbia Water and Sewer Authority 1365 Canal Street, S.E. Washington, D.C. 20003 Attention: Chief Financial Officer and Executive Vice President, Finance Procurement and Compliance
--	--

If to the Dealer:

Floor
New York, New York
Attention:
Telephone:
Facsimile:

If to the Issuing and Agent:

Attention:
Telephone:
Telecopier:
Telecopier:

Notwithstanding the foregoing, any of the foregoing parties, or their successors, may designate a different address from time to time by notice duly given in accordance with the terms of this Section 9.

12. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the District of Columbia.

13. Amendments; Successors.

- a. The terms of this Agreement shall not be altered, modified, amended or supplemented in any manner whatsoever, except by prior written instrument signed by both parties. This Agreement is not assignable by either party without the prior written consent of the other party, which consent shall not be unreasonably withheld.
- b. This Agreement shall be binding upon and inure to the benefit of the parties to it and their respective successors and assigns.
- c. The Authority will give the Dealer notice of any proposed cancellation, amendment, supplement, waiver or consent to or under the Reimbursement Agreement or the Issuing and Paying Agency Agreement at least ten business days prior to the effective date of the same.

14. Termination.

- a. This Agreement shall continue so long as there shall be Notes outstanding, but may be terminated at any time prior to such date by either party upon 30 business days' prior notice to the other party, provided, however, that notwithstanding any such termination, the representations and warranties contained in Section 3 [and the indemnification contained in section 9] shall continue in full force and effect.
- b. In addition to the provisions of paragraph (a) of this section, _____ may immediately suspend its obligations under this Agreement with respect to the Notes at any time by notifying the Issuer in writing or by telegram, telex or other electronic or wire communication of its election so to do, if and so long as any information shall have become known, which, at any time, in _____'s reasonable opinion, makes untrue, incorrect, incomplete or misleading in any material respect any statement or information contained in the Offering Memorandum for the Notes, as the information contained therein has been supplemented or amended by other information, or causes the Offering Memorandum, as so supplemented or amended, to contain an untrue, incorrect or misleading statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.
- c. In addition to the provisions of paragraphs (a) and (b) of this section, _____ may immediately terminate its obligations under this Agreement with respect to the Notes at any time by notifying the Issuer in writing or by telegram, telex or other electronic or wire communication of its election to do so, if:

- (i) Legislation shall be favorably reported by a committee of the House of Representatives or the Senate of the Congress of the United States or be introduced by committee, by amendment or otherwise, in, or be enacted by, the House of Representatives or the Senate, or be recommended by committee to the Congress of the United States for signature by the President of the United States, or a decision by a court established under Article III of the Constitution of the United States shall be rendered or a ruling, regulation or order of the Treasury Department of the United States or the Internal Revenue Service shall be made or proposed having the purpose or effect of imposing Federal income taxation, or any other event shall have occurred which results in the imposition of Federal income taxation upon interest received on the Notes;
- (ii) Legislation shall be introduced by committee, by amendment or otherwise, in, or be enacted by, the House of Representatives or the Senate of the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the United States Securities and Exchange Commission or the governmental agency having jurisdiction of the subject matter shall be made or proposed, to the effect that the offering or sale of the obligations of the general character of the Notes, as contemplated hereby, is or would be in violation of any provision of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect, or with the purpose or effect of otherwise prohibiting the offering or sale of obligations of the general character of the Notes as contemplated hereby;
- (iii) Except as provided in clauses (i) and (ii) hereof, any legislation, resolution, ordinance, rule or regulation shall be introduced in, or be enacted by any federal governmental body, department or agency of the United States, the District of Columbia or a decision by any court of competent jurisdiction within the United States or the District of Columbia shall be rendered which, in _____'s reasonable opinion, materially adversely affects the marketability of the Notes;
- (iv) Additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange;
- (v) Any governmental authority shall impose, as to the Notes, or obligations of the general character of the Notes, any material restrictions not now in force, or increase materially those now in force;
- (vi) A general banking moratorium shall have been established by Federal or District authorities;

- (vii) Any rating of the Notes shall have been downgraded or withdrawn by a national rating service below _____ (or equivalent rating category by Moody's Investors Service, Inc., Standard & Poor's Ratings Services, or Fitch, Inc., respectively), which downgrading or withdrawal, in _____'s reasonable opinion, materially adversely affects the marketability of the Notes;
- (viii) There shall exist any event which constitutes an Event of Default under, and as defined in, the Issuing and Paying Agency Agreement, or the Credit Facility shall have expired or have been terminated, or the Bank or the Issuer shall have reduced the stated amount of the Credit Facility to an amount less than the amount required to pay the principal of and interest on all Notes then outstanding; or
- (ix) A war involving the United States shall have been declared, or any existing conflict involving the armed forces of the United States shall have escalated, or any other national emergency relating to the effective operation of government will have occurred which in any such case materially adversely affects the marketability of the Notes. The parties acknowledge that as of the date of this Agreement, the marketability of the Notes has not been materially adversely affected by any conditions described in the prior sentence.
- (x) A general suspension of trading in securities on the New York Stock Exchange or any other national securities exchange or the establishment of minimum or maximum prices on any such national securities exchange shall have occurred; or
- (xi) A material disruption in securities settlement, payment or clearance services shall have occurred.

15. No Recourse

No recourse shall be had for any claim based on this Agreement or any resolution, certificate, document, or instrument delivered pursuant hereto, against any member, officer or employee, past, present or future, of the Authority or of any successor body, either directly or through the Authority or any such successor body. Notwithstanding any other provision hereof, the obligation of the Authority to make any payments hereunder shall be limited to Pledged Funds and the Authority shall not be obligated to make payments except from such amounts.

16. No Advisory or Fiduciary Role.

The Issuer acknowledges and agrees that: (i) any purchase of, or arrangement for the sale of, the Notes contemplated by this Agreement will be pursuant to an arm's-length commercial transaction between the Issuer and the Dealer and that the Dealer has financial and other interests that differ from those of the issuer; (ii) the Dealer is not acting as a municipal advisor, financial advisor, or fiduciary to the Issuer and has not assumed any advisory or fiduciary responsibility to the Issuer with respect to any transaction contemplated hereby and the

discussions, undertakings and procedures leading thereto (irrespective of whether the Dealer has provided other services or is currently providing other services to the Issuer on other matters); (iii) the only obligations the Dealer has to the Issuer with respect to any transaction contemplated hereby expressly are set forth in this Agreement; and (iv) the Issuer has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate. If the Issuer would like a municipal advisor in this transaction that has legal fiduciary duties to the Issuer, then the Issuer is free to engage a municipal advisor to serve in that capacity.

17. Headings.

The section headings hereof have been inserted for convenience of reference only, shall not be part of this Agreement, and shall not be used to construe, define, limit or interpret the meaning of any provision hereof. This Agreement may be executed in any number of counterparts, each of which shall constitute but one and the same agreement.

18. Severability.

If any provision of this Agreement shall be held or deemed by a court of competent jurisdiction to be invalid, inoperative or unenforceable for any reason, such determination shall not affect the validity or enforceability of the remaining provisions hereof.

19. Entire Agreement.

This Agreement constitutes the entire agreement between the parties hereto with respect to the matters covered hereby and supersedes all prior agreements and understandings between the parties. This Agreement shall only be amended, supplemented or modified in a writing signed by both of the parties hereto.

The parties to this Agreement have caused this Agreement to be duly executed and delivered by their respective officers as of the day and year stated above.

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

By: _____
Chief Financial Officer and Executive Vice President,
Finance Procurement and Compliance

[DEALER]

By: _____
Authorized Signatory

SPB DRAFT: 5/16/24

ISSUING AND PAYING AGENCY AGREEMENT

By and Between

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

and

US BANK TRUST COMPANY NATIONAL ASSOCIATION

**Relating to the Issuance of
\$250,000,000 District of Columbia Water and Sewer Authority
Commercial Paper Notes**

Dated as of August 1, 2024

ARTICLE I	DEFINITIONS	
Section 1.01	Interpretation.....	2
Section 1.02	Definitions.....	2
ARTICLE II	THE ISSUING AND PAYING AGENT	
Section 2.01	Appointment	9
Section 2.02	Duties of Issuing and Paying Agent.....	9
Section 2.03	Books and Records	9
Section 2.04	Resolution; Authorized Representative of the Authority.....	10
Section 2.05	Certificate Agreement.....	10
Section 2.06	Letter of Representations	11
Section 2.07	Notice of Liens.....	11
ARTICLE III	THE COMMERCIAL PAPER NOTES	
Section 3.01	Title.....	11
Section 3.02	Master Note Certificate.....	12
Section 3.03	Issuance Requests	12
Section 3.04	Execution; Authentication	13
Section 3.05	Conditions to Delivery.....	13
Section 3.06	Terms of the Commercial Paper Notes.....	14
Section 3.07	Transfer and Exchange	17
Section 3.08	Mutilated, Destroyed, Lost and Stolen Commercial Paper Notes	17
Section 3.09	Interest Rights Preserved; Dating of Commercial Paper Notes.....	18
Section 3.10	Persons Deemed Owners	18
Section 3.11	Cancellation	18
Section 3.12	Book-Entry-Only System.....	18
Section 3.13	Letter of Credit; Substitute Letter of Credit.....	20
ARTICLE IV	PAYMENT	
Section 4.01	Payment Duties of Issuing and Paying Agent.....	21
Section 4.02	Time and Source of Payments	21
Section 4.03	Drawings on Letter of Credit	22
ARTICLE V	FLOW OF FUNDS	
Section 5.01	Creation of Accounts	22
Section 5.02	Letter of Credit Account	23
Section 5.03	Bank Reimbursement Account	23
Section 5.04	Commercial Paper Account	24
Section 5.05	Construction Account	24
ARTICLE VI	dB NOTELINE WEB	
Section 6.01	The Issuance System.....	25

ARTICLE VII	REPRESENTATIONS AND WARRANTIES	
Section 7.01	Due Authorization.....	26
Section 7.02	Representation Concerning the Resolution.....	27
Section 7.03	Liability.....	27
ARTICLE VIII	PROVISIONS CONCERNING THE ISSUING AND PAYING AGENT	
Section 8.01	Resignation or Removal of Issuing and Paying Agent	27
Section 8.02	Compensation	27
Section 8.03	Issuing and Paying Agent as Owner	28
Section 8.04	Right to Consult With Counsel	28
Section 8.05	Merger; Consolidation	28
Section 8.06	Additional Information	28
Section 8.07	Successor Issuing and Paying Agent	28
Section 8.08	Miscellaneous	29
ARTICLE IX	EVENTS OF DEFAULT; REMEDIES	
Section 9.01	Events of Default	30
Section 9.02	Notice of Default.....	30
Section 9.03	Remedies of Holders.....	30
Section 9.04	Remedies not Exclusive.....	31
Section 9.05	Delay or Omission	31
Section 9.06	Application of Moneys on Default	31
ARTICLE X	DEFEASANCE OF COMMERCIAL PAPER NOTES	
Section 10.01	Conditions for Defeasance.....	32
ARTICLE XI	AMENDMENTS	
Section 11.01	Amendment Without Consent of Holders.....	33
Section 11.02	Amendments With Consent of Holders	34
Section 11.03	Consent by Purchaser.....	34
Section 11.04	Consent by Issuing and Paying Agent	34
Section 11.05	Holdings Bound	34
Section 11.06	Effect of Amendment.....	34
ARTICLE XII	AUTHORITY'S COVENANTS	
Section 12.01	Compliance with Indenture.....	35
Section 12.02	Payment of Commercial Paper Notes.....	35
Section 12.03	General Tax Covenants.....	35
Section 12.04	Rebate	36

ARTICLE XIII	GENERAL PROVISIONS	
Section 13.01	Resignation or Replacement of Issuing and Paying Agent; Termination of this Agreement.....	36
Section 13.02	Addresses	37
ARTICLE XIV	MISCELLANEOUS	
Section 14.01	Governing Law	39
Section 14.02	Limited Obligation of the Authority	40
Section 14.03	Complete Agreement	40
Section 14.04	Counterparts	40
Section 14.05	Section Headings	40
Section 14.06	Waiver of Set-Off, Offset Lien or Counterclaim	40
Section 14.07	Benefit of Agreement.....	40
Section 14.08	Force Majeure	40
Section 14.09	Indemnification; Liabilities.....	41
EXHIBIT A	— Construction Account Disbursement Request Form.....	A-1
EXHIBIT B	— DTC Letters of Representations.....	B-1
EXHIBIT C	— Certificate of Authorized Representative of the Authority.....	C-1
EXHIBIT D	— Form of Authority Issuance Request	D-1
EXHIBIT E	— Master Note Certificate.....	E-1
EXHIBIT F	— Form of Authority Order Concerning the Maximum Principal Amount, Maximum Rate or Maximum Term.....	F-1
EXHIBIT G	— Master Indenture of Trust	G-1

ISSUING AND PAYING AGENCY AGREEMENT

This Issuing and Paying Agency Agreement (this “**Agreement**”) is entered into as of August 1, 2024, by and between **DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY** (the “**Authority**”) and **US BANK TRUST COMPANY NATIONAL ASSOCIATION** (the “**Issuing and Paying Agent**”). All capitalized terms used herein shall have the meanings specified in Article I hereof.

BACKGROUND

WHEREAS, pursuant to the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996, (D.C. Law 11-111, codified as amended as D.C. Code Ann. Sections 34-2201.01 et seq. (2001), (the “**WASA Act**”), the Authority is authorized to issue its revenue bonds, notes or other obligations for the purpose of financing or refinancing the Costs of the System, within the meaning of the WASA Act; and

WHEREAS, the Authority has determined that it is necessary and desirable and in the best financial interests of the Authority that the Authority obtain funds through the issuance and sale, from time to time, of its Commercial Paper Notes to provide moneys for the provision or payment of (i) Costs of the System, (ii) obligations to the Bank under the Bank Notes resulting from draws under the Letter of Credit, and (iii) the costs of issuance of the Commercial Paper Notes; and

WHEREAS, all action has been taken to make the Commercial Paper Notes, when executed and issued by the Authority and authenticated and delivered hereunder, the valid obligations of the Authority under the WASA Act and commercial paper notes for purposes of the Master Indenture, and to constitute this Agreement as a trust indenture under the WASA Act and a valid contract for the security of the Commercial Paper Notes herein authorized;

NOW THEREFORE THE PARTIES AGREE THAT:

GRANTING CLAUSE

To secure payment of the principal of and interest on the Commercial Paper Notes according to their tenor and effect and the performance of all covenants and conditions therein and herein contained, and in consideration of the premises, and of the purchase of the Commercial Paper Notes by the Holders thereof and the commitment of the Bank under the Letter of Credit, and to secure the obligations of the Authority to the Holders of the Commercial Paper Notes and to the Bank under the Bank Notes, the Authority by these presents does grant, bargain, sell, release, convey, assign, transfer, pledge, and confirm unto the Issuing and Paying Agent for the benefit of the Holders of the Commercial Paper Notes and the Bank all right, title and interest of the Authority in the Pledged Funds, except that the Bank Reimbursement Account shall only be pledged to the Bank to secure the Bank Note, subject to the provisions of this Agreement permitting the application thereof for the purposes and on the terms set forth in this Agreement.

TO HAVE AND TO HOLD the same until the Commercial Paper Notes and the Bank Notes are paid or such payment is provided for in accordance with Article X hereof and

Article XII of the Master Indenture, (a) for the equal and proportionate benefit and security of the Holders from time to time of the Commercial Paper Notes without priority of one such Note over any other and (b) for the benefit and security of the Bank as set forth herein.

ARTICLE I DEFINITIONS

Section 1.01 Interpretation

(a) **“This Agreement”** means this instrument as originally executed or as it may from time to time be amended or supplemented by one or more supplemental Agreements entered into pursuant to the applicable provisions hereof.

(b) All references in this instrument to designated **“Articles,” “Sections”** and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed or as hereinafter amended or supplemented.

(c) The words **“herein,” “hereof”** and **“hereunder”** and other words of similar import without reference to any particular Article, Section or subdivision refer to this Agreement as a whole and not to any particular Article, Section or other subdivision unless the context clearly indicates otherwise.

(d) The terms defined in this Article shall include the plural as well as the singular.

Section 1.02 Definitions

The terms defined in this Article I shall for all purposes of this Agreement have the meanings herein specified, unless the context clearly otherwise requires.

“Account” or **“Accounts”** has the meaning set forth in Section 5.01 hereof.

“Authority” means the District of Columbia Water and Sewer Authority, as issuer of the Commercial Paper Notes, and any successor to its functions hereunder.

“Authority Issuance Request” means a request and authorization by the Authority to the Issuing and Paying Agent in the form of **Exhibit D**.

“Authority Request,” “Authority Order” or **“Authority Consent”** means, respectively, a written request, order or consent of the Authority, signed by an Authorized Representative of the Authority.

“Authority Resolution” means a resolution or other appropriate enactment by the Board certified by the Secretary or Assistant Secretary of the Board to have been duly adopted by the Board and to be in full force and effect on the date of such certification.

“Authorized Representative of the Authority” shall mean such person or persons as may be designated to act on behalf of the Authority by a certificate executed by the Board Chairman and on file with the Issuing and Paying Agent.

“Bank” or **“Banks”** means, the provider or providers of the Letter of Credit in support of the Commercial Paper Notes and shall initially mean T.D. Bank, National Association, and its successors and assigns.

“Bank Note” means the note delivered by the Authority to the Bank under the Reimbursement Agreement, which constitutes “Subordinate Debt” under the Master Indenture.

“Bank Reimbursement Account” means the account by that name created in Section 5.01 hereof.

“Board” means the Board of the Authority or if said Board shall be abolished, the board, body, commission or agency succeeding to the principal functions thereof.

“Bond Counsel” means any firm of nationally recognized bond counsel experienced in matters relating to tax-exempt financing acceptable to the Authority.

“Bonds” means the Bonds issued and outstanding from time to time under and secured by the Indenture, which constitute “Senior Debt” under the Indenture.

“Book-Entry Form” or **“Book-Entry System”** means, with respect to the Commercial Paper Notes, a form or system, as applicable, under which (i) the ownership of beneficial interests in Commercial Paper Notes and payments due with respect thereto may be transferred only through a book entry and (ii) physical Commercial Paper Notes in fully registered form are in the form of a Master Note Certificate registered only in the name of a Note Depository or its nominee as Holder. The Book-Entry System maintained by and the responsibility of the Note Depository (and not maintained by or the responsibility of the Authority or the Issuing and Paying Agent) is the record that identifies, and records the transfer of the interests of, the owners of beneficial (book-entry) interests in the Commercial Paper Notes.

“Business Day” means any day other than (i) a Saturday or Sunday or a day on which institutions are authorized or required by law or executive order to be closed in the State of New York or the District of Columbia for commercial banking purposes; (ii) a day on which the New York Stock Exchange is authorized or required by law or executive order to be closed; and (iii) a day upon which commercial banks are authorized or required by law or executive order to be closed in the cities and states in which demands for payment may be presented under the Letter of Credit.

“Code” means the Internal Revenue Code of 1986, as may be amended from time to time.

“Commercial Paper Account” means the account by that name created in Section 5.01 hereof.

“Commercial Paper Notes” means the District of Columbia Water and Sewer Authority Commercial Paper Notes outstanding hereunder from time to time in a principal amount not to exceed \$250,000,000, to be repaid from proceeds from drawings and other pledged funds which constitute “Subordinate Debt” under the Master Indenture.

“Commitment” means the Bank’s commitment to advance funds for the account of the Authority under a Letter of Credit, including the obligation to honor Drawings by the Issuing and Paying Agent.

“Construction Account” means the Construction Account established pursuant to Section 5.01 hereof.

“Cost” shall have the meaning set forth in the Indenture.

“Dealer” or **“Dealers”** means the dealer or dealers acting as such with respect to the Commercial Paper Notes, and shall initially mean J.P. Morgan Securities LLC and Goldman Sachs & Co. LLC and their successors and assigns under the related Dealer Agreement.

“Dealer Agreement” means any agreement executed by the Authority and a dealer and initially shall mean the Dealer Agreements, each dated as of August 1, 2024, between the Authority and J.P. Morgan Securities LLC and Goldman Sachs & Co. LLC, respectively, as amended and supplemented from time to time.

“Dealer Request” means a request by a Dealer to the Issuing and Paying Agent to deliver Commercial Paper Notes.

“Defeasance Obligations” means Government Obligations and any other investment securities as shall qualify Notes defeased thereby for a rating in the highest category of one or more nationally recognized rating agencies.

“Designation Certificate” means the form of certificate in the form of **Exhibit C** delivered by the Authority to the Issuing and Paying Agent.

“Drawings” means the demands for payment by the Issuing and Paying Agent pursuant to a Letter of Credit.

“Eligible Account” is an account that is either (a) maintained with a federal or state-chartered depository institution or trust company that has a Standard & Poor’s short-term debt rating of at least ‘A-2’ (or, if no short-term debt rating, a long-term debt rating of ‘BBB+’); or (b) maintained with the corporate trust department of a federal depository institution or state-chartered depository institution subject to regulations regarding fiduciary funds on deposit similar to Title 12 of the U.S. Code of Federal Regulation Section 9.10(b), which, in either case, has corporate trust powers and is acting in its fiduciary capacity.

“Event of Default” means any event defined as such in Section 9.01 hereof.

“Fiscal Year” means any fiscal year as established from time to time for accounting purposes by the Board.

“Government Obligations” means any certificates or obligations, (a) which, as to principal and interest, constitute direct obligations of the United States of America, or (b) which, as to principal and interest, are unconditionally guaranteed by the United States of America, or (c) which are otherwise so defined in the Indenture.

“Holder” means a holder of any Commercial Paper Note.

“Indenture” means the Master Indenture, as amended and supplemented from time to time.

“Issuance Request” means either an Authority Issuance Request or Dealer Request.

“Issuance System” has the meaning set forth in Article VI hereof.

“Issue Date” means the dated date of each Commercial Paper Note.

“Issuing and Paying Agent” means US Bank Trust Company National Association, or its successors and assigns hereunder.

“Letter of Credit” means, unless the context requires otherwise, the irrevocable, direct pay Letter of Credit issued in support of the Commercial Paper Notes, dated [August ____], 2024, in the Maximum Stated Amount of \$[____], as may be amended or supplemented from time to time, pursuant to which the Issuing and Paying Agent shall draw to pay the principal of and interest on the Commercial Paper Notes, at the Stated Maturity thereof pursuant to Articles IV and V hereof, and any similar agreement entered into with a bank providing a substitute Letter of Credit pursuant to Section 3.13(d) hereof.

“Letter of Credit Account” means the account by that name created in Section 5.01 hereof.

“Letter of Representations” means the Letter of Representations from the Authority and the Issuing and Paying Agent to the Note Depository in connection with the issuance of the Commercial Paper Notes in a book-entry system attached hereto as **Exhibit B**, as supplemented and amended from time to time.

“Master Indenture” means the Authority’s Master Indenture of Trust dated as of April 1, 1998, which is attached hereto as **Exhibit G**.

“Master Note Certificate” means the form of Note attached hereto as **Exhibit E** issued by the Authority and registered in the name of the Note Depository or its nominee.

“Maximum Principal Amount” means the maximum principal component available under the Letter of Credit after taking into account any increases consented to by the Bank, reductions or, reinstatements of the Principal Components (as defined in the Letter of Credit).

“Maximum Rate” means the maximum interest rate authorized by the Authority from time to time for the Commercial Paper Notes and shall initially mean 12% per annum until the Authority shall evidence another Maximum Rate by delivery of an Authority Resolution in the form of **Exhibit F** hereto and a revised or substitute Letter of Credit indicating the new Maximum Rate.

“Maximum Term” means the maximum number of days a Commercial Paper Note can be outstanding as provided in **Exhibit F** and shall initially mean 270 days which cannot be changed without the delivery of a revised or substitute Letter of Credit indicating the new Maximum Term.

“Net Revenues” has the same meaning as in the Indenture.

“No-Issuance Notice” has the meaning specified in the Reimbursement Agreement.

“Note Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of book-entry interests in Commercial Paper Notes, and to effect transfers of book-entry interests in Commercial Paper Notes in book-entry form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

“Offering Memorandum” means the Offering Memorandum used, from time to time, by a Dealer in offering the Commercial Paper Notes for purchase.

“Official’s Certificate” means a certificate signed by an Authorized Representative of the Authority.

“Opinion of Counsel” has the meaning set forth in the Indenture.

“Outstanding” when used with reference to Commercial Paper Notes means, as of the date of determination, all Commercial Paper Notes theretofore issued and delivered under this Agreement, except:

- (a) Commercial Paper Notes theretofore canceled by the Issuing and Paying Agent or delivered to the Issuing and Paying Agent for cancellation; and
- (b) Commercial Paper Notes and portions of Commercial Paper Notes for whose payment moneys or Defeasance Obligations (as provided in Article X hereof) shall have been theretofore deposited with the Issuing and Paying Agent for the Holders of such Commercial Paper Notes;

provided, however, that in determining whether the Holders of the requisite principal amount of Outstanding Commercial Paper Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Commercial Paper Notes owned by the Authority shall be disregarded and deemed not to be Outstanding.

“Permitted Investments” has the same meaning set forth in the Indenture.

“Pledged Funds” means (a) proceeds of the sale of the Commercial Paper Notes deposited in the Commercial Paper Account, (b) moneys held in the Construction Account, (c) amounts on deposit in the Letter of Credit Account made available from draws under the Letter of Credit with respect to the Commercial Paper Notes, (d) other legally available funds as shall be determined by the Authority and paid into the Commercial Paper Account, all of which are pledged by the Authority to the Issuing and Paying Agent hereunder as security for the Commercial Paper Notes and the Bank Notes as described in Section 5.04 hereof, and (e) moneys held in the Bank Reimbursement Account, which are pledged solely to the Bank to secure the Bank Note.

“Reimbursement Agreement” means that certain Letter of Credit and Reimbursement Agreement, dated as of August 1, 2024, between the Authority and Bank, pursuant to which the Letter of Credit has been issued, as said Reimbursement Agreement may hereafter be amended or supplemented, and including any substitute therefor or replacement thereof.

“Resolution” means Resolution No. 24-__ adopted by the Board of the Authority on June 6, 2024, authorizing the Commercial Paper Notes and designating certain Authority officers as Authorized Representatives of the Authority for purposes of this Agreement, as the same shall be supplemented or amended from time to time.

“Senior Debt” has the meaning set forth in the Indenture.

“Stated Amount” means the stated amount shown in the Letter of Credit, which shall equal at least the Maximum Principal Amount and interest on the Commercial Paper Notes at the Maximum Rate for the Maximum Term plus two hundred seventy (270) days.

“Stated Maturity” when used with respect to any Commercial Paper Note means the date a Business Day specified in such Commercial Paper Note as the fixed date on which principal of and interest on such Commercial Paper Note is due and payable but no Commercial Paper Note will mature fewer than 10 calendar days prior to the expiration of the appropriate Letter of Credit.

“Subordinate Debt” has the meaning set forth in the Indenture.

“Supplemental Agreement” means any Supplemental Agreement supplementing or modifying the provisions of this Agreement entered into by the Authority and the Issuing and Paying Agent pursuant to Article XI.

“System” means all plants, systems, facilities, equipment, real and personal property and tangible and intangible property, together with all future extensions, improvements, enlargements and additions thereto, and all replacements thereof, used, or to be used, in connection with the collection, transmission, treatment and disposal of wastewater and stormwater flow, and the supply, treatment, storage and distribution of water.

“Tax Certificate” means a Tax Certificate delivered by the Authority in connection with the issuance of the Commercial Paper Notes concerning certain representations and covenants to preserve the tax exemption with respect to the interest on Commercial Paper Notes which are issued as tax-exempt obligations.

“Termination Date” means the Termination Date set forth and defined in the Letter of Credit.

“Trust Estate” means the money, investments, property and certain rights of the Authority thereto, including, without limitation, the Net Revenues, all as more fully described in clauses (A), (B), (C) and (D) of the “Granting Clauses” to the Indenture, granted as security for the holders of Senior Debt and Subordinate Debt.

“Trustee” means the bank acting as Trustee under the Indenture.

“WASA Act” means the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996, (D.C. Law 11-111, codified as amended D.C. Code Ann. Sections 34-2201.01 et seq. (2001).

ARTICLE II THE ISSUING AND PAYING AGENT

Section 2.01 Appointment

The Authority has appointed US Bank Trust Company National Association, and US Bank Trust Company National Association hereby accepts such appointment, as the Issuing and Paying Agent in connection with the issuance and payment of the Commercial Paper Notes pursuant to this Agreement. The Issuing and Paying Agent agrees to observe and perform its duties and obligations hereunder.

Section 2.02 Duties of Issuing and Paying Agent

(a) The Issuing and Paying Agent’s duties and responsibilities in connection with the issuance of the Commercial Paper Notes shall include:

- (i) to hold the Master Note Certificate in safekeeping;
- (ii) to obtain and assign to each Issuance Request a CUSIP number;
- (iii) to cause to be delivered a Commercial Paper Note on behalf of the Authority in the manner provided in Article III hereof upon receipt of instructions from an Authorized Representative of the Authority or an authorized representative of a Dealer, as to the principal amount, registered owner, date of issue, maturity date and interest rate, by way of data entry transfer to the Note Depository Same Day Funds Settlement System (“SDFS”), and to receive from SDFS a confirmation receipt that such delivery was effected; and

(iv) to credit the proceeds of sales of the Commercial Paper Notes in the manner provided in Article V hereof.

(b) Subject to Section 3.06(f) hereof, the Issuing and Paying Agent shall have no duty or responsibility to make any transfer of the proceeds of the sale of the Commercial Paper Notes, or to advance any moneys or effect any credit with respect to such proceeds or transfers unless and until the Issuing and Paying Agent has actually received the proceeds of the sale of the Commercial Paper Notes.

(c) The Issuing and Paying Agent shall pay principal and interest on the Commercial Paper Notes at the times and from the sources specified in Article IV hereof.

(d) The Issuing and Paying Agent shall establish the Accounts and hold and disburse the Pledged Funds in accordance with Article V hereof.

Section 2.03 **Books and Records**

(a) The Issuing and Paying Agent agrees to keep such books and records, including, without limitation, a complete record of all Issuance Requests, as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Authority and the Bank, such books and records to be available on each Business Day during reasonable business hours and, if so requested, to send copies of such books and records to the Authority or the Bank.

(b) The Issuing and Paying Agent shall provide the Authority and the Bank with a statement of account setting forth all deposits to and withdrawals from the Accounts established and maintained pursuant to this Agreement during each calendar month in accordance with customary practice following the last day of such month and, in any event, promptly following the request of the Authority or a Bank therefor. In addition, the Issuing and Paying Agent shall furnish immediate telephonic advice (confirmed in writing) of the amounts on deposit in such Accounts, and/or the amounts of deposits to and withdrawals from such Accounts, upon the telephonic request (confirmed in writing) of the Authority or the Bank therefor.

Section 2.04 **Resolution; Authorized Representative of the Authority**

The Authority has delivered to the Issuing and Paying Agent (a) a certified copy of the Resolution, and (b) a certified original of a Designation Certificate of an Authorized Representative of the Authority setting forth the Authorized Representatives of the Authority, containing the names, titles and true signatures of those officers and employees of the Authority authorized pursuant to the Resolution to take action with respect to the Commercial Paper Notes, which Designation Certificate is attached hereto as **Exhibit C**. The Authority agrees to provide the Issuing and Paying Agent with revised Designation Certificates when there are changes in the Authorized Representatives of the Authority. Until the Issuing and Paying Agent receives any subsequent Designation Certificate, the Issuing and Paying Agent shall be entitled to rely on the last Designation Certificate delivered to it for the purpose of determining the Authorized Representatives of the Authority.

Section 2.05 Certificate Agreement

The Issuing and Paying Agent has previously entered into a commercial paper certificate agreement (the “**Certificate Agreement**”) with the Note Depository. The Authority acknowledges the interest of the Note Depository in the Commercial Paper Notes as provided in the Certificate Agreement.

Section 2.06 Letter of Representations

Prior to the issuance of any Commercial Paper Notes, the Authority shall deliver to the Issuing and Paying Agent executed Letters of Representations, as appropriate, forms of which are attached hereto as **Exhibit B**. The Letters of Representations when executed by the Authority, the Issuing and Paying Agent, and the Note Depository shall supplement the provisions of this Agreement and the Authority, the Issuing and Paying Agent and the Note Depository shall be bound by the provisions of the Letters of Representations, to the extent not inconsistent with the provisions of this Agreement.

Section 2.07 Notice of Liens

If the Issuing and Paying Agent receives written notice of any security interest, lien, writ, judgment, warrant of attachment, execution, or similar process in or on any account established and maintained by the Issuing and Paying Agent under this Agreement (other than any thereof in favor or for the benefit of the Bank or the Note Depository, as the owner of the Commercial Paper Notes), the Issuing and Paying Agent will give prompt notice thereof to the Authority and the Bank.

**ARTICLE III
THE COMMERCIAL PAPER NOTES**

Section 3.01 Title

The title of the Commercial Paper Notes shall be the “District of Columbia Water and Sewer Authority Commercial Paper Notes.” Each title shall also include the particular tax status of each issuance.

The Commercial Paper Notes are issued pursuant to and in full compliance with the WASA Act and the Resolution. The Commercial Paper Notes are limited obligations of the Authority and are payable solely from and secured by a subordinate lien on the Trust Estate including but not limited to the Net Revenues, a lien on the Pledged Funds, the income derived from the investment of any Pledged Funds, and other moneys that have been pledged as described in the Indenture and the Issuing and Paying Agency Agreement to secure payment thereof. The Commercial Paper Notes are special obligations of the District. The Commercial Paper Notes shall be without recourse to the District. The Commercial Paper Notes shall not be general obligations of the District, shall not be a pledge of or involve the faith and credit or the taxing power of the District, shall not constitute a debt of the District, and shall not constitute lending of the public credit for private undertakings.

The Commercial Paper Notes are entitled to the benefits of the Letter of Credit under which the Bank has agreed to make available to the Issuing and Paying Agent, subject to certain limitations contained in such Letter of Credit, amounts which will be sufficient to pay, when due, the principal of and interest on the Commercial Paper Notes.

Section 3.02 **Master Note Certificate**

The Commercial Paper Notes are to be initially issued in Book-Entry Form only and will initially be evidenced by a Master Note Certificate in the form attached to this Agreement as **Exhibit E**.

Prior to the issuance of any Commercial Paper Notes, the Authority shall deliver to the Issuing and Paying Agent a Master Note Certificate evidencing the Commercial Paper Notes of such series. Such Master Note Certificate shall be duly executed, specify the date of issuance, the series or subseries, if any, and be registered in the name of Cede & Co., as nominee of the Note Depository, all as provided in this Agreement.

Section 3.03 **Issuance Requests**

(a) Authority Issuance Requests shall be submitted to the Issuing and Paying Agent in the form attached hereto as **Exhibit D**, and the Issuing and Paying Agent shall provide the Trustee with a copy thereof. Dealer Requests may be submitted to the Issuing and Paying Agent in a form that is in accordance with the Issuing and Paying Agent's customary business practices, so long as such Dealer Requests specify the Issue Date, the principal amount, the tax status, the Stated Maturity and interest rate(s) of the Commercial Paper Notes to be issued. Copies of all Issuance Requests also shall be provided to the Bank by the Authority or the Dealer. Issuance Requests may be delivered through the Issuance System pursuant to Section 6.01 hereof, in each case received by the Issuing and Paying Agent at the address specified in Section 13.02 hereof prior to 12:30 p.m. (New York time) on the date on which the issuance of Commercial Paper Notes is desired. The Commercial Paper Notes shall be issued through the Note Depository not later than 2:15 p.m. (New York time) on the issue date. The proceeds of the sale of the Commercial Paper Notes shall be disbursed in accordance with Article V hereof.

(b) If the Issuing and Paying Agent, at its option, acts upon an Issuance Request received after 12:30 p.m. (New York time) on the day on which the Issuance Request is to be operative, the Authority understands and agrees that (i) such instructions shall be acted upon on a best efforts basis, and (ii) the Issuing and Paying Agent makes no representation or warranty that the issuance and delivery of any Commercial Paper Note pursuant to such Issuance Request shall be completed prior to 2:15 p.m. (New York time) or prior to the close of business on such date.

(c) Not less frequently than quarterly, the Authority shall, by delivery of an Authority Issuance Request, confirm, validate and reaffirm that Commercial Paper Notes issued hereunder have been validly issued pursuant to this Agreement.

(d) Notwithstanding the provisions of subsection (c), the Authority shall be obligated to notify the Issuing and Paying Agent, the Dealers, the Bank and Bond Counsel of any

changes in the Authority's representations or warranties or of any default or Event of Default under this Agreement or the Tax Certificate, if any.

Section 3.04 Execution; Authentication

(a) If the Commercial Paper Notes shall no longer be held in Book-Entry Form, the Commercial Paper Notes shall be executed by the Authority as provided in this Agreement from time to time, with the Issue Dates, Stated Maturities, CUSIP numbers, interest rates and amounts, and principal amounts left blank, and such Commercial Paper Notes may thereupon be delivered to the Issuing and Paying Agent for completion, authentication and delivery in sufficient quantities as are necessary or convenient to permit the timely delivery of such Commercial Paper Notes in New York, New York upon the completion and authentication of such Commercial Paper Notes by the Issuing and Paying Agent. Subject to the terms and conditions of this Agreement, the Issuing and Paying Agent shall complete, authenticate and deliver such Commercial Paper Notes in accordance with the procedures set forth in Section 3.06.

(b) Each Commercial Paper Note shall be executed on behalf of the Authority by the Chairman or Vice Chairman of the Board, or the General Manager or Chief Financial Officer, and shall be attested by the Secretary or Assistant Secretary of the Board. The signature of any of these officials may be manual or facsimile.

Commercial Paper Notes bearing the manual or facsimile signatures of individuals who were at the time of execution thereof the proper officials of the Board shall bind the Authority, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Commercial Paper Notes or did not hold such offices at the date of such Commercial Paper Notes.

At any time and from time to time after the execution and delivery of this Agreement, the Authority may deliver Commercial Paper Notes executed by the proper officials of the Authority to the Issuing and Paying Agent for authentication, and the Issuing and Paying Agent shall authenticate and deliver such Commercial Paper Notes as in this Agreement provided and not otherwise.

No Commercial Paper Note shall be secured by, or entitled to any lien, right or benefit under this Agreement or be valid or obligatory for any purpose, unless there appears on such Commercial Paper Note a certificate of authentication substantially in the form provided for herein executed by an authorized officer of the Issuing and Paying Agent by manual signature, and such certificate upon any Commercial Paper Note shall be conclusive evidence, and the only evidence, that such Commercial Paper Note has been duly authenticated and delivered hereunder.

Section 3.05 Conditions to Delivery

(a) The Commercial Paper Notes may upon the execution and delivery of this Agreement, or from time to time thereafter, be executed by the proper officials of the Authority and delivered to the Issuing and Paying Agent for authentication, so long as a No-Issuance Notice is not in effect as provided in Section 3.06(g) hereof and the Letter of Credit is otherwise

in effect. The Authority shall deliver to the Issuing and Paying Agent the following at the time of the execution and delivery of this Agreement:

- (i) an original executed counterpart of this Agreement;
- (ii) the executed Reimbursement Agreement and Letter of Credit;
- (iii) the executed Dealer Agreements;
- (iv) the Offering Memorandum;
- (v) a Tax Certificate relating to the Commercial Paper Notes, if initially issued as tax-exempt obligations;
- (vi) the opinion of counsel to the Authority in a form acceptable to the Dealers; and
- (vii) the opinion of Bond Counsel in a form acceptable to the Dealers as it relates to the initial issuance of Commercial Paper Notes.

(b) Provided a No-Issuance Notice is not in effect and the Letter of Credit is otherwise in effect, Commercial Paper Notes shall be authenticated by the Issuing and Paying Agent at the time and in the manner provided in Section 3.06 hereof upon receipt of the following:

- (i) an Issuance Request;
- (ii) a Tax Certificate relating to the Commercial Paper Notes, but only upon the initial issuance of Commercial Paper Notes as tax-exempt obligations;
- (iii) a tax-exempt opinion of Bond Counsel in a form acceptable to the Dealers, but only upon the initial issuance of Commercial Paper Notes as tax-exempt obligations; and
- (iv) the purchase price or a receipt for the purchase price of such Commercial Paper Notes, subject to Section 3.06(f) hereof.

Section 3.06 **Terms of the Commercial Paper Notes**

(a) The aggregate principal amount of the Commercial Paper Notes that may be authenticated and delivered and Outstanding under this Agreement at any given time is limited to and shall not exceed the Maximum Principal Amount, except as provided in Section 3.08 hereof. In determining whether any proposed issuance of Commercial Paper Notes would cause the aggregate principal amount of Commercial Paper Notes Outstanding to exceed the Maximum Principal Amount, Commercial Paper Notes to be paid at maturity or Drawings to be repaid concurrently with such proposed issuance with the proceeds thereof shall be given effect. Notwithstanding any instructions received by the Issuing and Paying Agent from an Authorized Representative of the Authority or a Dealer, the Issuing and Paying Agent shall not authenticate

and deliver any Commercial Paper Note if, after giving effect to any Commercial Paper Notes maturing on that day to be paid from amounts held in the Letter of Credit Account, the aggregate principal amount of outstanding Commercial Paper Notes plus interest thereon to the Stated Maturity thereof would exceed the Stated Amount of the Letter of Credit.

(b) The Commercial Paper Notes shall be issued only in minimum denominations of \$100,000 or additional increments of \$1,000. The Commercial Paper Notes shall be issued in registered form.

(c) The Commercial Paper Notes may be issued at such times and shall have such terms not inconsistent with this Agreement as shall be determined by an Issuance Request pursuant to this Section 3.06; provided, however, that unless otherwise provided in a Supplemental Agreement amending the following parameters, each Commercial Paper Note (i) shall mature not less than one day and not more than the Maximum Term after its Issue Date, but mature no fewer than 10 calendar days prior to the expiration of the appropriate Letter of Credit; (ii) shall be dated and bear interest from its date of delivery at a rate per annum not in excess of the Maximum Rate, calculated on the basis of a 365- or 366-day year, as appropriate, or 360-day year, and actual days elapsed, as provided for in the Letter of Credit; (iii) shall not mature on any day which is not a Business Day; (iv) shall be issued at 100% of the principal amount thereof (“**Par Amount**”), if issued as tax-exempt obligations, and at either (a) a discount from the Par Amount to reflect an interest component to the maturity date (with an implied yield not exceeding the Maximum Rate), or (b) at par and bearing interest at an interest rate to the maturity date agreed to by the Dealer and the Authority; and (v) shall not be issued unless the Letter of Credit will, by its terms, remain effective for the period of ten calendar days after the Stated Maturity of such Commercial Paper Note.

(d) No Commercial Paper Note shall be delivered if the Issuing and Paying Agent shall have received notice from Bond Counsel of the withdrawal or inapplicability of its opinion referred to in Section 3.05(a)(vii) hereof, unless the Authority shall have delivered to the Issuing and Paying Agent and a Dealer a substitute opinion of Bond Counsel under such section in a form acceptable to a Dealer. The Issuing and Paying Agent shall immediately notify the Authority, the Bank and the Dealers of its receipt of any such notice from Bond Counsel.

(e) The Issuing and Paying Agent shall, in accordance with and subject to the provisions of Article III hereof, complete, authenticate and deliver Commercial Paper Notes upon receipt of an Issuance Request issued in compliance with the procedures set forth herein against receipt of the purchase price therefor.

(f) In the event that the Issuing and Paying Agent is instructed to deliver Commercial Paper Notes against payment, the delivery and receipt of payment may not necessarily be completed simultaneously, and the Issuing and Paying Agent is hereby authorized, subject to the limitations set forth in Sections 3.06(d) and (g) hereof, to deliver a Commercial Paper Note to or for the account of the purchaser, to receive the purchaser’s receipt for the delivery, and at a later time, but on the same day, after the purchaser has verified the delivery against the purchase agreement, to receive payment from the purchaser in immediately available funds of the Federal Reserve Bank of New York. Should the Issuing and Paying Agent be instructed to deliver any Commercial Paper Notes against payment, and the delivery of such

Notes and the receipt of payment therefor are not completed simultaneously, the Issuing and Paying Agent shall have no responsibility or liability to any party whatsoever, including the Authority and the Bank, for the credit risks involved in delivery of such Commercial Paper Notes to those purchasers designated by the Authorized Representative of the Authority.

(g) If the Issuing and Paying Agent receives a No-Issuance Notice from the Bank, the Issuing and Paying Agent shall not thereafter deliver any Commercial Paper Notes of the series described in said No-Issuance Notice, notwithstanding any contrary instructions received by the Issuing and Paying Agent from an Authorized Representative of the Authority or a Dealer. The Issuing and Paying Agent shall immediately give notice to the Authority and the Dealers of the receipt of a No-Issuance Notice from the Bank. A No-Issuance Notice shall not be effective until received by the Issuing and Paying Agent. If received by the Issuing and Paying Agent by 9:30 a.m. (New York time) on a Business Day, it shall be effective on the same Business Day. Otherwise it shall be effective on the next Business Day. No further authentication or delivery of Commercial Paper Notes shall be made after the effective date of the No-Issuance Notice until such time as the Bank shall have rescinded such instructions by a notice in writing to the Issuing and Paying Agent. The Issuing and Paying Agent shall not be responsible for determining the existence of any event or condition pursuant to which a No-Issuance Notice may be given by the Bank and shall be entitled conclusively to rely upon any such Notice and shall have no obligation or responsibility to make any investigation into the validity of the facts or matters stated or asserted in any such notice. Subject to the foregoing, the Issuing and Paying Agent shall continue to draw on the Letter of Credit as Commercial Paper Notes of the related series mature until the entire program is retired, unless the Issuing and Paying Agent is required to make an advance draw on the Letter of Credit as described in Section 4.03 hereof.

(h) With respect to the Commercial Paper Notes completed, authenticated and delivered by it on any day in accordance with this Agreement, the Issuing and Paying Agent shall promptly transmit copies of each Commercial Paper Note to the Authority. At the close of each Business Day on which Commercial Paper Notes are issued or mature, the Issuing and Paying Agent shall prepare a written statement showing the Issue Date, series and subseries, Stated Maturity, CUSIP numbers, tax status, interest rate and principal amount of the Commercial Paper Notes that were issued or matured. A copy of such statement shall be sent by facsimile transmission, with a confirmation copy sent by first-class mail, to the Authority and the Bank no later than the following Business Day. Not later than the fifth Business Day of each calendar month, the Issuing and Paying Agent shall deliver to the Authority and the Bank a statement setting forth the aggregate principal amount of Commercial Paper Notes Outstanding on each Business Day of the immediately preceding calendar month. The Issuing and Paying Agent will furnish the Authority, the Dealers and the Bank with such additional information via the Issuance System relating to its activities hereunder as any such party may from time to time reasonably request.

(i) The Commercial Paper Notes are not subject to redemption by the Authority.

(j) With the delivery of each Issuance Request, whether by the Authority or a Dealer, the Authority shall represent, or be deemed to have represented, as of the date of such

Issuance Request: (i) that no event of default exists under this Agreement, both Reimbursement Agreements, the Indenture or the Dealer Agreements (as specified in such documents); (ii) that each representation and warranty made by the Authority in this Agreement, the Reimbursement Agreement, the Tax Certificate, if any, and the Dealer Agreements or in the most recent certificates and documents executed by the Authority, including the Authority's General Certificate or the Tax Certificate, if any, is true and correct in all material respects on and as of such date; (iii) that the Authority has performed all of its covenants and agreements that it is required to have performed under this Agreement, the Reimbursement Agreement, the Tax Certificate, if any, and the Dealer Agreements; (iv) that the issuance and delivery of such Commercial Paper Notes have been duly authorized by the Authority; (v) that the Letter of Credit is in full force and effect; and (vi) that, immediately after the issuance and delivery of such Commercial Paper Notes and giving effect to any immediate application of the proceeds thereof to the payment of Commercial Paper Notes or repayment of Drawings, the aggregate of unpaid principal on all Commercial Paper Notes Outstanding will not, in the aggregate, exceed the Maximum Principal Amount.

Section 3.07 **Transfer and Exchange**

Holders of Commercial Paper Notes may tender their Commercial Paper Notes for exchange for Commercial Paper Notes of the same Stated Maturity, interest rate and Issue Date but of different authorized denominations. Upon surrender for exchange of any Commercial Paper Note at the principal corporate trust office of the Issuing and Paying Agent, the Authority shall execute, and the Issuing and Paying Agent shall authenticate and deliver, one or more new Commercial Paper Notes of the same series of any authorized denomination or denominations of like aggregate principal amount having the same Stated Maturity, Issue Date and interest rate.

All Commercial Paper Notes surrendered upon any exchange provided for in this Agreement shall be promptly canceled by the Issuing and Paying Agent and thereafter disposed of as required by law.

All Commercial Paper Notes issued upon any exchange of Commercial Paper Notes shall be the valid obligations of the Authority evidencing the same debt, and entitled to the same security and benefits under this Agreement and Indenture as the Commercial Paper Notes surrendered upon such exchange.

No service charge shall be made for any exchange herein provided for, but the Authority may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of the Commercial Paper Notes.

Section 3.08 **Mutilated, Destroyed, Lost and Stolen Commercial Paper Notes**

(a) If (i) any mutilated Commercial Paper Note is surrendered to the Issuing and Paying Agent or the Issuing and Paying Agent receives evidence to its satisfaction of the destruction, loss or theft of any Commercial Paper Note, and (ii) there is delivered to the Issuing and Paying Agent such security or indemnity as may be required by it to save it and the

Authority harmless, then, in the absence of notice to the Issuing and Paying Agent that such Commercial Paper Note has been acquired by a bona fide purchaser, the Issuing and Paying Agent shall authenticate and deliver, in exchange for or in lieu of such mutilated, destroyed, lost or stolen Commercial Paper Note (upon surrender of such Commercial Paper Note not destroyed, lost or stolen), a new Commercial Paper Note of like tenor, Issue Date, principal amount, Stated Maturity and interest rate.

(b) In case any such mutilated, destroyed, lost or stolen Commercial Paper Note has become or is about to become due and payable, the Issuing and Paying Agent in its discretion may, instead of issuing a new Commercial Paper Note, pay such Commercial Paper Note.

(c) Upon the issuance of any new Commercial Paper Note under this Section 3.08, the Issuing and Paying Agent may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Issuing and Paying Agent) connected therewith.

(d) The provisions of this Section 3.08 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Commercial Paper Notes.

Section 3.09 Interest Rights Preserved; Dating of Commercial Paper Notes

Each Commercial Paper Note delivered under this Agreement upon exchange for or in lieu of any other Commercial Paper Note shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Commercial Paper Note, and each such Commercial Paper Note shall be so dated, so that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

Section 3.10 Persons Deemed Owners

The Authority and the Issuing and Paying Agent shall be entitled to treat the registered owner of each registered Commercial Paper Note as the owner and Holder of such Commercial Paper Note for all purposes, notwithstanding any notice to the contrary.

Section 3.11 Cancellation

All Commercial Paper Notes surrendered for payment or exchange, if surrendered to the Issuing and Paying Agent, shall be promptly canceled by it or them, and, if surrendered to any person other than the Issuing and Paying Agent, shall be delivered to the Issuing and Paying Agent and, if not already canceled, shall be promptly canceled by it. The Authority may at any time deliver to the Issuing and Paying Agent for cancellation any Commercial Paper Notes previously authenticated and delivered hereunder, which the Authority may have acquired in any manner whatsoever, and all Commercial Paper Notes so delivered shall be promptly canceled by the Issuing and Paying Agent. All canceled Commercial Paper Notes held by the Issuing and Paying Agent shall be disposed of as required by law, and the Issuing and Paying Agent shall retain a record of such disposal.

Section 3.12 **Book-Entry-Only System**

The Commercial Paper Notes shall be originally issued only in the form of a Master Note Certificate to a Note Depository to be held in a Book-Entry System and: (i) such Master Note Certificate shall be registered in the name of the Note Depository or its nominee, as Holder, and (ii) the Commercial Paper Notes shall not be transferable or exchangeable, except for transfer to another Note Depository or another nominee of a Note Depository, without further action by the Authority. As long as the Commercial Paper Notes are in Book-Entry Form, the owners of beneficial interest in the Commercial Paper Notes shall not have any right to receive Commercial Paper Notes in the form of physical certificates.

So long as a Book-Entry System is in effect for the Commercial Paper Notes, the Authority and the Issuing and Paying Agent shall recognize and treat the Note Depository, or its nominee, as the Holder of the Commercial Paper Notes for all purposes, including payment of principal and interest thereon, giving of notices, and enforcement of remedies. The crediting of payments of principal and interest on the Commercial Paper Notes and the transmittal of notices and other communications by the Note Depository to owners of beneficial interests in the Commercial Paper Notes are the responsibility of the Note Depository and are not the responsibility of the Authority or the Issuing and Paying Agent; provided, however, that the Authority and the Issuing and Paying Agent understand that neither the Note Depository nor its nominee shall provide any consent requested of Holders of Commercial Paper Notes pursuant to this Agreement and that the Note Depository will mail an omnibus proxy (including a list identifying the owners of the book-entry interests in the Commercial Paper Notes) to the Issuing and Paying Agent which assigns the Note Depository's, or its nominee's, voting rights to the owners of the book-entry interests in the Commercial Paper Notes (as credited to their accounts at the Note Depository as of the record date for mailing of requests for such consents). Upon receipt of such omnibus proxy, the Issuing and Paying Agent shall promptly provide such omnibus proxy (including the list identifying the owners of the book-entry interests in the Commercial Paper Notes attached thereto) to the Authority, who shall then treat such owners as Holders of the Commercial Paper Notes for purposes of obtaining any consents pursuant to the terms of this Agreement.

As long as the Commercial Paper Notes are registered in the name of a Note Depository, or its nominee, the Authority agrees to comply with the terms and provisions of the Letters of Representations. The provisions of the Letters of Representations with respect to any delivery of the Commercial Paper Notes to the Issuing and Paying Agent shall supersede the provisions of this Agreement with respect thereto.

If the Authority determines to terminate the Note Depository, or if any Note Depository determines not to continue to act as a Note Depository for the Commercial Paper Notes held in a book-entry system, the Authority may attempt to have established a securities depository/book-entry system relationship with another Note Depository under this Agreement. If the Authority does not or is unable to do so, the Authority and the Issuing and Paying Agent, after the Issuing and Paying Agent has made provision for notification of the owners of book-entry interests by appropriate notice to the then Note Depository, shall permit withdrawal of the Commercial Paper Notes from the Note Depository and shall authenticate and deliver Commercial Paper Notes in fully registered form to the assignees of the Note Depository or its

nominee. Such withdrawal, authentication and delivery shall be at the cost and expense (including costs of printing or otherwise preparing and delivering such replacement Commercial Paper Notes) of the Authority. Such replacement Commercial Paper Notes shall be in the denominations specified in Section 3.05(b) hereof.

Section 3.13 **Letter of Credit; Substitute Letter of Credit**

(a) The Issuing and Paying Agent acknowledges that, prior to the issuance of the Commercial Paper Notes, it shall accept delivery of the Letter of Credit to be issued by the Bank in favor of the Issuing and Paying Agent. In making Drawings against any Letter of Credit, the Issuing and Paying Agent shall be acting solely on behalf and for the benefit of the Holders of the Commercial Paper Notes, and not as agent of the Authority.

(b) Subject to Section 3.06(f) hereof, the Issuing and Paying Agent shall have no obligation to pay amounts due on the Commercial Paper Notes at their maturity other than from funds received by the Issuing and Paying Agent from Drawings under the Letter of Credit, or to the extent necessary, from amounts on deposit in the Commercial Paper Account.

(c) The Authority covenants and agrees with the Issuing and Paying Agent that the Authority shall not terminate or allow a Letter of Credit to expire or terminate in accordance with its terms or by action of the Bank unless prior thereto the Authority shall have provided to the Issuing and Paying Agent a substitute Letter of Credit permitted pursuant to subsection (d) hereof and written notice from the applicable rating agency to the Issuing and Paying Agent that the ratings on the Commercial Paper Notes have been at least maintained.

(d) Notwithstanding anything herein to the contrary, the Authority may obtain a substitute Letter of Credit to replace a Letter of Credit then in effect hereunder so long as said substitute Letter of Credit shall go into effect at least one Business Day prior to the termination of the Letter of Credit then in effect, and on the Stated Maturity of any outstanding Commercial Paper Notes secured by such Letter of Credit. The Termination Date with respect to such substitute Letter of Credit shall be no earlier than the later of (i) six months after its date of issue or (ii) 10 calendar days after the last maturity of any Commercial Paper Notes then outstanding. The substitute Letter of Credit shall have a Stated Amount at least as great as the principal amount of Outstanding Commercial Paper Notes plus interest thereon at the Maximum Rate for the Maximum Term. The following are further conditions to the Issuing and Paying Agent's ability to release an existing Letter of Credit and accept a substitute Letter of Credit:

(i) The Authority shall deliver written notice of the proposed substitution to the Issuing and Paying Agent, the Bank and the applicable Dealer not less than 25 days prior to the substitution date.

(ii) There shall be delivered to the Authority and the Issuing and Paying Agent written evidence from each rating agency then maintaining a rating on the Commercial Paper Notes at the request of the Authority that the substitution of such Letter of Credit will not, in and of itself, result in any rating then assigned to the Commercial Paper Notes being suspended, reduced or withdrawn.

(iii) The Issuing and Paying Agent shall deliver written notice as provided in Section 13.02 to the Holders of the Commercial Paper Notes at least 15 days prior to the substitution date.

(iv) An opinion or opinions of counsel to the successor Bank shall be delivered to the effect that the substitute Letter of Credit is a legal, valid and binding obligation of the issuing Bank and is enforceable against the Bank in accordance with its terms.

(v) An opinion or opinions of Bond Counsel shall be delivered to the effect that the substitution of the Letter of Credit is authorized hereunder and will not, in and of itself, adversely affect the exclusion from gross income for federal tax purposes of interest on the Commercial Paper Notes issued as tax-exempt obligations.

ARTICLE IV PAYMENT

Section 4.01 Payment Duties of Issuing and Paying Agent

The Issuing and Paying Agent's duties and responsibilities in connection with the payment of the Commercial Paper Notes shall include:

(a) upon presentment at Stated Maturity of a Commercial Paper Note, to pay the principal of and interest on the Commercial Paper Note to the Owner thereof from the Pledged Funds in accordance with Article V hereof;

(b) to make timely Drawings under the appropriate Letter of Credit in accordance with the terms and provisions thereof in order to pay principal and interest on the Commercial Paper Notes as the same becomes due;

(c) to credit amounts received from the Authority for the payment of the principal of or interest on the Commercial Paper Notes in the manner provided in Article V hereof;

(d) to credit amounts received from each Bank as a result of Drawings under the Letter of Credit in the manner provided in Article V hereof; and

(e) to keep amounts on deposit in the Letter of Credit Account separate from all other funds and accounts of the Issuing and Paying Agent and to utilize such amounts in accordance with the terms hereof.

Section 4.02 Time and Source of Payments

Each Commercial Paper Note presented to the Issuing and Paying Agent for payment on or before 12 noon (New York time) on any Business Day on or after the Stated Maturity of such Commercial Paper Note, and on or before the six-month anniversary of the Stated Maturity (or, if the anniversary is not a Business Day, the next Business Day thereafter) of

such Commercial Paper Note (the “**Presentment Deadline**”) is to be paid by the Issuing and Paying Agent prior to 3:00 p.m. (New York time) on the Business Day presented. Moneys held by the Issuing and Paying Agent after the Stated Maturity shall be invested in overnight Government Obligations at the written direction of the Authority. After the Presentment Deadline, the Holder or registered owner of such Commercial Paper Note shall not be entitled to receive payment from any funds held hereunder and the Authority shall be solely liable for the payment of such Commercial Paper Note.

Upon the Bank’s payment to the Issuing and Paying Agent in accordance with the Letter of Credit in respect of the principal of and interest then due on the related Commercial Paper Notes, the Holders of said Commercial Paper Notes shall not be entitled to the benefits of said Letter of Credit in respect of said Commercial Paper Notes for any purpose whatsoever, and such Bank shall not be liable to the Holders of the Commercial Paper Notes for or in respect of such payment under said Letter of Credit for any reason whatsoever, including, without limitation, the failure of the Holders of the Commercial Paper Notes to receive, or any delay in the receipt by the Holders of the Commercial Paper Notes, of all or any part of such payment under said Letter of Credit or the non-application or the misapplication by the Issuing and Paying Agent of such payment under said Letter of Credit.

If any payment date of any Commercial Paper Note shall not be a Business Day, then such payment may be made on the next succeeding Business Day, with the same force and effect as if made on the payment date and without additional interest accruing thereon for the period after such payment date (whether or not such next succeeding Business Day occurs in a succeeding month).

The Issuing and Paying Agent shall pay the maturing Commercial Paper Notes from the Letter of Credit Account in the manner provided in Article V hereof.

Section 4.03 **Drawings on Letter of Credit**

The Issuing and Paying Agent is authorized and is hereby directed to make Drawings pursuant to the respective Letter of Credit in amounts necessary from time to time to pay the principal amount of maturing Commercial Paper Notes, plus interest thereon to the Stated Maturity thereof, to the extent and in the manner provided in Article V hereof. In addition, if the Issuing and Paying Agent receives a notice from the Bank stating that an event of default has occurred and is continuing under the Reimbursement Agreement, and that notice instructs the Issuing and Paying Agent to make a final Drawing under the Letter of Credit for the payment of principal of and interest on Commercial Paper Notes which are Outstanding and are secured by the Letter of Credit (a “**Final Draw Instruction**”), then the Issuing and Paying Agent shall make an advance draw on the Letter of Credit in an amount necessary to pay the principal amount of the then Outstanding Commercial Paper Notes secured by the Letter of Credit, plus interest thereon to the Stated Maturity thereof, to the extent and in the manner provided in Article V hereof.

ARTICLE V FLOW OF FUNDS

Section 5.01 Creation of Accounts

There shall be established with the Issuing and Paying Agent four special purpose trust accounts: a Commercial Paper Letter of Credit Account (“**Letter of Credit Account**”), a Commercial Paper Bank Reimbursement Account (“**Bank Reimbursement Account**”), a Commercial Paper Account, and a Construction Account (collectively sometimes called the “**Accounts**”). Moneys in the Letter of Credit Account and the Bank Reimbursement Account shall be held uninvested, and moneys in the Commercial Paper Account and the Construction Account may only be invested in Permitted Investments or otherwise as specified herein. Within the Letter of Credit Account there shall be established two subaccounts entitled the “Interest Subaccount” and the “Principal Subaccount.” Within the Commercial Paper Account there shall be established two subaccounts entitled the “Interest Subaccount” and the “Principal Subaccount.” Within the Construction Account, there shall be established three subaccounts entitled the “Costs of Issuance Subaccount” and the “Tax-Exempt Construction Subaccount” and the “Taxable Construction Subaccount.”

Section 5.02 Letter of Credit Account

The Issuing and Paying Agent shall advise the Authority and the Bank via the Issuance System by 10:00 a.m. (New York time) of the amount of principal and interest which is due on matured Commercial Paper Notes presented to the Issuing and Paying Agent for payment on that date. The Issuing and Paying Agent shall draw on the Letter of Credit in accordance with its terms by 11:30 a.m. (New York time) on the date that such Commercial Paper Notes mature in an amount equal to the principal and interest due on such Commercial Paper Notes, and deposit the proceeds of such Drawing as provided [in this Section 5.02]. The Issuing and Paying Agent shall notify the Authority of the expected receipt of proceeds from the expected issuance of Commercial Paper Notes on that date which will be used to reimburse the Bank for any Drawings, including any details of such expected issuance received from a Dealer. The Issuing and Paying Agent shall deposit into the Interest Subaccount of the Letter of Credit Account or Principal Subaccount, as applicable, the proceeds of any Drawing under the Letter of Credit.

In the event of a final draw, as described in Section 4.03 hereof, the Issuing and Paying Agent shall immediately upon the receipt of a Final Draw Instruction, make a final draw in accordance with the terms of the Letter of Credit. The Issuing and Paying Agent shall deposit into the Interest Subaccount of the Letter of Credit Account or Principal Subaccount, as applicable, of the Letter of Credit Account the proceeds of any such final drawing under the Letter of Credit.

The Issuing and Paying Agent shall have the sole right of withdrawal from a subaccount of the Letter of Credit Account and shall hold the funds in such subaccount in trust for the payment of the related Commercial Paper Notes. No withdrawal therefrom shall be made by the Issuing and Paying Agent except for the purpose of paying the related Commercial Paper Notes which have become due and payable and have been presented to the Issuing and Paying

Agent for payment; provided that moneys drawn under a Letter of Credit that are not needed to pay maturing Commercial Paper Notes shall be returned to the Bank promptly.

The Issuing and Paying Agent shall keep amounts on deposit in a subaccount of the Letter of Credit Account separate from all other funds, accounts and subaccounts maintained by the Issuing and Paying Agent.

The Letter of Credit Account shall be an Eligible Account. In the event that the Letter of Credit Account ceases to be an "Eligible Account," the Issuing and Paying Agent shall promptly (and, in any case, within not more than 30 calendar days) move such account to another financial institution such that the Eligible Account requirement will again be satisfied.

Section 5.03 Bank Reimbursement Account

The Issuing and Paying Agent shall deposit into the Bank Reimbursement Account: (a) after payment of any maturing Commercial Paper Notes in the manner provided in Section 5.04 hereof, the proceeds of the sale of Commercial Paper Notes to the extent required for payment of the principal due on the Bank Note; and (b) amounts received from the Authority for payment of the balance of the principal of and interest due on the Bank Note. Moneys in the Bank Reimbursement Account shall be used exclusively to pay principal and interest due on the Bank Note.

The Issuing and Paying Agent shall keep amounts on deposit in the Bank Reimbursement Account separate from all other funds, accounts and subaccounts maintained by the Issuing and Paying Agent and shall utilize such amounts solely for the purpose of paying amounts due on the Bank Note. Moneys held in the Bank Reimbursement Account shall be held uninvested.

Section 5.04 Commercial Paper Account

All proceeds from the sale of the Commercial Paper Notes shall first be deposited into the Commercial Paper Principal Subaccount [and Commercial Paper Interest Subaccount] to the extent needed to pay, on the day such proceeds are received, the principal [and interest] on all the Commercial Paper Notes that mature on such day after taking into account any Drawings made on the Letter of Credit, and to the extent not necessary to pay maturing Commercial Paper Notes, such proceeds shall be deposited in the Bank Reimbursement Account to the extent required pursuant to Section 5.03 hereof. In addition, the Issuing and Paying Agent shall deposit into the Commercial Paper Principal Subaccount and Commercial Paper Interest Subaccount any other moneys deposited by or on behalf of the Authority for payment of any Commercial Paper Notes.

The Issuing and Paying Agent shall have the sole right of withdrawal from the Commercial Paper Account and shall hold the funds in such account in trust for the payment of the Commercial Paper Notes and the payment of related Drawings. Such funds may only be invested at the written direction of the Authority in Governmental Obligations selected by the Authorized Representative of the Authority which mature in 30 days or less, or such shorter time as appropriate to ensure that such investment shall mature at or prior to the time as such funds shall be required to pay maturing Commercial Paper Notes. No withdrawal therefrom shall be

made by the Issuing and Paying Agent except for the purpose (i) of paying Commercial Paper Notes which have become due and payable and have been presented to the Issuing and Paying Agent for payment to the extent that there are no moneys available pursuant to a Drawing, and (ii) as otherwise provided in Sections 5.03 and 5.05 hereof.

Section 5.05 Commercial Paper Construction Account

Subject to Section 4.02 hereof, after applying the proceeds of the sale of Commercial Paper Notes to the Commercial Paper Account and the Bank Reimbursement Account in the manner provided in Sections 5.03 and 5.04, the Issuing and Paying Agent shall deposit the balance of the proceeds of the sale of the Commercial Paper Notes to the Construction Account. At the request of the Authority, separate additional subaccounts in the Construction Account shall be established by the Issuing and Paying Agent. Subject to Section 4.02 hereof, the Authority shall have the sole right of withdrawal from the Construction Account. The Authority may, by written or telecopied instructions (or telephone instructions immediately confirmed in writing), authorize payments from the Costs of Issuance Subaccount, Tax-Exempt Construction Subaccount and the Taxable Construction Subaccount in such amounts and to such persons as the Authority shall specify in such instructions, upon filing with the Issuing and Paying Agent a disbursement request substantially in the form of **Exhibit A** hereto. The Issuing and Paying Agent may rely on such request without independent investigation of the facts represented therein. Such funds only may be invested at the written direction of the Authority in Governmental Obligations selected by the Authority which mature in 90 days or less, or such shorter time as appropriate to ensure that such investment shall mature at or prior to the time as such funds shall be required for disbursement.

ARTICLE VI SPANS ONLINE

Section 6.01 The Issuance System

(a) Authority and each Authorized Representative may use the U.S. Bank Securities Processing Automated Notes System Online (SPANS Online) instruction and reporting communication service to transmit instructions to Paying Agent or obtain reports with respect to the Commercial Paper Notes. Authority may, by separate agreement between Authority and one or more of its Authorized Persons, authorize the Authorized Person to directly access SPANS Online for the purposes of transmitting instructions to Paying Agent or obtaining reports with respect to the Commercial Paper Notes. Authority acknowledges that (i) some or all of the services utilized in connection with SPANS Online are furnished by SS&C Technologies, Inc. (SS&C), (ii) SPANS Online is provided to Authority "AS IS" without warranties or representations of any kind whatsoever, and (iii) SPANS Online is proprietary and confidential property disclosed to Authority in confidence and may be utilized only on the SPANS Online Terms and Conditions as set forth in the SPANS Online website and for purposes set forth in this Agreement.

(b) To permit the use of SPANS Online to transmit instructions and/or obtain reports with respect to the Commercial Paper Notes, Paying Agent will supply Authority with a customer identification number and initial passwords. Authority may thereafter change its

passwords directly through SPANS Online. Authority will keep all information relating to its identification number and passwords strictly confidential and will be responsible for the maintenance of adequate security over its customer identification number and passwords. Instructions transmitted over SPANS Online and received by Paying Agent pursuant to this Agreement shall be deemed conclusive evidence that such instructions are correct and complete and that the issuance or redemption of the Commercial Paper Notes directed thereby has been duly authorized by Authority.

ARTICLE VII REPRESENTATIONS AND WARRANTIES

Section 7.01 Due Authorization

The Authority represents that this Agreement and the Commercial Paper Notes have been duly authorized and this Agreement when executed and the Commercial Paper Notes when issued in accordance with the Issuance Requests will be valid and binding obligations of the Authority, enforceable in accordance with their respective terms.

The Authority hereby warrants and represents to the Issuing and Paying Agent, which shall be a continuing warranty and representation, that this Agreement is, and all Commercial Paper Notes delivered to the Issuing and Paying Agent pursuant to this Agreement will be, duly authorized, executed and delivered by the Authority, that the issuance and delivery of all such Commercial Paper Notes will not violate any state or federal law, rule, regulation, order or contractual agreement binding on the Authority, including the Indenture, and that such Commercial Paper Notes, when completed, countersigned and delivered pursuant hereto, will constitute the Authority's legal, valid and binding obligations.

Section 7.02 Representation Concerning the Resolution

Each Issuance Request to issue Commercial Paper Notes under this Agreement and the Resolution shall be deemed a representation by the Authority as of the date thereof that such issuance conforms in all respects to the requirements of this Agreement and the representations herein are true and correct as if made on and as of such date.

Section 7.03 Liability

The Authority agrees that the Issuing and Paying Agent shall not be liable for any losses, damages, liabilities or costs suffered or incurred by the Authority as a result of (a) the Issuing and Paying Agent having duly issued Commercial Paper Notes pursuant to Issuance Requests in good faith in accordance therewith and with this Agreement; (b) the Issuing and Paying Agent improperly executing or failing to issue Commercial Paper Notes pursuant to any Issuance Requests because of erroneous Issuance Requests, failure of communications media, or any other circumstances beyond the Issuing and Paying Agent's control; (c) the actions or inactions of the Note Depository or any broker, dealer, consignee or agent not selected by the Issuing and Paying Agent; or (d) any other acts or omissions of the Issuing and Paying Agent (or of any of its agents, directors, officers, employees or correspondents) relating to this Agreement or the transactions or activities contemplated hereby except to the extent, if any, that such other acts or omissions constitute negligence or willful misconduct by the Issuing and Paying Agent.

The Issuing and Paying Agent shall not be entitled to, nor require, any indemnity with respect to any drawings on a Letter of Credit. This Section 7.03 shall survive any termination of this Agreement and the issuance and payment of any Commercial Paper Note(s).

ARTICLE VIII PROVISIONS CONCERNING THE ISSUING AND PAYING AGENT

Section 8.01 Resignation or Removal of Issuing and Paying Agent

The Issuing and Paying Agent may resign by giving 60 days' written notice to the Authority, the Bank and the Dealers in the manner provided in Section 13.02. In addition, the Authority may remove the Issuing and Paying Agent with or without cause by giving 30 days' notice to the Issuing and Paying Agent, the Bank and the Dealers in the manner provided in Section 13.02. In the event of the resignation or removal of the Issuing and Paying Agent, the Issuing and Paying Agent shall pay over, assign and deliver any moneys held by it in such capacity and transfer the Letter of Credit to its successor. The resignation or removal shall not take effect until a successor Issuing and Paying Agent acceptable to the Dealers and the Bank has been appointed in accordance with the provisions of Section 8.07 hereof.

Section 8.02 Compensation

The Authority agrees to compensate the Issuing and Paying Agent for its services hereunder in accordance with a letter delivered from the Issuing and Paying Agent to the Authority and to reimburse the Issuing and Paying Agent upon request for out-of-pocket expenses incurred by it. Such expenses may include the reasonable compensation and expenses of agents and counsel. The Authority shall also reimburse the Issuing and Paying Agent for any fees and charges imposed by the Note Depository with respect to Commercial Paper Notes issued in book-entry form. The Bank shall have no responsibility or liability for the payment of any such fees and expenses, and no amount drawn under the Letter of Credit shall be available for such purpose.

Section 8.03 Issuing and Paying Agent as Owner

The Issuing and Paying Agent, in its individual or any other capacity, may become the owner or pledgee of Commercial Paper Notes or a participant in credit provided under the Letter of Credit with the same rights the Issuing and Paying Agent would have if it were not acting hereunder.

Section 8.04 Right to Consult With Counsel

The Issuing and Paying Agent may consult with counsel, and any advice or written opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by the Issuing and Paying Agent in the absence of bad faith on its part in reliance on such advice or opinion.

Section 8.05 Merger; Consolidation

Any commercial bank or trust company or national banking association into which the Issuing and Paying Agent may be merged or with which it may be consolidated, or any commercial bank or trust company or national banking association resulting from any merger or consolidation to which the Issuing and Paying Agent shall be a party, or any commercial bank or trust company or national banking association succeeding to its business, shall succeed to all rights, obligations and immunities of the Issuing and Paying Agent hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 8.06 Additional Information

Upon the reasonable request of the Authority, the Trustee or the Bank, as applicable, given at any time and from time to time, the Issuing and Paying Agent agrees promptly to provide the Authority, the Trustee or the Bank, as applicable, with information with respect to the Commercial Paper Note(s) issued and paid hereunder. Such information shall be in written form and shall include the principal amount, date of issue, maturity date, interest rate and amount of interest, as applicable, of each Commercial Paper Note which has been issued or paid by the Issuing and Paying Agent and for which the request is being made.

Section 8.07 Successor Issuing and Paying Agent

The Authority shall within 30 days of any resignation or removal of the Issuing and Paying Agent in the manner provided in Section 8.01 hereof appoint a successor Issuing and Paying Agent acceptable to the Dealers and the Bank by notice in the manner provided in Section 13.02 hereof. In the event the Authority shall fail to make such an appointment within the time required, the Issuing and Paying Agent shall be authorized to petition a court of competent jurisdiction for appointment of a successor Issuing and Paying Agent.

The Issuing and Paying Agent shall, at all times, be a bank or trust company having an office or able to deliver Commercial Paper Notes in New York, New York that is sufficient to discharge its duties as the Issuing and Paying Agent hereunder and shall at all times be a corporation or a national banking association organized and doing business under the laws of the United States of America or of any state with a combined capital and surplus of at least \$50,000,000 and authorized under such laws to exercise corporate trust powers and be subject to supervision or examination by federal or state authority. If such corporation or national banking association publishes reports of condition at least annually pursuant to law or the requirements of such authority, then for the purposes of this section, the combined capital and surplus of such corporation or national banking association shall be deemed to be its combined capital and surplus as set forth in its recent report of condition so published.

Section 8.08 Miscellaneous

(a) Except as otherwise provided herein, the Issuing and Paying Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and shall not be responsible for the acts of such agents or attorneys appointed with due care hereunder.

(b) The Issuing and Paying Agent shall be under no liability for interest on any moneys received by the Issuing and Paying Agent hereunder except such as the Issuing and Paying Agent may agree with the Authority to pay thereon, and need not segregate such moneys except as may be required by law or this Agreement.

(c) Nothing in this Agreement constitutes a commitment or obligation of the Issuing and Paying Agent to extend any credit to the Authority, nor shall any course of dealing between the Authority and the Issuing and Paying Agent be deemed to be, or constitute, any such commitment or obligation.

(d) Except as otherwise expressly provided herein, whenever, in the administration of this Agreement, the Issuing and Paying Agent shall deem it necessary that a matter be proved or established prior to taking, suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate or written instructions of an Authorized Representative of the Authority and such certificate or written instructions shall be full warranty to the Issuing and Paying Agent for any action taken, suffered, or omitted under the provisions of this Agreement in reliance upon such certificate or written instructions.

(e) The Issuing and Paying Agent's countersignature of a Commercial Paper Note shall be for authentication purposes only. Neither the Issuing and Paying Agent nor its agent shall have any liability on any such Notes. Except with respect to the Issuing and Paying Agent's own actions in issuing and delivering Commercial Paper Notes pursuant to Issuance Requests, the Issuing and Paying Agent shall not be liable for the authorization, validity or legality of any such Notes delivered by the Issuing and Paying Agent in accordance with Issuance Requests.

(f) The Issuing and Paying Agent shall not have any duty to determine, investigate or monitor (i) the Authority's use of proceeds of any Commercial Paper Notes by the Authority, or (ii) the qualifications, or lack thereof, of any purchaser or subsequent holder of such Notes.

ARTICLE IX EVENTS OF DEFAULT; REMEDIES

Section 9.01 Events of Default

The term "**Event of Default**," wherever used herein, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) Default in the payment of any interest upon any Commercial Paper Note when it becomes due and payable; and

(b) Default in the payment of the principal of (or premium, if any, on) any Commercial Paper Note when the same becomes due and payable.

Section 9.02 **Notice of Default**

Upon the occurrence and continuance of an Event of Default, the Issuing and Paying Agent shall give notice in writing to the Authority and the Bank and give notice to the rating agencies and to Holders in the manner provided in Section 13.02 hereof.

The provisions of the preceding paragraph, however, are subject to the conditions that if the Event of Default specified is cured and that the Letter of Credit is in effect, and if a Draw on the Letter of Credit has occurred, the amount available under the Letter of Credit shall be reinstated in full, and the Bank is not in default thereunder, the Issuing and Paying Agent shall promptly give written notice to the Authority and the Bank, and give notice to the rating agencies and the Holders in the manner provided in Section 13.02 hereof; but no such waiver or rescission shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

Section 9.03 **Remedies of Holders**

Upon the happening and continuance of any Event of Default, the Bank (unless the Bank is then in default under the Letter of Credit, in which case, the Holders of the Commercial Paper Notes) may take any one or more of the following steps:

(a) by mandamus or other suit, action or proceeding at law or in equity enforce all rights of the Bank and the Holders, and require the Authority and the Issuing and Paying Agent to carry out any agreements with or for the benefit of the Bank and the Holders and to perform its or their duties under the WASA Act, the Letter of Credit and this Agreement, including that the Issuing and Paying Agent immediately draw on the Letter of Credit and use the proceeds of the Drawings and, to the extent needed, other Pledged Funds to repay the Commercial Paper Notes at their respective Stated Maturities;

(b) by action or suit in equity require the Authority to account as if it were the trustee of an express trust for the Bank and the Holders; or

(c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bank and the Holders.

Section 9.04 **Remedies not Exclusive**

No remedy herein conferred upon or reserved to the Holders of the Commercial Paper Notes is intended to be exclusive of any other remedy or remedies, and each and every remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 9.05 **Delay or Omission**

No delay or omission of any Holder of the Commercial Paper Notes to exercise any right or power shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this Article to the Holders of the Commercial Paper Notes may be exercised from time to time and as often as may be deemed expedient.

Section 9.06 Application of Moneys on Default

Upon an Event of Default hereunder, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses and liabilities incurred or made by the Issuing and Paying Agent, all moneys received shall (after payment of the fees and expenses of the Issuing and Paying Agent but only from sources other than a Drawing under the Letter of Credit) be applied to the payment of the principal and interest, if any, then due and unpaid upon the Commercial Paper Notes, with interest on overdue principal and interest, without discrimination or privilege of principal over interest or of interest over principal and of any installment of any Commercial Paper Note over any other Commercial Paper Note, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

Upon payment of all unpaid amounts due on the Commercial Paper Notes, any remaining money shall be transferred to the Bank, to the extent moneys are owed under the Reimbursement Agreement or, if moneys are not owed under the Reimbursement Agreement, to the Authority.

**ARTICLE X
DEFEASANCE OF COMMERCIAL PAPER NOTES**

Section 10.01 Conditions for Defeasance

Whenever the conditions specified in either clause (i) or clause (ii) of the following subsection (a), and the conditions specified in the following subsections (b) and (c) shall exist, namely:

(a) either

(i) all Commercial Paper Notes theretofore authenticated and delivered have been canceled by the Issuing and Paying Agent or delivered to the Issuing and Paying Agent for cancellation,

or

(ii) the Issuing and Paying Agent has received Defeasance Obligations which, together with the investment income thereon and other available cash in the Commercial Paper and Letter of Credit Accounts, shall be sufficient in time and amount to pay and discharge the entire indebtedness on Commercial Paper Notes not theretofore canceled by the Issuing and Paying Agent or delivered to the Issuing and Paying Agent for cancellation, together with an accountant's verification report (the "**Verification Report**") as to the sufficiency of moneys and investments to provide for payment of such Commercial Paper Notes; and

(b) the Authority has paid, caused to be paid or made arrangements for the payment of all other sums payable hereunder and to the Bank under the Reimbursement Agreement; and

(c) the Authority has delivered to the Issuing and Paying Agent a Certificate of an Authorized Representative of the Authority and an opinion or opinions of Bond Counsel, each stating that all conditions herein provided for relating to the satisfaction and discharge of this Agreement have been complied with;

then, upon delivery to the Issuing and Paying Agent of a Certificate of an Authorized Representative of the Authority that no Commercial Paper Notes are to remain Outstanding or be subsequently issued hereunder, then this Agreement and the lien, rights and interests hereby granted shall cease, determine and become null and void.

In the absence of an Authorized Representative of the Authority's Certificate as aforesaid, the payment of all Commercial Paper Notes Outstanding shall not render this Agreement inoperative or prevent the Authority from issuing Commercial Paper Notes from time to time thereafter as herein provided.

All moneys, obligations and income thereon deposited with the Issuing and Paying Agent pursuant to Section 10.01 hereof, as the case may be, shall be held in a special escrow account and applied by the Issuing and Paying Agent to the payment to the persons entitled thereto of the principal of and interest on said Commercial Paper Notes and thereafter as provided in Section 9.06 hereof.

Upon receipt of such moneys, the Issuing and Paying Agent shall invest the same in Defeasance Obligations, as directed and selected by the Authority and in accordance with the Verification Certificate, that mature on or before the Stated Maturity of the Commercial Paper Notes.

Any particular series of Outstanding Commercial Paper Notes, the payment of principal and interest of which cash or Defeasance Obligations, the principal of and premium, if any, and interest on which, will be sufficient therefor, as is certified in a Verification Report, shall have been deposited with the Paying Agent shall be deemed to be paid and no longer Outstanding.

ARTICLE XI AMENDMENTS

Section 11.01 Amendment Without Consent of Holders

Without the consent of the Holders of any Commercial Paper Notes, but with the consent of the Bank whose consent shall not be unreasonably withheld (other than pursuant to subsection (e) hereof), the Authority and the Issuing and Paying Agent may enter into one or more amendments hereto, for any one or more of the following purposes:

(a) To modify the procedures set forth in Article III hereof for the issuance of Commercial Paper Notes;

(b) To modify or eliminate any of the terms of this Agreement; provided, however, that any such modifications or eliminations shall expressly

become effective only when there are no Commercial Paper Notes Outstanding that were issued prior to the execution of such amendment;

(c) To make any other changes with respect to matters or questions arising under this Agreement which in the Opinion of Counsel shall not materially adversely affect the interests of the Holders of the Commercial Paper Notes then Outstanding;

(d) To increase the Maximum Principal Amount, the Maximum Rate, or the Maximum Term permitted hereunder; provided that the Issuing and Paying Agent shall have first received (i) evidence that the Stated Amount under a Letter of Credit or a substitute Letter of Credit delivered pursuant to Section 3.13 hereof has been increased to cover such Maximum Principal Amount, Maximum Rate, or the Maximum Term or applicable portion thereof, and (ii) written notice from the applicable rating agency that the ratings on the Commercial Paper Notes shall not be adversely affected by such increase;

(e) To permit the delivery of a substitute Letter of Credit in the manner provided in Section 3.13 hereof; or

(f) To maintain the ratings on the Commercial Paper Notes.

Section 11.02 Amendments With Consent of Holders

Exclusive of amendments to this Agreement authorized by Section 11.01 and subject to the terms and provisions contained in this Section, the Holders of not less than a majority in aggregate principal amount of Outstanding Commercial Paper Notes shall have the right from time to time, notwithstanding anything in this Agreement to the contrary, to consent to the execution by the Authority and the Trustee of such other agreements or agreements supplemental hereto as shall be deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture and any Supplemental Indentures; provided, however that no amendment to this Agreement shall, without the consent of the Bank and the Holder of each Outstanding Commercial Paper Note affected thereby, change the Stated Maturity of the principal of any Commercial Paper Note, or reduce the principal amount thereof or the interest thereon or change the coin or currency in which any Commercial Paper Note or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof.

It shall not be necessary for any act of Holders under this Section 11.02 to approve the particular form of any proposed amendment to this Agreement, but it shall be sufficient if such consent shall approve the substance thereof.

Section 11.03 Consent by Purchaser

In the event Commercial Paper Notes are issued at or subsequent to the date of execution of any amendment pursuant to Sections 11.01 or 11.02 hereof, the Holders of such Commercial Paper Note shall be deemed, by the purchase of such Commercial Paper Notes with

disclosure of the substance of such amendment, to have consented to and approved the provisions of such amendment.

Section 11.04 Consent by Issuing and Paying Agent

The Issuing and Paying Agent shall not be required to enter into any amendment of this Agreement that affects its rights, duties or obligations without its consent.

Section 11.05 Holders Bound

Upon the execution of any amendment under this Article XI, this Agreement shall be modified in accordance therewith, and such amendment shall form a part of this Agreement for all purposes and every Holder of Commercial Paper Notes theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

Section 11.06 Effect of Amendment

No amendment or modification of this Agreement shall be effective unless the same shall be in writing and signed by both of the parties hereto. No waiver of, or any consent to any departure from, any provision of this Agreement shall be effective unless signed by the party intended to be bound. No such amendment, modification, waiver or consent shall adversely affect the rights of any holder of Commercial Paper Notes Outstanding at the time of such amendment, modification, waiver or consent. In consenting to any amendment to this Agreement, the Issuing and Paying Agent shall be entitled to rely on an opinion of counsel that such amendment is authorized by the terms of this Agreement. Copies of any amendment shall be sent to the rating agencies as provided in Section 13.02 hereof.

**ARTICLE XII
AUTHORITY'S COVENANTS**

Section 12.01 Compliance with Indenture

So long as any Commercial Paper Notes remain Outstanding and any obligations to the Bank remain outstanding under the Letter of Credit, the Authority shall comply in all respects with each of the provisions, covenants and agreements of the Authority contained in the Indenture.

Section 12.02 Payment of Commercial Paper Notes

The Authority shall duly and punctually pay, or cause to be paid, but only from the Pledged Funds and subject to the provisions hereof, from a subordinate lien on the Trust Estate subject to the terms of the Indenture, the principal of and interest on each Commercial Paper Note on the dates, at the places, and in the manner provided in the Commercial Paper Notes according to the true intent and meaning thereof. The Authority shall faithfully do and perform and at all times fully observe and keep any and all of its covenants, undertakings, stipulations and provisions contained in the Commercial Paper Notes and in this Agreement.

Section 12.03 **General Tax Covenants**

The Authority covenants as follows with respect to the Commercial Paper Notes:

(a) The Authority shall not (i) make any use of the proceeds of the Commercial Paper Notes, any funds reasonably expected to be used to pay the principal of or interest on the Commercial Paper Notes, or any other funds of the Authority; (ii) permit any use of the System; or (iii) take (or omit to take) any other action with respect to the System, the Commercial Paper Notes, the proceeds thereof, or otherwise, if such use, action or omission would, under the Code, cause the interest on the Commercial Paper Notes issued as tax-exempt obligations to be included in gross income for federal income tax purposes.

(b) Also in particular, without limitation, the Authority hereby covenants that it shall not take (or omit to take) or permit or suffer any action to be taken if the result of the same causes the Commercial Paper Notes issued as tax-exempt obligations to be “arbitrage bonds” within the meaning of Section 148 of the Code.

(c) In furtherance of the foregoing, an Authorized Representative of the Authority shall execute a Tax Certificate upon each issuance of Commercial Paper Notes issued as tax-exempt obligations and that constitutes a new “issue” for federal income tax purposes, and the representations in each such Tax Certificate shall be confirmed by an Authorized Representative of the Authority upon each increase in the aggregate principal amount of Commercial Paper Notes outstanding that are to be treated as part of the same issue for federal income tax purposes. The Authority will also file, or cause to be filed, a copy of Internal Revenue Form 8038 or 8038-G with respect to each issuance of Commercial Paper Notes issued as tax-exempt obligations and that constitutes a new “issue” for federal income tax purposes.

Section 12.04 **Rebate**

(a) With respect to each portion of the Commercial Paper Notes issued as tax-exempt obligations and that constitutes a separate issue for federal income tax purposes:

(1) Except as otherwise expressly provided in the Code, the Authority shall pay to the United States in accordance with the requirements of Section 148(f) of the Code an amount equal to the sum of (i) the excess of the amount earned on all nonpurpose investments allocable to each such Commercial Paper Note (other than investments attributable to such excess) over the amount that would have been earned if such nonpurpose investments were invested at a rate equal to the yield on such Commercial Paper Notes, plus (ii) any income attributable to such excess.

(2) Any amounts so paid shall be derived from the legally available sources as the Authority may determine.

(b) Notwithstanding any provision of this Section 12.04, if the Chief Financial Officer of the Authority shall obtain an opinion or opinions of Bond Counsel to the effect that any action required under this Section 12.04 is no longer required or that some further action is required to maintain the exclusion from federal income tax of interest on the Commercial Paper Notes, the Authority may rely conclusively on such opinion in complying with the requirements

of this Section 12.04, and the covenants contained herein shall be deemed to be modified to that extent.

ARTICLE XIII GENERAL PROVISIONS

Section 13.01 Resignation or Replacement of Issuing and Paying Agent; Termination of this Agreement

The Issuing and Paying Agent's duties under this Agreement shall terminate at the earlier of (a) the expiration of the Letter of Credit, or (b) the date which is 15 days after a written notice of replacement by the Authority or the date which is 45 days after a written notice of resignation by the Issuing and Paying Agent. No such termination shall affect the rights and obligations of the Authority and the Issuing and Paying Agent which have accrued under this Agreement prior to termination. No resignation can occur prior to (1) a substitute Issuing and Paying Agent being appointed by the Authority and assuming its duties under this Agreement and the Resolution and (2) the right to draw on the Letter of Credit being transferred to the substitute Issuing and Paying Agent. In any such event, the Issuing and Paying Agent shall return to the Authority all undelivered Commercial Paper Notes held by the Issuing and Paying Agent at the time of such notice, and the Authority's rights to issue Commercial Paper Notes shall be suspended until such time as a successor Issuing and Paying Agent assumes the rights and obligations as the Issuing and Paying Agent under this Agreement. All Commercial Paper Notes validly authenticated and delivered by the Issuing and Paying Agent pursuant hereto prior to the termination of this Agreement, and the authority granted to the Issuing and Paying Agent hereunder with respect to the payment of such Commercial Paper Notes, shall be valid obligations notwithstanding such termination, and this Agreement shall remain in full force and effect with respect to such Commercial Paper Notes until the same have been paid in full.

This Agreement shall also terminate upon receipt by the Issuing and Paying Agent of irrevocable instructions from the Authority that no further Commercial Paper Notes shall be issued under this Agreement and (i) the Issuing and Paying Agent has paid the last maturing Commercial Paper Notes or the Issuing and Paying Agent shall hold in the Letter of Credit Account, and to the extent necessary in the Commercial Paper Account, funds sufficient to pay all Commercial Paper Notes which have not been paid, (ii) the Issuing and Paying Agent has transferred all funds to be transferred to the Bank or the Authority in accordance with Section 9.06 of this Agreement, and (iii) all other obligations due and payable hereunder and all obligations due and payable to the Bank under the Letter of Credit shall have been satisfied or otherwise provided for to the satisfaction of the Bank and the Issuing and Paying Agent.

Section 13.02 Addresses

(a) Issuance Requests hereunder shall be (a) mailed, (b) telephoned, (c) transmitted by facsimile device, and/or (d) transmitted via SPANS Online to the Issuing and Paying Agent at the address, telephone number, and/or facsimile number specified below and shall be deemed delivered upon receipt by the Issuing and Paying Agent at the address, telephone number, and/or facsimile number specified below.

(b) All notices, requests, demands, including any No-Issuance Notices and other communications hereunder (excluding Issuance Requests) shall be in writing and shall be deemed to have been duly given (a) upon delivery by hand (against receipt), (b) upon email transmission, or (c) three days after such notice, request, demand, or other communication is delivered to a United States Post Office by certified mail (against receipt) or by regular mail (upon receipt) in each case to the party and at the address set forth below or at such other address as a party may designate by written notice:

If to the Authority:

District of Columbia Water and Sewer Authority
1385 Canal Street, SE
Washington, D.C. 20003
Attention: Chief Financial Officer
Telephone: (202) 787-2000
Facsimile: (202) 787-2333

If to the Issuing and Paying Agent:

US Bank Trust Company National Association
60 Wall Street, 27th Floor
New York, NY 10005
Attention: Municipal Unit
Telephone: (212)250-2424 or (212) 250-2679
Facsimile: (212) 797-8618

If to TD Bank, N.A.:

TBC

If to Goldman, Sachs & Co. LLC (Dealer):

TBC

If to J.P. Morgan Securities LLC (Dealer):

TBC

If to Standard & Poor's:

Standard & Poor's Ratings Services
Muni Structured Surveillance
55 Water Street, 38th Floor
New York, NY 10041
pubfin_structured@standardandpoors.com

If to Moody's:

Moody's Investors Service
99 Church Street
New York, NY 10007

If to Fitch:

Fitch, Inc.
One State Street Plaza
New York, NY 10004

(c) The Issuing and Paying Agent shall give notice to the Holders of the Commercial Paper Notes by mailing to the address for such Holders maintained by the Issuing and Paying Agent in registration books for the Commercial Paper Notes.

(d) The Authority shall send written notice to Fitch, Standard & Poor's and Moody's of the following events:

- (1) any change in any Dealer;
- (2) any change in the Issuing and Paying Agent;
- (3) any amendment, termination or revision of the Issuing and Paying Agency Agreement, the Letter of Credit or a Dealer Agreement, and extension or expiration of the Letter of Credit;
- (4) any defeasance of the Commercial Paper Notes resulting in a discharge of this Agreement; or
- (5) any other changes to the terms of the program for issuing the Commercial Paper Notes, including termination of the Program.

**ARTICLE XIV
MISCELLANEOUS**

Section 14.01 Governing Law

This Agreement shall be governed and interpreted in accordance with the laws of the District of Columbia and, as applicable, operating circulars of the Federal Reserve Bank,

federal laws and regulations as amended, New York Clearing House rules, the Note Depository rules, and general commercial bank practices applicable to commercial paper issuance and payment, funds transfer and related activities; provided, however, that enforcement of the duties and obligations of the Issuing and Paying Agent hereunder shall be governed by the laws of the State of New York.

Section 14.02 Limited Obligation of the Authority

The Authority shall not be required to pay the principal of or interest on the Commercial Paper Notes or any other amounts payable under or with respect to this Agreement from any source other than the Pledged Funds and a subordinate lien on the Trust Estate of the Authority.

Section 14.03 Complete Agreement

This Agreement contains the entire understanding and agreement between the parties with respect to the subject matter hereof and all prior agreements, understandings, representations, statements, promises, inducements, negotiations and undertakings between the parties with respect to said subject matter are superseded hereby.

Section 14.04 Counterparts

This Agreement may be executed in counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

Section 14.05 Section Headings

Section headings in this Agreement are for convenience of reference only, shall not constitute part of this Agreement and shall not be used to continue the meaning or intent of the provisions hereof.

Section 14.06 Waiver of Set-Off, Offset Lien or Counterclaim

The Issuing and Paying Agent hereby waives to the fullest extent possible under applicable law any and all rights of set-off, offset, lien or counterclaim it may have with respect to any amounts held by it in the Bank Reimbursement Account, the Letter of Credit Account and the Commercial Paper Account by reason of any claim it may have against the Authority, the Bank or any other person.

Section 14.07 Benefit of Agreement

This Agreement is solely for the benefit of the parties hereto, the Bank and the Holders of the Commercial Paper Notes, and no other person shall acquire or have any right under or by virtue hereof.

Section 14.08 **Force Majeure**

In no event shall the Issuing and Paying Agent be liable for any failure or delay in the performance of its obligations hereunder because of circumstances beyond the Issuing and Paying Agent's control, including, but not limited to, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, or government action, including any laws, ordinances, regulations or the like which restrict or prohibit the providing of the services contemplated by this Agreement.

Section 14.09 **Indemnification; Liabilities**

(a) The Authority shall, to the extent permitted by law, indemnify the Issuing and Paying Agent, and its respective officers, directors, employees and agents (the "**Indemnified Persons**"), and hold the Indemnified Persons harmless from and against any and all costs, expenses, claims or liabilities (including, without limitation, reasonable lawyers' fees) arising out of or connected with the performance of each Indemnified Person's duties hereunder, except for costs, expenses, claims or liabilities arising out of the negligence or willful misconduct of an Indemnified Person. Each Indemnified Person may rely and shall be protected in acting upon any resolution, certificate, opinion, instructions (whether oral or otherwise), receipt, or other document reasonably believed by such Indemnified Person to be (i) genuine and (ii) to have been signed or given by the proper party or parties. The provisions of this paragraph shall survive termination of this Agreement.

(b) In acting with respect to the Commercial Paper Notes, and generally in acting under the provisions hereof, the Issuing and Paying Agent will be required by the Authority to perform only such duties as are specifically set forth herein and the Letter of Credit and this Agreement shall not be construed to subject the Issuing and Paying Agent to any implied covenants or obligations. Except in the case of the Issuing and Paying Agent's negligence or willful misconduct, the Issuing and Paying Agent shall not be liable to the Authority, the Bank or Holders for any action taken or omitted by the Issuing and Paying Agent and reasonably believed by the Issuing and Paying Agent to be authorized or within the powers conferred upon the Issuing and Paying Agent hereby or by the Letter of Credit. In no event shall the Issuing and Paying Agent be liable for consequential, indirect or special damages, even if the Issuing and Paying Agent has been advised of the possibility of such damages. The Issuing and Paying Agent shall also not be liable for any action taken, or any failure to take any action in connection with this Agreement or the Letter of Credit or the services provided hereunder or under the Letter of Credit, in the event and to the extent that the taking of such action or such failure arises out of or is caused by mechanical breakdown, computer or system failure or other failure of equipment, failure or malfunctioning of any communications media for whatever reason, or any other cause outside of the control of the Issuing and Paying Agent, provided that the Issuing and Paying Agent undertakes to use reasonable efforts to cure any such failure or breakdown of the Issuing and Paying Agent's equipment.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

**US BANK TRUST COMPANY
NATIONAL ASSOCIATION,**
as Issuing and Paying Agent

By: _____

Its: _____

By: _____

Its: _____

[SEAL]

ATTEST:

Secretary

**DISTRICT OF COLUMBIA WATER
AND SEWER AUTHORITY**

By: _____

EXHIBIT A

CONSTRUCTION ACCOUNT DISBURSEMENT REQUEST FORM

Date: _____

US Bank Trust Company National Association
60 Wall Street, 27th Floor
New York, NY 10005

This request is submitted pursuant to the provisions of Section 5.05 of the Issuing and Paying Agency Agreement (the “**Agreement**”) dated as of August 1, 2024, by and between the District of Columbia Water and Sewer Authority (the “**Authority**”) and US Bank Trust Company National Association, as Issuing and Paying Agent (the “**Paying Agent**”).

The Authority hereby requests the Paying Agent to pay to the Authority from funds in the [Cost of Issuance/Tax-Exempt Construction/Taxable Construction] Subaccount of the Construction Account the amount of \$ _____. In support of this request, the Authority states as follows:

- (a) The names of the persons, firms or corporations to whom each such payment is due, including the Authority in the case of reimbursements;
- (b) The purpose by general classification for which each such obligation to be paid or reimbursed was incurred is _____;
- (c) The amount paid or to be paid with the requested funds is reasonable and represents a part of the amount payable for the cost of acquiring, designing, constructing or equipping the System, and such payment was made in accordance with the terms of any contracts applicable thereto and in accordance with usual and customary practice under existing conditions;
- (d) The obligations in the stated amounts have been incurred by the Authority and presently are due and payable, or properly are reimbursable to the Authority, and each item thereof is a Cost of the System financed by the Commercial Paper Notes is a proper charge against the applicable subaccount in the Construction Account, has not been paid or reimbursed previously and, if applicable, is in compliance with the Tax Certificate delivered at closing of the Bonds unless the Authority has received an opinion of Bond Counsel that payment of any item not in such certificate will not affect adversely the exclusion from gross income of interest on the Commercial Paper Notes for federal income tax purposes;
- (e) There has not been filed with or served on the Authority any notice of lien, right of lien, or attachment upon or claim affecting the right of any person, firm or corporation named in such requisition to receive payment of any

amount which has not been released or will not be released simultaneously with the payment of such obligation.

The undersigned Chief Financial Officer of the Authority, having reviewed the tax covenants made by the Authority in connection with the Commercial Paper Notes, the Authority's Tax Certificate and opinions of Bond Counsel, if any, subsequently delivered addressing permissible changes in such use and concluding that such changes will not affect adversely the exclusion from gross income of interest on the Commercial Paper Notes for federal income tax purposes, has confirmed (a) that payment in accordance with the directions set forth above in this request is authorized under the Issuing and Paying Agency Agreement and is in compliance with such Tax Certificate or such subsequent opinions of Bond Counsel, if applicable, and (b) that the figures and percentages set forth below as to use of proceeds of the Commercial Paper Notes, excluding costs of issuance, to date are accurate.

Dated: _____, 20__

Confirmed,

By: _____
 Chief Financial Officer
 District of Columbia Water and
 Sewer Authority

<u>Total Draws</u>	<u>Potential Qualified Costs of Construction</u>
This Requisition (\$) _____	_____ _____
Cumulative Requisitions Related to the Commercial Paper Notes (\$) _____	_____ _____
Cumulative (%) _____	_____ _____

EXHIBIT B

[Conformed Copy]

DTC LETTERS OF REPRESENTATIONS

EXHIBIT C

CERTIFICATE OF AUTHORIZED REPRESENTATIVE OF THE AUTHORITY

I am the Chairman of the District of Columbia Water and Sewer Authority (the “**Authority**”) duly authorized pursuant to Resolution 24-____, adopted by the Authority on June 6, 2024 (collectively, the “**Resolution**”) to confirm the appointment of Authorized Representatives of the Authority in connection with the issuance, from time to time, by the Authority of its Commercial Paper Notes (the “**Commercial Paper Notes**”) in accordance with the Resolution and the Issuing and Paying Agency Agreement dated as of August 1, 2024. I hereby confirm that the following persons may act as Authorized Representatives of the Authority in accordance with the aforesaid Resolution and that specimen signatures of such persons are set forth beside their names.

Designated Persons	Specimen Signatures
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

EXECUTED THIS [MONTH] [DAY], [YEAR].

Chairman

Pursuant to the Issuing and Paying Agency Agreement, the undersigned hereby certifies as follows:

- (i) the Letter of Credit is in full force and effect in a Stated Amount equal to or greater than the principal amount of Outstanding Commercial Paper Notes after the issuance authorized herein plus interest thereon to the Stated Maturities thereof;
- (ii) after the issuance of Commercial Paper Notes as requested hereby and the application of proceeds thereof, the aggregate principal amount of Commercial Paper Notes Outstanding will not exceed the amount currently authorized to be Outstanding under the Issuing and Paying Agency Agreement;
- (iii) the issuance of Commercial Paper Notes requested hereby will be applied as follows: \$[] shall be applied for deposit into the Bank Reimbursement Account for payment of the Bank Note and \$[] will be deposited into the Construction Account;
- (iv) the interest rates borne by the Commercial Paper Notes to be delivered do not exceed the applicable Maximum Rate;
- (v) the terms of the Commercial Paper Notes to be delivered do not exceed the Maximum Term;
- (vi) if issued as tax-exempt obligations, the facts, estimates, circumstances and representations set forth or made (as the case may be) in the Tax Certificate continue to exist and are reaffirmed as of the date hereof;
- (vii) the terms to maturity of the Commercial Paper Notes set forth herein do not extend beyond the Termination Date;
- (viii) the Authority has not been notified by Co-Bond Counsel that either of their opinions with respect to the validity of the Commercial Paper Notes and the tax treatment of the interest thereon delivered prior to the initial issuance of the Commercial Paper Notes has been revised or withdrawn or, if any such revision or withdrawal has occurred, the revised opinion or substitute opinion has not been revised or withdrawn;
- (ix) no Event of Default has occurred and is now continuing; and
- (x) all of the conditions precedent to the issuance of Commercial Paper Notes set forth in Sections 3.05 and 3.06 of the Issuing and Paying Agency Agreement have been satisfied.

PART II.

Pursuant to the Issuing and Paying Agency Agreement, the undersigned hereby certifies as follows:

- (i) the Letter of Credit is and has been from the Closing Date in full force and effect in a Stated Amount equal to or greater than the principal amount of Outstanding Commercial Paper Notes, from time to time, plus interest thereon to the Stated Maturities thereof;
- (ii) the aggregate principal amount of Commercial Paper Notes Outstanding does not exceed the amount currently authorized under the Issuing and Paying Agency Agreement and the aggregate principal amount of Commercial Paper Notes which were Outstanding at any time during the immediately preceding three months did not exceed the amount then authorized to be Outstanding under the Issuing and Paying Agency Agreement at the time such Commercial Paper Notes were Outstanding;
- (iii) the interest rates borne by the Commercial Paper Notes Outstanding do not exceed the current applicable Maximum Rate and the interest rates borne by the Commercial Paper Notes which were Outstanding during the immediately preceding three months did not exceed the Maximum Rate applicable to such Commercial Paper Notes at the time of issuance thereof;
- (iv) the terms of the Commercial Paper Notes Outstanding do not exceed the current Maximum Term and the terms of the Commercial Paper Notes which were Outstanding during the immediately preceding three months did not exceed the Maximum Term applicable to such Commercial Paper Notes at the time of issuance thereof;
- (v) the facts, estimates, circumstances and representations set forth or made (as the case may be) in the Tax Certificate, if any, continue to exist and are reaffirmed as of the date hereof;
- (vi) the Stated Maturity of the Commercial Paper Notes Outstanding does not extend beyond the Termination Date;
- (vii) the Authority has not been notified by Co-Bond Counsel that either of their opinions with respect to the validity of the Commercial Paper Notes and the tax treatment of the interest thereon delivered prior to the initial issuance of the Commercial Paper Notes has been revised or withdrawn or, if any such revision or withdrawal has occurred, the revised opinion or substitute opinion has not been revised or withdrawn;
- (viii) no Event of Default has occurred and is now continuing; and

- (ix) all of the conditions precedent to the issuance of Commercial Paper Notes set forth in Sections 3.05 and 3.06 of the Issuing and Paying Agency Agreement have been satisfied in connection with the issuance of all Commercial Paper Notes since the Closing Date.

All capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Issuing and Paying Agency Agreement.

DISTRICT OF COLUMBIA WATER AND
SEWER AUTHORITY

By: _____
Authorized Representative of the
Authority

Date: _____

Request Number: _____

EXHIBIT E

MASTER NOTE CERTIFICATE

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Authority or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
 COMMERCIAL PAPER NOTES
 MASTER NOTE

Registered Owner: CEDE & CO.

Principal Sum: Not to Exceed _____ Million Dollars (\$ _____) Outstanding

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY, an independent authority of the District of Columbia (the “**Authority**”), for value received, hereby promises to pay (but only out of a subordinate lien on the Trust Estate and a lien on the Pledged Funds hereinafter referred to) to the registered owner hereinabove named or registered assigns, the principal amount, together with unpaid accrued interest thereon, if any, on the maturity date of each obligation identified on the records of the Authority (the “**Underlying Records**”) as being evidenced by this Master Note, which Underlying Records are maintained by US Bank Trust Company National Association, as Issuing and Paying Agent (the “**Issuing and Paying Agent**”) under the Issuing and Paying Agency Agreement dated as of August 1, 2024 (the “**Paying Agency Agreement**”). Interest shall be calculated on the basis of actual days elapsed in a 365- or 366-day year, as the case may be, at the rate specified on the Underlying Records. Payments shall be made solely from a subordinate lien on the Trust Estate, including but not limited to Net Revenues, and a lien on Pledged Funds (each as defined in the Paying Agency Agreement) by wire transfer to the registered owner stated hereinabove from the Issuing and Paying Agent without the necessity of presentation and surrender of this Master Note.

This Master Note and the issue of which it forms a part are issued pursuant to and in full compliance with the laws of the District of Columbia. The Commercial Paper Notes issued under this Master Note do not now and shall never constitute a charge against the general credit of the Authority or the District of Columbia. No recourse shall be had for the payment of the principal of, premium, if any, or interest on this Master Note or for any claim based thereon or upon any obligation, covenant or agreement in the Indenture or the Paying Agency Agreement contained, against the Authority, any past, present or future member of its governing body, its officers, attorneys, accountants, financial advisors, agents or staff, or the officers, attorneys,

accountants, financial advisors, agents or staff of any successor public entity, as such, either directly or through the Authority or any successor public entity, under any rule of law or penalty or otherwise, and all such liability of the Authority, any member of its governing body and its officers, attorneys, accountants, financial advisors, agents and staff is, by the acceptance of this Master Note, expressly waived and released as a condition of, and in consideration for, the execution of the Indenture, the Issuing and Paying Agency Agreement and the issuance of the Master Note.

This Master Note is issued pursuant to the Paying Agency Agreement and Resolution No. _____ of the Authority, adopted _____, 2024, as amended and supplemented (the “**Resolution**”) providing for the issuance of the Commercial Paper Notes.

Reference is hereby made to the Resolution, the Paying Agency Agreement and to the WASA Act for a description of the terms on which the Commercial Paper Notes are issued and to be issued, the provisions with regard to the nature and extent of the Pledged Funds, and the rights of the registered owners of the Commercial Paper Notes; and all the terms of the Paying Agency Agreement, the Resolution and the WASA Act are hereby incorporated herein and made a contract between the Authority and the registered owner from time to time of this Master Note, and to all the provisions thereof the registered owner of this Master Note, by its acceptance hereof, consents and agrees.

This Master Note is a limited obligation of the Authority payable solely from and secured by a subordinate lien on the Trust Estate, including but not limited to the Net Revenues, a lien on Pledged Funds, the income derived from the investment of any Net Revenues and Pledged Funds and other moneys that have been pledged as described in the Indenture and the Paying Agency Agreement to secure payment thereof. This Master Note is a special obligation of the District. This Master Note shall be without recourse to the District. This Master Note shall not be a general obligation of the District, shall not be a pledge of or involve the faith and credit or the taxing power of the District, shall not constitute a debt of the District, and shall not constitute lending of the public credit for private undertakings.

At the request of the registered owner, the Authority shall promptly issue and deliver one or more separate notes evidencing each obligation evidenced by this Master Note. This Master Note is transferable by the registered owner hereof, in person or by attorney duly authorized in writing, at the principal office of the Issuing and Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Paying Agency Agreement, and upon surrender and cancellation of this Master Note. Upon such transfer a new fully registered Note or Notes without coupons, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor.

The Authority and the Issuing and Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof for all purposes, and the Authority and the Issuing and Paying Agent shall not be affected by any notice to the contrary.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Master Note, and in the issuing of this Master Note, do exist, have happened and have been performed in due time, form and manner, as required by the laws of the District of Columbia, and that this Master Note is not in excess of the amount of Commercial Paper Notes permitted to be issued under the Paying Agency Agreement.

This Master Note shall not be entitled to any benefit under the Resolution or the Paying Agency Agreement, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Issuing and Paying Agent.

The obligation of the Authority under this Master Note shall be construed in accordance with and governed by the laws of the District of Columbia.

IN WITNESS WHEREOF, the DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY has caused this Master Note to be executed in its name and on its behalf by its Chairman and attested by its Secretary, and the seal of said Authority to be imprinted or reproduced by facsimile hereon, and this Master Note to be dated as of [MONTH] [DAY], [YEAR].

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

By: _____
Chairman

[SEAL]

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION

This is the Master Note described in the within-mentioned Resolution and Paying Agency Agreement.

**US BANK TRUST COMPANY
NATIONAL ASSOCIATION**
as Issuing and Paying Agent

By: _____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto

(Name, address, and Taxpayer Identification Number of Assignee)

this Master Note and all rights thereunder, hereby irrevocably constituting and appointing

_____ attorney to transfer said Master Note on the books of the Commission with full power of substitution in the premises.

Dated: _____

NOTICE: Signature(s) must be guaranteed by an Eligible Guarantor Institution such as a Commercial Bank, Trust Company, Securities Broker/Dealer, Credit Union, or Savings Association that is a member of a medallion program approved by The Securities Transfer Association, Inc.

Note: The signature on this assignment must correspond with the name as written upon the face of this Master Note, in every particular, without alteration or enlargement or any change whatsoever.

EXHIBIT F

FORM OF AUTHORITY ORDER CONCERNING
THE MAXIMUM PRINCIPAL AMOUNT,
MAXIMUM RATE OR MAXIMUM TERM

RESOLUTION _____

WHEREAS, the District of Columbia Water and Sewer Authority (the “Authority”) operates a water and sewer system for the District of Columbia (the “System”); and

WHEREAS, the Authority is empowered under the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996, (D.C. Law 11-111, codified as amended as D.C. Code Ann. Sections 34-2201.01 et seq. (2001), (herein called the “WASA Act”), to undertake the obligations and commitments on its part herein set forth; and

WHEREAS, pursuant to Resolution No. _____, as supplemented, the Authority authorized the issuance of a series of commercial paper notes called District of Columbia Water and Sewer Authority Commercial Paper Notes, in an aggregate principal amount not to exceed \$[250,000,000], at a per annum interest rate not to exceed [12%], for an initial Maximum Term of [270] days; and

WHEREAS, the Authority has now determined that the [Maximum Term, Maximum Rate, and/or Maximum Principal Amount] pertaining to the Commercial Paper Notes should be [increased/decreased];

NOW, THEREFORE, BE IT RESOLVED by the Board of the Authority that:

1. The [Maximum Rate, Maximum Term and/or Maximum Principal Amount] of the Commercial Paper Notes shall be [increased/decreased] to _____.
2. This Resolution shall take effect upon passage.

Adopted this _____ day of _____, 20__.

DISTRICT OF COLUMBIA WATER AND
SEWER AUTHORITY

By: _____
Chairman

[SEAL]

ATTEST:

Secretary

EXHIBIT G

MASTER INDENTURE OF TRUST

See Tab 5 of Closing Transcript

LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT

between

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

and

TD BANK, N.A.

Relating to

Not Exceeding \$250,000,000
Commercial Paper Notes

Dated as of July [], 2024

TABLE OF CONTENTS

	Page
<u>ARTICLE I DEFINITIONS</u>	<u>1</u>
<u>Section 1.01 Definitions.....</u>	<u>1</u>
<u>Section 1.02 Accounting Matters.....</u>	<u>8</u>
<u>Section 1.03 Interpretation.....</u>	<u>8</u>
<u>Section 1.04 Relation to Other Documents.....</u>	<u>8</u>
 <u>ARTICLE II ISSUANCE OF LETTER OF CREDIT; REIMBURSEMENT, FEES AND PAYMENT PROVISIONS.....</u>	 <u>8</u>
<u>Section 2.01 Issuance of the Letter of Credit.....</u>	<u>8</u>
<u>Section 2.02 Interest on Principal Drawings.....</u>	<u>9</u>
<u>Section 2.03 Reimbursement of Drawings</u>	<u>9</u>
<u>Section 2.04 Default Rate</u>	<u>9</u>
<u>Section 2.05 Fees</u>	<u>10</u>
<u>Section 2.06 Costs, Expenses and Taxes</u>	<u>10</u>
<u>Section 2.07 Increased Costs; Reduced Return.</u>	<u>10</u>
<u>Section 2.08 Method of Payment.....</u>	<u>12</u>
<u>Section 2.09 Maintenance of Accounts</u>	<u>12</u>
<u>Section 2.10 Cure.....</u>	<u>12</u>
<u>Section 2.11 Withholding</u>	<u>12</u>
<u>Section 2.12 Bank Note.</u>	<u>13</u>
<u>Section 2.13 Prepayment</u>	<u>13</u>
<u>Section 2.14 Reductions of Stated Amount and Termination of the Letter of Credit.....</u>	<u>13</u>
<u>Section 2.15 Maximum Lawful Rate.</u>	<u>14</u>
 <u>ARTICLE III CONDITIONS PRECEDENT</u>	 <u>14</u>
<u>Section 3.01 Authority Resolutions</u>	<u>14</u>
<u>Section 3.02 Regulatory Approvals</u>	<u>14</u>
<u>Section 3.03 Incumbency Certificates</u>	<u>14</u>
<u>Section 3.04 Opinion of Counsel for the Authority</u>	<u>15</u>
<u>Section 3.05 Opinion of Bond Counsel</u>	<u>15</u>
<u>Section 3.06 Related Documents</u>	<u>15</u>
<u>Section 3.07 Other Certificates</u>	<u>15</u>
<u>Section 3.08 Ratings</u>	<u>15</u>
<u>Section 3.09 Authority Certificate</u>	<u>15</u>
<u>Section 3.10 Payment of Fees and Expenses</u>	<u>15</u>
<u>Section 3.11 Bank Note</u>	<u>15</u>
<u>Section 3.12 KYC Information</u>	<u>16</u>
<u>Section 3.13 Other Documents</u>	<u>16</u>

<u>ARTICLE IV REPRESENTATIONS AND WARRANTIES</u>	<u>16</u>
<u>Section 4.01 Status.....</u>	<u>16</u>
<u>Section 4.02 Power and Authority</u>	<u>16</u>
<u>Section 4.03 Enforceability.....</u>	<u>16</u>
<u>Section 4.04 No Conflict.....</u>	<u>16</u>
<u>Section 4.05 Consents.....</u>	<u>17</u>
<u>Section 4.06 No Litigation.....</u>	<u>17</u>
<u>Section 4.07 Default.....</u>	<u>17</u>
<u>Section 4.08 Disclosure</u>	<u>17</u>
<u>Section 4.09 Notes; Parity Indebtedness.....</u>	<u>17</u>
<u>Section 4.10 Incorporation of Representations and Warranties.....</u>	<u>18</u>
<u>Section 4.11 Employment Benefit Plan Compliance.....</u>	<u>18</u>
<u>Section 4.12 Financial Statements</u>	<u>18</u>
<u>Section 4.13 No Proposed Legal Changes.....</u>	<u>18</u>
<u>Section 4.14 Margin Stock.....</u>	<u>19</u>
<u>Section 4.15 Permitted Investments.....</u>	<u>19</u>
<u>Section 4.16 Environmental Laws</u>	<u>19</u>
<u>Section 4.17 Insurance</u>	<u>19</u>
<u>Section 4.18 Anti-Corruption Laws and Sanctions.....</u>	<u>19</u>
<u>ARTICLE V COVENANTS.....</u>	<u>19</u>
<u>Section 5.01 Payment Obligations.....</u>	<u>19</u>
<u>Section 5.02 Related Documents.....</u>	<u>20</u>
<u>Section 5.03 Access to Books and Records; Reporting Requirements.....</u>	<u>20</u>
<u>Section 5.04 Compliance with Laws</u>	<u>22</u>
<u>Section 5.05 Notices</u>	<u>22</u>
<u>Section 5.06 Certain Information.....</u>	<u>22</u>
<u>Section 5.07 Liquidity.....</u>	<u>22</u>
<u>Section 5.08 Appointment of Successors and Replacements</u>	<u>23</u>
<u>Section 5.09 Maintenance of Franchises</u>	<u>23</u>
<u>Section 5.10 Accounting Methods and Fiscal Year.....</u>	<u>23</u>
<u>Section 5.11 Employment Benefit Plans.....</u>	<u>23</u>
<u>Section 5.12 Additional Obligations.....</u>	<u>24</u>
<u>Section 5.13 Permitted Liens</u>	<u>24</u>
<u>Section 5.14 Provisions to Facilitate Payments</u>	<u>24</u>
<u>Section 5.15 Taxes and Liabilities.....</u>	<u>25</u>
<u>Section 5.16 Payment of Fees.....</u>	<u>25</u>
<u>Section 5.17 Maintenance of Existence; No Merger</u>	<u>25</u>
<u>Section 5.18 Use of Proceeds.....</u>	<u>25</u>
<u>Section 5.19 Further Assurances.....</u>	<u>25</u>
<u>Section 5.20 Investment Guidelines</u>	<u>26</u>
<u>Section 5.21 Exempt Status</u>	<u>26</u>
<u>Section 5.22 Regulation.....</u>	<u>26</u>
<u>Section 5.23 Hedge Agreements.....</u>	<u>26</u>
<u>Section 5.24 Sovereign Immunity Defense</u>	<u>27</u>
<u>Section 5.25 Compliance with Anti-Corruption Laws and Sanctions.....</u>	<u>27</u>

Section 5.26	Rating Confirmation Before Defeasance	27
Section 5.27	Publicity	27
<u>ARTICLE VI EVENTS OF DEFAULT</u>		<u>27</u>
Section 6.01	Events of Default	27
Section 6.02	Rights and Remedies.....	29
<u>ARTICLE VII NATURE OF OBLIGATIONS; INDEMNIFICATION</u>		<u>30</u>
Section 7.01	Obligations Absolute	30
Section 7.02	Continuing Obligation	30
Section 7.03	Liability of the Bank	30
Section 7.04	Indemnification	31
Section 7.05	Facsimile Documents.....	32
<u>ARTICLE VIII TRANSFER, REDUCTION OR EXTENSION OF LETTER OF CREDIT</u>		<u>32</u>
Section 8.01	Transfer, Reduction and Reinstatement.....	32
Section 8.02	Extension.....	32
<u>ARTICLE IX MISCELLANEOUS</u>		<u>32</u>
Section 9.01	Right of Setoff.....	32
Section 9.02	Amendments and Waivers	33
Section 9.03	No Waiver; Remedies	33
Section 9.04	Notices	33
Section 9.05	Severability	34
Section 9.06	Governing Law	34
Section 9.07	Headings	35
Section 9.08	Participations; Assignments by Bank to Federal Reserve Bank.....	35
Section 9.09	Counterparts.....	35
Section 9.10	Complete and Controlling Agreement.....	35
Section 9.11	WAIVER OF JURY TRIAL.....	35
Section 9.12	USA PATRIOT Act Notice	36
EXHIBIT A	FORM OF BANK NOTE	
EXHIBIT B	FORM OF LETTER OF CREDIT	

LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT

THIS LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT is executed and entered into as of July [], 2024 by and between DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY and TD BANK, N.A. All capitalized terms used herein and not otherwise defined in connection with such use shall have the meanings set forth in Article I.

RECITALS:

WHEREAS, the Authority desires to establish a new commercial paper program to finance certain costs in connection with the construction of capital improvements to its wastewater collection, treatment and disposal system and its water system; and

WHEREAS, pursuant to such program, the Authority will be authorized to issue and sell from time to time its Commercial Paper Notes in aggregate principal amounts outstanding at any time not to exceed \$250,000,000, in accordance with the Resolution and the Issuing and Paying Agency Agreement; and

WHEREAS, the Authority has requested that the Bank provide an irrevocable letter of credit to support the payment of the principal of and interest on the Authority's Commercial Paper Notes; and

WHEREAS, subject to the terms and conditions set forth herein, the Bank is willing to issue, pursuant to this Reimbursement Agreement, the Letter of Credit in support of the Authority's Commercial Paper Notes; and

WHEREAS, the obligations of the Authority to reimburse the Bank for amounts drawn under the Letter of Credit and repay loans made hereunder will be payable from and secured by a pledge of the Pledged Funds and a subordinate Lien on the Trust Estate;

NOW, THEREFORE, in consideration of the agreements set forth herein and in order to induce the Bank to issue the Letter of Credit, the Authority and the Bank agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. Capitalized terms used and not defined herein shall have the meaning assigned in the Resolution or the Master Indenture. In addition to terms defined at other places in this Reimbursement Agreement, the following defined terms are used throughout this Reimbursement Agreement with the following meanings:

"Affiliate" means any other Person controlling or controlled by or under common control with the Authority. For purposes of this definition, "control," when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

“*Anti-Corruption Laws*” means all laws, rules, and regulations of any jurisdiction applicable to the Authority from time to time concerning or relating to bribery, money laundering or corruption.

“*Authority*” means the District of Columbia Water and Sewer Authority, an independent authority of the government of the District of Columbia.

“*Bank*” means TD Bank, N.A., and any successor thereto.

“*Banking Arrangements*” means (a) the agreements of the Bank and the Authority set forth in this Reimbursement Agreement and the transactions contemplated thereby, including, without limitation, (i) any commitment to extend credit, to issue any letter of credit or other credit or liquidity facility, to purchase any obligation of or for the benefit of the Authority, or to extend any other financial accommodation, (ii) any issuance, extension or maintenance of any of the foregoing, and (iii) any pledge, purchase or carrying of any obligation of or for the benefit of the Authority, and (b) any participation agreement or similar arrangement entered into in connection with the foregoing.

“*Bank Note*” means the note executed by the Authority in favor of the Bank in the form of Exhibit A hereto properly completed, including any renewals, amendments, modifications and supplements thereto permitted by the terms hereof.

“*Bank Rate*” for any day, a rate of interest per annum equal to (i) from the date such interest begins to accrue to and including the 45th day thereafter, the Base Rate, (ii) from the 46th day after such interest begins to accrue to and including the 90th day thereafter, the Base Rate plus 0.50% and (iii) from the 91st day after such interest begins to accrue to and thereafter, the Base Rate plus 1.00%. Notwithstanding the preceding sentence, the Bank Rate for the periods described in (i) and (ii) shall be no less than 3.00% and the Bank rate for the period described in (iii) shall be no less than 5.00%; provided, however, from and after the earlier of (a) the date amounts are owed under the Bank Rate but only so long as not paid when due and (b) during the occurrence and continuance of an Event of Default, all amounts owed will be paid at the Default Rate and, provided further, that at no time will the Bank Rate be less than the applicable rate of interest on outstanding Notes. The Bank Rate is calculated on the basis of 365/366 days, as applicable, and the actual number of days elapsed.

“*Base Rate*” means the greater of (a) the Prime Rate and (b) the Federal Funds Rate plus 2.00%.

“*Benefit Plan Event*” means (a) the imposition of any lien on any of the rights, properties or assets of the Authority or the System, or the posting of a bond or other security by the Authority, in either case pursuant to Sections 412, 430 or 436 of the Code; (b) the occurrence of a non-exempt prohibited transaction (within the meaning of Section 4975 of the Code) involving the assets of an Employee Benefit Plan, if the Authority has any liability therefor; (c) the receipt by the Authority of notice of the final determination by the Internal Revenue Service that a Qualified Plan’s qualification or tax exempt status should be revoked; (d) with respect to any Employee Benefit Plan, the failure to make or, if applicable, accrue in accordance with normal accounting practices, any employer or employee contributions required by applicable law or by the terms of such

Employee Benefit Plan, (e) the failure to register or loss of good standing with applicable regulatory authorities of any Employee Benefit Plan required to be registered; or (f) the failure of any Employee Benefit Plan to comply with any material provisions of applicable law and regulations or with the material terms of such Employee Benefit Plan.

“*Business Day*” has the meaning set forth in the Issuing and Paying Agency Agreement.

“*Change in Law*” means the occurrence, after the date of this Reimbursement Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“*Closing Date*” means [July 29, 2024], the date on which this Reimbursement Agreement shall be executed and delivered by the Authority and the Bank.

“*Code*” means the Internal Revenue Code of 1986, as amended from time to time, and all rules and regulations from time to time promulgated thereunder.

“*Date of Issuance*” means the date on which the Letter of Credit is executed and delivered to the Paying Agent.

“*Dealer*” means each institution appointed from time to time by the Authority to act as a Dealer for the Notes pursuant to a Dealer Agreement; as of the date of this Reimbursement Agreement, the Dealer means each of J.P. Morgan Securities LLC and Goldman, Sachs & Co.

“*Dealer Agreement*” means each Dealer Agreement between the Authority and a Dealer pursuant to which such Dealer agrees to act as dealer for the Notes.

“*Debt*” means, with respect to any Person, at any date, without duplication, (i) all obligations of such Person for borrowed money; (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments; (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business; (iv) all obligations of such Person as lessee under capital leases; (v) all obligations of such Person under take or pay or similar contracts; (vi) all obligations of such Person to reimburse or indemnify the issuer of a letter of credit or Guarantee for drawings or payments thereunder; (vii) all obligations of such Person to repurchase any security (or other Property) which arise out of or in connection with the sale of such security (or other Property); (viii) all obligations of such Person in respect of interest rate swap agreements, currency swap agreements and other similar agreements and arrangements designed to protect such Person against adverse movements in interest rates or foreign exchange rates; (ix) all Debt of others secured by a

Lien on any asset of such Person, whether or not such Debt is assumed by such Person; and (x) all Debt of others Guaranteed by such Person.

“*Default*” means any condition or event which constitutes an Event of Default or which, with the giving of notice or lapse of time or both would, become an Event of Default.

“*Default Rate*” means the rate of interest established pursuant to Section 2.04.

“*Disclosure Document*” means any official statement or offering memorandum or circular used by a Dealer in marketing the Notes.

“*Drawing*” means a drawing under the Letter of Credit to pay amounts due on Notes at maturity.

“*Employee Benefit Plan*” means all of the following plans, to the extent the Authority has, or could reasonably be expected to have, any liability with respect to such plans: (a) all “employee benefit plans” (as defined in Section 3(3) of ERISA), and (b) any other employee benefit plan, program or arrangement that is or at any time has been maintained or sponsored by the Authority or to which the Authority has ever made, or been obligated to make, contributions or with respect to which the Authority has incurred any material liability or obligation, including without limitation the Authority’s Section 401(a) defined contribution plan and the Authority’s Section 457(b) deferred compensation plan.

“*Environmental Law*” means any current or future legal requirement of any Governmental Authority pertaining to (a) the protection of health, safety, and the indoor or outdoor environment, (b) the conservation, management, or use of natural resources and wildlife, (c) the protection or use of surface water and groundwater or (d) the management, manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, release, threatened release, abatement, removal, remediation or handling of, or exposure to, any hazardous or toxic substance or material or (e) pollution (including any release to land surface water and groundwater).

“*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated, and any publicly available rulings issued, thereunder.

“*Event of Default*” means one of the events defined as such in Section 6.01.

“*Excess Interest Amount*” has the meaning assigned to such term in Section 2.15(b).

“*Expiration Date*” means the date on which the Letter of Credit is scheduled to expire as set forth in Paragraph 1(a) of the Letter of Credit, as such date may be extended from time to time pursuant to Section 8.02 and Paragraph 1(a) of the Letter of Credit and subject to the earlier termination of the Letter of Credit as set forth in Paragraph 1 of the Letter of Credit.

“*Federal Funds Rate*” means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided, that (a) if such day is not a Business

Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upwards, if necessary, to a whole multiple of 1/100 of 1%) charged to the Bank on such day on such transactions as determined by the Bank.

“*Fee Letter*” means that Fee Letter dated as of the Date of Issuance from the Bank to the Authority.

“*Fiscal Year*” means the fiscal year of the Authority ending on September 30 of each calendar year.

“*Fitch*” means Fitch, Inc., Fitch Ratings Ltd. or in each case any successor or assignee of the business of such company in the business of rating securities.

“*GAAP*” means generally accepted accounting principles in the United States of America applied on a consistent basis.

“*Governmental Authority*” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“*Guarantee*” by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (b) entered into for the purpose of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), provided that the term Guarantee shall not include endorsement for collection or deposit in the ordinary course of business. The term “Guarantee” used as a verb has a corresponding meaning.

“*Hedge Agreement*” means any rate swap transaction, basis swap, forward rate transaction, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, total return swap, credit default swap or any other similar transaction (including any option with respect to any of these transactions) and any other agreement or option involving, or settled by reference to, one or more rates, currencies, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.

“*Indemnified Party*” has the meaning assigned in Section 7.04.

“*Interest Drawing*” means that portion of each Drawing used to pay interest accrued on Notes at maturity.

“*Issuing and Paying Agency Agreement*” means that Issuing and Paying Agency Agreement dated as of July [], 2024, by and between the Authority and the Paying Agent, including such amendments, modifications and supplements thereto permitted pursuant to its terms and the terms hereof.

“*Letter of Credit*” means the Irrevocable Letter of Credit No. [] issued by the Bank on the Date of Issuance, including such amendments, modifications and supplements permitted pursuant to its terms.

“*Lien*” on any asset means any mortgage, deed of trust, lien, pledge, charge, security interest, hypothecation, assignment, deposit arrangement or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected or effective under applicable law, as well as the interest of a vendor or lessor under any conditional sale agreement, capital or finance lease or other title retention agreement relating to such asset.

“*Loan*” has the meaning assigned in Section 2.03.

“*Master Indenture*” means the Master Indenture of Trust dated as of April 1, 1998, as amended and supplemented including, in particular, by an [Thirty-Fifth] Supplemental Indenture of Trust dated as of July [], 2024, each between the Authority and Computershare Trust Company, N.A., as successor Trustee.

“*Maximum Lawful Rate*” means the maximum rate of interest on the relevant obligation permitted by applicable law.

“*Moody’s*” means Moody’s Investors Service or any successor or assignee of the business of such company in the business of rating securities.

“*No-Issuance Notice*” has the meaning assigned in Section 6.02.

“*Notes*” means the District of Columbia Water and Sewer Authority Commercial Paper Notes.

“*Participant(s)*” means any bank(s) or other financial institution(s) which may purchase a participation interest from the Bank in the Letter of Credit, this Reimbursement Agreement and certain of the Related Documents pursuant to a participation agreement between the Bank and the Participant(s).

“*Patriot Act*” has the meaning specified in Section 9.12.

“*Paying Agent*” means the institution appointed from time to time by the Authority to act as Issuing and Paying Agent under the Issuing and Paying Agency Agreement, initially U.S. Bank National Association.

“*Person*” means any natural person, corporation, partnership, limited liability company, association, trust, joint venture, public body or other legal entity.

“*Prime Rate*” means, for any day, a rate of interest per annum equal to the rate listed as “The United States Prime Rate” on corporate loans posted by large United States commercial banks as most recently published in the Eastern print edition of the Wall Street Journal, or its successor publication. If The Wall Street Journal (Eastern Edition) or its successor publication, ceases to publish a rate or rates of interest as the “Prime Rate”, then for purposes of this Reimbursement Agreement, the term “Prime Rate” shall mean the rate which the Bank establishes from time to time as its “Prime Rate”, whether or not published. The parties understand that such rate is not intended to be the lowest rate of interest charged by the Bank in connection with the extension of credit to its customers.

“*Principal Drawing*” means that portion of each Drawing used to pay the principal of Notes at maturity.

“*Qualified Plan*” means any Employee Benefit Plan that is intended to be tax-qualified under Section 401(a) of the Code.

“*Rating Agency*” means S&P, Moody’s or Fitch or any successor or additional rating agency that rates the Notes at the written request of the Authority with the written consent of the Bank.

“*Reimbursement Agreement*” means this Letter of Credit and Reimbursement Agreement, including such amendments, modifications or supplements permitted pursuant to Section 9.02.

“*Related Documents*” means the Letter of Credit, the Resolution, the Master Indenture, the Dealer Agreements, the Issuing and Paying Agency Agreement, the Notes, the Bank Note, the Fee Letter and any exhibits, instruments or agreements relating thereto.

“*Resolution*” means the resolution adopted by the Board of Directors of the Authority on June 6, 2024 relating to the Notes.

“*S&P*” means Standard & Poor’s Financial Services LLP, a subsidiary of The McGraw-Hill Companies, Inc., or any successor or assignee of the business of such company in the business of rating securities.

“*Sanctions*” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or by the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any EU member state, or Her Majesty’s Treasury of the United Kingdom.

“*Sanctioned Country*” means, at any time of determination, a country or territory which is the subject or target of any Sanctions.

“*Sanctioned Person*” means, at any time of determination, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of

the U.S. Department of the Treasury, the U.S. Department of State, the United Nations Security Council, the European Union or any EU member state, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any Person owned or controlled by or acting on behalf of any such Person described in the preceding clause (a) or (b), or (d) any Person with which the Bank is prohibited under Sanctions relevant to it from dealing or engaging in transactions. For purposes of the foregoing, control of a Person shall be deemed to include where a Sanctioned Person (i) owns or has power to vote 25% or more of the issued and outstanding equity interests having ordinary voting power for the election of directors of the Person or other individuals performing similar functions for the Person, or (ii) has the power to direct or cause the direction of the management and policies of the Person, whether by ownership of equity interests, contracts or otherwise.

“*Stated Amount*” has the meaning assigned to such term in Paragraph 2 of the Letter of Credit, as reduced by any reductions pursuant to Exhibit C to the Letter of Credit.

“*Substitute Credit Facility*” means a letter of credit issued in substitution for the Letter of Credit pursuant to the Issuing and Paying Agency Agreement.

“*Termination Date*” means the date on which the Letter of Credit terminates or expires as described in Paragraph 1 of the Letter of Credit.

Section 1.02 Accounting Matters. All accounting terms used herein without definition shall be interpreted in accordance with generally accepted accounting principles, and except as otherwise expressly provided herein all accounting determinations required to be made pursuant to this Reimbursement Agreement shall be made in accordance with generally accepted accounting principles.

Section 1.03 Interpretation. All words used herein shall be construed to be of such gender or number as the circumstances require. Reference to any document means such document as amended or supplemented from time to time as permitted hereunder. References herein to Articles or Sections shall be references to the corresponding Articles and Sections of this Reimbursement Agreement unless otherwise provided.

Section 1.04 Relation to Other Documents. Nothing in this Reimbursement Agreement shall be deemed to amend, or relieve the Authority of any of its obligations under, any Related Document. To the extent any provision of this Reimbursement Agreement conflicts with any provision of any other Related Document to which the Authority and the Bank are parties, the provisions of this Reimbursement Agreement shall control.

ARTICLE II

ISSUANCE OF LETTER OF CREDIT; REIMBURSEMENT, FEES AND PAYMENT PROVISIONS

Section 2.01 Issuance of the Letter of Credit. The Bank agrees to issue the Letter of Credit on the Closing Date if the conditions set forth in this Section and in Article III required to be satisfied on or before the Date of Issuance are satisfied. In addition to the conditions set forth in Article III, on the Date of Issuance the following conditions shall be satisfied as determined by the Bank:

- (a) The amount of the Letter of Credit shall not exceed the Stated Amount.
- (b) All representations and warranties of the Authority contained in Article IV shall be true and correct.
- (c) No Default shall have occurred and be continuing and no Default shall occur as a result of the issuance of the Letter of Credit.

Section 2.02 Interest on Principal Drawings. The Authority shall pay to the Bank interest on all amounts drawn under the Letter of Credit pursuant to a Principal Drawing, such interest to accrue from the date of such Drawing until payment thereof in full, payable on the first Business Day of each month or, if earlier, the date on which all or a portion of such principal amount is repaid, to the extent of such principal repayment, and payable on each date that the Principal Drawing is required to be repaid pursuant to Section 2.03 at a fluctuating interest rate per annum equal to the Bank Rate, subject to the provisions of Section 2.04.

Section 2.03 Reimbursement of Drawings. The Authority agrees to pay to the Bank an amount equal to all amounts drawn under the Letter of Credit, payable without any requirement of notice or demand by the Bank on the day on which such drawing is paid. Notwithstanding the preceding sentence, if on the date of any Principal Drawing no Event of Default has occurred and is continuing and the representations and warranties made by the Authority herein are true and correct as if made on such day, the Authority shall not be required to pay to the Bank an amount equal to such Principal Drawing on the date of such Drawing but rather the Authority agrees to pay to the Bank with respect to the Principal Drawing, payable without any requirement of notice or demand by the Bank, on the first Business Day of the first month that is not less than six (6) months after the date of such Principal Drawing, and on the first Business Day of each sixth month thereafter, amounts sufficient, with interest thereon at the Bank Rate, to amortize the amount of such Principal Drawing in approximately equal semi-annual payments over the period ending on the 5th anniversary of the date of such Drawing, with the remaining outstanding amount of the Principal Drawing together with interest thereon as provided herein being due and payable on such 5th anniversary of the date of such Principal Drawing; provided, however, that upon issuance of Notes, the amount owed to the Bank pursuant to this Section shall be immediately paid to the Bank in an amount equal to the lesser of the amount outstanding under this Section and the principal amount of the Notes issued which is not used to repay Notes maturing on such date or to reimburse the Bank for amounts drawn under the Letter of Credit to repay such maturing Notes; and provided, further, that the amount owed to the Bank under this Section shall be due and payable in full on the date of delivery to the Paying Agent of any substitute letter of credit (as provided in the Resolution) in substitution for the Letter of Credit. On the date of each Principal Drawing the Authority shall be deemed to have made the representations and warranties set forth in Article IV as of such date. The amount of any Drawing hereunder which is not paid on the date of such Drawing together with interest thereon, as provided in this Section and Section 2.04, shall be herein referred to as a "Loan." For the avoidance doubt, the foregoing provisions under which, subject to certain conditions, the Authority is not required to reimburse the Bank for a Principal Drawing on the date of such Drawing shall not be applicable to an Interest Drawing.

Section 2.04 Default Rate. The Authority agrees to pay to the Bank, interest on any and all amounts owed by the Authority under this Reimbursement Agreement from and after the earlier

of (a) the occurrence of an Event of Default and (b) the date such amounts are due and payable but not paid until payment thereof in full, at a fluctuating interest rate per annum (computed on the basis of the actual number of days elapsed and a year of 365/366 days, as applicable) equal to the greater of the (i) Bank Rate plus four percent (4.00%) and (ii) seven percent (7.00%) (the “Default Rate”).

Section 2.05 Fees. On the Date of Issuance, the Authority and the Bank shall execute the Fee Letter pursuant to which the Authority agrees to pay certain fees to the Bank and reimburse the Bank for certain expenses. The Authority covenants and agrees to pay such fees and expenses to the Bank.

Section 2.06 Costs, Expenses and Taxes. The Authority agrees to pay on demand all out-of-pocket costs and expenses of the Bank in connection with the negotiation, execution, delivery, administration and enforcement of this Reimbursement Agreement, the Related Documents and such other documents which may be delivered in connection with this Reimbursement Agreement plus the reasonable fees and expenses of counsel to the Bank with respect to advising the Bank as to its rights and responsibilities under this Reimbursement Agreement and the Related Documents and all costs and expenses, if any, in connection with the enforcement of this Reimbursement Agreement, the Related Documents and such other documents which may be delivered in connection with this Reimbursement Agreement. In addition, the Authority shall pay any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Reimbursement Agreement, the Related Documents and such other documents and agrees to save the Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees.

Section 2.07 Increased Costs; Reduced Return.

- (a) If any Change in Law shall:
 - (i) subject the Bank to any tax, charge, fee, deduction or withholding of any kind with respect to this Reimbursement Agreement or the Letter of Credit, or any amount paid or to be paid by the Bank as the obligor under the Letter of Credit (other than any tax measured by or based upon the overall net income of the Bank);
 - (ii) impose, modify or deem applicable any reserve, premium, special deposit or similar requirements against any assets held by, deposits with or for the account of, or loans, letters of credit or commitments by, an office of the Bank;
 - (iii) change the basis of taxation of payments due the Bank under this Reimbursement Agreement or the Letter of Credit (other than a change in taxation of the overall net income of the Bank); or
 - (iv) impose upon the Bank any other condition with respect to such amount paid or payable to or by the Bank or with respect to this Reimbursement Agreement or the Letter of Credit,

and the result of any of the foregoing is to increase the cost to the Bank of agreeing to enter into (or participate in), entering into (or participating in), making any payment under or maintaining this Reimbursement Agreement or the Letter of Credit to reduce the amount of any payment (whether of principal, interest or otherwise) receivable by the Bank or to require the Bank to make any payment on or calculated by reference to the gross amount of any sum received by it, in each case by an amount which the Bank in its reasonable judgment deems material, then:

(A) The Bank shall promptly notify the Authority in writing of the happening of such event;

(B) The Bank shall promptly deliver to the Authority a certificate stating the change which has occurred or the reserve requirements or other costs or conditions which have been imposed on the Bank or the request, direction or requirement with which it has complied together with the date thereof, the amount of such increased cost, reduction or payment and the way in which such amount has been calculated, including a reasonably detailed calculation, and the determination of such amounts by the Bank absent fraud or manifest error, shall be conclusive; and

(C) The Authority shall pay to the Bank, from time to time as specified by the Bank, such an amount or amounts as will compensate the Bank for such additional cost, reduction or payment, together with interest on such amount from, but including, the day specified by the Bank for payment, at the Bank Rate.

(b) In addition to the foregoing, if after the date of this Reimbursement Agreement the Bank shall have determined that a Change in Law has or would have the effect of reducing the rate of return on the capital of the Bank to a level below that which the Bank could have achieved but for such adoption, change or compliance (taking into consideration the policies of the Bank with respect to capital adequacy) by an amount deemed by the Bank to be material, or affects or would affect the amount of capital required or expected to be maintained by the Bank or any corporation controlling the Bank by an amount deemed by the Bank to be material, as a consequence of its obligations under this Reimbursement Agreement or the Letter of Credit, then from time to time the Authority shall be obligated to pay or cause to be paid to the Bank such additional amount or amounts as will compensate the Bank for such reduction or capital increase with respect to any period for which such reduction or capital increase was incurred upon demand by the Bank, together with interest on such amount for each day from such date of demand until payment in full at the Bank Rate. A certificate setting forth in reasonable detail such reduction in the rate of return on capital, or such capital increase, of the Bank as a result of any event mentioned in this paragraph shall be submitted by the Bank to the Authority and such certificate shall, in the absence of fraud or manifest error, be conclusive as to the amount thereof.

(c) Notwithstanding anything in this Section to the contrary, if such costs are to be incurred on a continuing basis by the Bank and the Bank shall so notify the Authority

in writing as to the amount thereof, such costs shall be paid by the Authority to the Bank monthly in arrears.

(d) The protections of this Section 2.07 shall be available to the Bank regardless of any possible contention of invalidity or inapplicability of the law, regulation or condition which has been imposed; provided, however, that if it shall be later determined that any amount so paid by the Authority pursuant to this Section 2.07 is in excess of the amount payable under the provisions of this Reimbursement Agreement, the Bank shall refund such excess amount to the Authority.

(e) The Authority shall not be required to compensate the Bank pursuant to this Section for any increased costs incurred or reductions suffered more than six months prior to the date that the Bank notifies the Authority of the Change in Law giving rise to such increased costs or reductions and of the Bank's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof).

Section 2.08 Method of Payment. All payments by the Authority to the Bank hereunder or under the Fee Letter shall be nonrefundable and made in lawful currency of the United States and in immediately available funds. Amounts payable to the Bank hereunder or under the Fee Letter shall be transferred to the Bank's account specified on its signature page hereto (or to such other account of the Bank as the Bank may specify by written notice to the Authority and the Paying Agent) not later than 1:00 p.m., New York, New York time, on the date payment is due. Any payment received by the Bank after 1:00 p.m., New York, New York time, shall be deemed to have been received by the Bank on the next Business Day. If any payment hereunder is due on a day that is not a Business Day, then such payment shall be due on the immediately succeeding Business Day.

Section 2.09 Maintenance of Accounts. The Bank shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Authority and the amounts payable and paid from time to time hereunder. In any legal action or proceeding in respect of this Reimbursement Agreement, the entries made in such account or accounts shall be presumptive evidence of the existence and amounts of the obligations of the Authority therein recorded. The failure to record any such amount shall not, however, limit or otherwise affect the obligations of the Authority hereunder to repay all amounts owed hereunder, together with all interest accrued thereon as provided in this Article II.

Section 2.10 Cure. The Authority agrees to pay to the Bank on demand any amounts advanced by or on behalf of the Bank to the extent required to cure any default, event of default or event of nonperformance under this Reimbursement Agreement or any Related Document. The Bank shall give the Authority reasonably prompt notice of any such advances. The Bank shall have the right, but not the obligation, to cure any such default, event of default or event of nonperformance.

Section 2.11 Withholding. All payments of principal, interest and any other sums due hereunder shall be made in the amounts required hereunder without any reduction or setoff,

notwithstanding the assertion of any right of recoupment or setoff or of any counterclaim by the Authority, and without any withholding on account of taxes, levies, duties or any other deduction whatsoever. If the Authority is required by law to withhold or deduct any sum from payments required under this Reimbursement Agreement, the Authority shall, to the extent permitted by applicable law, increase the amount paid by it to the Bank, so that, after all withholdings and deductions, the amount received by the Bank shall equal the amount the Bank would have received without any such withholding or deduction.

Section 2.12 Bank Note.

(a) The Loans of the Bank shall be evidenced by a single promissory note payable to the order of the Bank in an amount equal to the aggregate unpaid principal amount of the Bank's Loans.

(b) The Bank shall record the date, amount and maturity of each Loan made by it and the date and amount of each payment of principal made by or on behalf of the Authority with respect thereto, and prior to any transfer of the Bank Note shall endorse on the schedule forming a part thereof appropriate notations to evidence the foregoing information with respect to each such Loan then outstanding; provided that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Authority hereunder or under the Bank Note. The Bank is hereby irrevocably authorized by the Authority to endorse the Bank Note and to attach to and make a part of the Bank Note a continuation of any such schedule as and when required.

Section 2.13 Prepayment. Any Loan may be prepaid in whole or in part (but only in the amount of \$1,000,000 and integral multiples of \$1,000 in excess thereof) at any time without penalty or premium on one Business Day's prior written notice from the Authority to the Bank and by payment of such amounts to the Bank.

Section 2.14 Reductions of Stated Amount and Termination of the Letter of Credit.

(a) The Stated Amount may be permanently reduced from time to time or terminated by the Authority upon five Business Days' prior written notice of such reduction or termination given by the Authority to the Bank; provided, that (i) each such reduction shall be in an amount equal to the lesser of (A) \$1,000,000 or any integral multiple in excess thereof and (B) the Stated Amount, (ii) the Stated Amount of the Letter of Credit shall not be reduced below an amount equal to the sum of the outstanding amount of the Loan plus the principal amount of Notes outstanding plus interest on such principal amount of Notes computed at 12% per annum for a period of 270 days and (iii) the Authority first pays to the Bank all fees and expenses payable by the Authority to the Bank hereunder and under the Fee Letter, including any reduction or termination fee then due and payable.

(b) Notwithstanding any provision to the contrary to the Resolution, the Master Indenture or the Issuing and Paying Agency Agreement, the Authority agrees to (i) provide at least two (2) Business Days' prior notice to the Bank of its intention to replace or terminate the Letter of Credit, (ii) in the case of a substitution for the Letter of Credit with a substitute letter of credit, first pay to the Bank the outstanding amount of the Loans,

including accrued and unpaid interest thereon, and (iii) in the case of any Termination Date, pay on the Termination Date to the Bank all Principal Drawings then outstanding and all accrued and unpaid interest due thereon, and all fees and expenses payable by the Authority to the Bank hereunder and under the Fee Letter.

Section 2.15 Maximum Lawful Rate.

(a) If the amount of interest payable for any period in accordance with terms hereof exceeds the amount of interest that would be payable for such period had interest for such period been calculated at the Maximum Lawful Rate, then interest for such period shall be payable in an amount calculated at the Maximum Lawful Rate for such period.

(b) Any interest that would have been due and payable for any period but for the operation of Section 2.15(a) shall accrue and be payable as provided in this paragraph (b) and shall, less interest actually paid to the Bank for such period, constitute the "Excess Interest Amount." If there is any accrued and unpaid Excess Interest Amount as of any date then the principal amount with respect to which interest is payable shall bear interest at the Maximum Lawful Rate, until payment to the Bank of the entire Excess Interest Amount.

(c) Notwithstanding the foregoing, to the extent permitted by applicable law, on the date on which no principal amount hereunder remains unpaid, the Authority shall pay to the Bank a fee equal to any accrued and unpaid Excess Interest Amount.

ARTICLE III

CONDITIONS PRECEDENT

As a condition precedent to the issuance of the Letter of Credit, the Bank shall have received the following items on or before the Date of Issuance, each in form and substance satisfactory to the Bank and its Counsel:

Section 3.01 Authority Resolutions. Copies of the resolutions of the Authority approving this Reimbursement Agreement, the other Related Documents to which the Authority is a party, the form and content of the Letter of Credit and the other matters contemplated hereby, and copies of all other documents evidencing any other necessary corporate action, all certified by the Secretary of the Authority (which certificate shall state that such copies are true, accurate and complete and such resolutions are in full force and effect on the Date of Issuance).

Section 3.02 Regulatory Approvals. Certified copies of all approvals or authorizations by, or consents of, or notices to or registrations with, any governmental body or agency, if any, required for the Authority to enter into and confirming the validity and enforceability of this Reimbursement Agreement and certified copies of all such approvals, authorizations, consents, notices or registrations required to be obtained or made prior to the Date of Issuance in connection with the transactions contemplated by the Related Documents.

Section 3.03 Incumbency Certificates. A certificate of the Secretary of the Authority certifying the names and true signatures of the officers of the Authority authorized to sign this Reimbursement Agreement.

Section 3.04 Opinion of Counsel for the Authority. Opinions, upon which the Bank may rely, of the General Counsel of the Authority dated the Date of Issuance and covering such matters relating to the transactions contemplated hereby as the Bank may reasonably request.

Section 3.05 Opinion of Bond Counsel. Opinions, upon which the Bank may rely, of Squire Patton Boggs (US) LLP and Bellamy Penn LLC, Co-Bond Counsel, each dated the Date of Issuance and addressed to the Bank covering such matters relating to the transactions contemplated hereby as the Bank may reasonably request.

Section 3.06 Related Documents. An executed original or copy certified by the Authority to be a true, correct and complete copy of an executed original, of each of the following:

- (a) the Issuing and Paying Agency Agreement;
- (b) the Dealer Agreements;
- (c) the Resolution;
- (d) the Master Indenture;
- (e) the Bank Note;
- (f) the Disclosure Document; and
- (g) the Fee Letter.

Section 3.07 Other Certificates. Certificates signed by a duly authorized officer of the Authority, the Paying Agent and the Dealer, dated the Date of Issuance, covering such matters as the Bank may reasonably request.

Section 3.08 Ratings. [A rating letter from S&P which confirms that the Notes have received a short-term rating of “A-1+” and a rating letter from Moody’s which confirms that the Notes have received a short-term rating of “P1.”]

Section 3.09 Authority Certificate. A certificate signed by duly authorized officers of the Authority, dated the Date of Issuance, stating that: (a) the representations and warranties of the Authority contained in Article IV are correct on and as of the Date of Issuance as though made on and as of such date; (b) no petition by or against the Authority has at any time been filed under the United States Bankruptcy Code or under any similar act; and (c) no Default or Event of Default has occurred and is continuing or would result from the issuance of the Letter of Credit and execution of this Reimbursement Agreement or the Related Documents.

Section 3.10 Payment of Fees and Expenses. Payment of the fees and all other amounts (including attorney’s fees and expenses) payable on or before the Date of Issuance pursuant to Section 2.05 and the Fee Letter.

Section 3.11 Bank Note. An original executed Bank Note properly completed.

Section 3.12 KYC Information. Receipt by the Bank of all documentation and information required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including, without limitation, the Patriot Act, to the extent such documentation or information is requested by the Bank prior to the Closing Date.

Section 3.13 Other Documents. Such other documents, instruments, approvals and, if requested by the Bank, certified duplicates of executed copies thereof, and opinions as the Bank may reasonably request.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

To induce the Bank to enter into this Reimbursement Agreement and to issue the Letter of Credit, the Authority hereby represents and warrants to, and agrees with, the Bank as follows (which representations, warranties and agreements shall survive the execution and delivery of this Reimbursement Agreement and the issuance of the Letter of Credit).

Section 4.01 Status. The Authority (a) is duly organized and validly existing as an independent authority of the government of the District of Columbia, (b) is qualified or licensed to transaction business in the District of Columbia and each jurisdiction in which the nature of the business conducted by it makes such qualification necessary, (c) has full power and authority to own its properties, operate the System and carry on its business as now conducted, including the autonomy to set rates for its services and (d) has all requisite power and authority to execute and deliver, and to perform its obligations under, this Reimbursement Agreement and the Related Documents to which it is a party and to issue, execute and deliver the Notes and the Bank Note.

Section 4.02 Power and Authority. The Authority has the requisite power and authority to execute and deliver, and to perform its obligations under, this Reimbursement Agreement and the other Related Documents to which it is or will be a party and has taken all necessary action to authorize the execution, delivery and performance of this Reimbursement Agreement and the other Related Documents to which it is or will be a party.

Section 4.03 Enforceability. Assuming due authorization, execution and delivery by each of the other parties thereto, each of this Reimbursement Agreement and the Related Documents to which the Authority is a party constitutes, and the Notes when issued will constitute, the legal, valid and binding obligation of the Authority enforceable against the Authority in accordance with its respective terms, except as such enforceability may be limited by the Authority’s bankruptcy, moratorium, insolvency or similar laws or equitable principles relating to or limiting the rights of creditors generally. Each of the Related Documents is or will be on the Date of Issue in full force and effect.

Section 4.04 No Conflict. The execution and delivery of this Reimbursement Agreement and the Related Documents and the performance by the Authority of its obligations hereunder and thereunder do not and will not violate any constitutional provision or any law, including, without limitation, any usury law, or any regulation, order, writ, injunction or decree of any court or governmental body, agency or other instrumentality applicable to the Authority, or result in a

breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any lien (other than the lien of the Master Indenture) upon any of the assets of the Authority pursuant to the terms of, any ordinance, resolution, mortgage, indenture, agreement or instrument to which the Authority is a party or by which it or any of its properties is bound.

Section 4.05 Consents. All consents, licenses, approvals, validations and authorizations of, and registrations, validations or declarations by or with, any court or any Governmental Authority, bureau or agency required to be obtained in connection with the execution, delivery, performance, validity or enforceability of this Reimbursement Agreement and the other Related Documents (including the Notes) have been obtained and are in full force and effect.

Section 4.06 No Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board or body pending or, to the best knowledge of the Authority, threatened against or affecting the Authority or the System wherein an unfavorable decision, ruling or finding would have a material adverse effect on the properties, business, condition (financial or other), results of operations or prospects of the Authority, the System or the transactions contemplated by this Reimbursement Agreement, the Bank Note or the other Related Documents, or which would adversely affect the validity or enforceability of, or the authority or ability of the Authority to perform its obligations under, this Reimbursement Agreement or any other Related Document to which it is a party.

Section 4.07 Default. No Event of Default or Default has occurred and is continuing.

Section 4.08 Disclosure. No representation, warranty or other statement made by the Authority in or pursuant to this Reimbursement Agreement or any Related Document or any other document or financial statement provided by the Authority to the Bank in connection with this Reimbursement Agreement or any other Related Document, contains any untrue statement of a material fact or omits (as of the date made or furnished) any material fact necessary to make the statements herein or therein not misleading in light of the circumstances under which they are made. There is no fact known to the Authority which the Authority has not disclosed to the Bank in writing which materially adversely affects or, so far as the Authority can now reasonably foresee, is likely to materially adversely affect the ability (financial or otherwise) of the Authority to perform its obligations hereunder or under the Related Documents. The Disclosure Document prepared with respect to the Notes and the transactions herein contemplated, true copies of which have heretofore been delivered to the Bank, does not contain, and such Disclosure Document (including any amendments or supplements prepared subsequent to its date) (a true copy of which, in each case, shall be furnished to the Bank prior to the distribution thereof) will not contain, any untrue statement of a material fact and such Disclosure Document does not omit, and will not omit, to state a material fact necessary to make the statements therein, in the light of the circumstances under which made, not misleading, except no representation is made as to information furnished in writing by the Bank expressly for inclusion therein.

Section 4.09 Notes; Parity Indebtedness. Each Note and the Bank Note has been and will be duly issued under the Resolution, the Master Indenture and the Issuing and Paying Agency Agreement and each such Note and the Bank Note is entitled to the benefits thereof and of the Master Indenture, including the pledge, on a subordinated basis, of the Trust Estate pursuant to the

Master Indenture and the pledge of the Pledged Funds pursuant to the Issuing and Paying Agency Agreement. The Notes and the Bank Note and the lien securing the Notes and the Bank Note are each on a parity with all Subordinate Debt. There is no Lien on the moneys, investments, property and certain rights of the Authority thereto granted, pursuant to the Master Indenture, as security for the holders of Senior Debt and, on a subordinate basis, Subordinate Debt (the “Trust Estate”) other than the Liens created by or pursuant to the Master Indenture. The Master Indenture does not permit the issuance of any Debt secured by the Trust Estate to rank senior to the Notes and the Bank Note, other than Senior Debt issued and to be issued under the Master Indenture. No filing, registering, recording or publication of the Master Indenture, the Resolution or the Issuing and Paying Agency Agreement or any other instrument is required to establish the pledge under the Master Indenture or the pledge under the Issuing and Paying Agency Agreement or to perfect, protect or maintain the Lien created thereby on the Trust Estate, including the Net Revenues, in the case of the Master Indenture, or on the Pledged Funds, in case of the Issuing and Paying Agency Agreement, to secure the Notes and the Bank Note.

Section 4.10 Incorporation of Representations and Warranties. The Authority hereby makes to the Bank the same representations and warranties as were made by it in the Related Documents, which representations and warranties, together with the related definitions of terms contained therein, are hereby incorporated by reference with the same effect as if each and every such representation and warranty and definition were set forth herein in its entirety.

Section 4.11 Employment Benefit Plan Compliance. Except to the extent not reasonably expected to result, either singly or in the aggregate, in liability to the Authority, (a) each Employee Benefit Plan has been operated in substantial compliance with its terms and with all applicable provisions and requirements of the Code and all other applicable federal, state, and local laws, (b) the Authority have performed all its obligations under each Employee Benefit Plan and (c) the accrued benefit obligations of each Employee Benefit Plan (based on those assumptions used to fund such Employee Benefit Plan) with respect to all current and former participants do not exceed the assets of such Employee Benefit Plan. No Benefit Plan Event or similar event has occurred or is reasonably expected to occur that could reasonably result, either singly or in the aggregate with all other such Benefit Plan Events and similar events, in liability to the Authority. Each of the Employee Benefit Plans is a “governmental plan” (as defined in Section 3(32) of ERISA). None of the Employee Benefit Plans is subject to ERISA.

Section 4.12 Financial Statements. As of the date hereof, the audited balance sheets of the Authority as of September 30, 2023 and the related statements of revenues, expenses and changes in retained earnings, and cash flows, of the Authority for the Authority’s fiscal year then ended, and the accompanying footnotes thereon, dated September 30, 2023, of KPMG LLP, independent certified public accountants, copies of which have been delivered to the Bank, are complete and correct and fairly present the financial condition of the Authority as at such dates, for the periods covered by such statements, all in conformity with generally accepted accounting principles consistently applied. Since September 30, 2023, there has been no material adverse change in the condition (financial or otherwise), business or operations of the Authority.

Section 4.13 No Proposed Legal Changes. There is no amendment, or to the knowledge of the Authority, proposed amendment certified for placement on a ballot within the District of Columbia or any District of Columbia law, or any legislation that has passed either house of the

United States Congress, or any published judicial decision interpreting any of the foregoing, the effect of which is to materially adversely affect the Notes or the Authority's ability to perform its obligations under this Reimbursement Agreement, the Notes, and the other Related Documents.

Section 4.14 Margin Stock. No portion of the proceeds of any Notes will be used by the Authority (or the Trustee or Paying Agent or any other Person on behalf of the Authority) for the purpose of "purchasing" or "carrying" any margin stock or used in any manner which might cause the borrowing or the application of such proceeds to violate Regulation U issued by the Board of Governors of the Federal Reserve System or any other regulation of said Board of Governors or to violate the Securities Exchange Act of 1934, as amended, in each case as in effect on the date or dates of such use of proceeds.

Section 4.15 Permitted Investments. The Authority has neither made any investment nor entered into any agreements for the purpose of effecting any investment which are not permitted to be made by it pursuant to its investment guidelines, the Master Indenture or any other Related Document.

Section 4.16 Environmental Laws. Except as disclosed in writing to the Bank, the Authority has not received notice to the effect that the operations of the System are not in compliance with Environmental Laws.

Section 4.17 Insurance. The Authority currently maintains insurance coverage with insurance companies believed to be responsible by the Authority (as determined in its reasonable discretion) against such risks and in such amounts as is customarily maintained by companies or other entities similarly situated to the Authority and operating like properties and businesses to that of the Authority.

Section 4.18 Anti-Corruption Laws and Sanctions. The Authority has implemented and maintains in effect policies and procedures designed to ensure compliance by the Authority and its directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Authority and its officers and employees and, to the knowledge of the Authority, its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of the Authority or any of its officers or employees is a Sanctioned Person. Neither the Letter of Credit nor the use of proceeds thereof or any other transaction contemplated by this Reimbursement Agreement will violate Anti-Corruption Laws or applicable Sanctions.

ARTICLE V

COVENANTS

So long as the Termination Date has not occurred or any amount is due or owing to the Bank under this Reimbursement Agreement or any Related Document, the Authority will comply with each of the covenants contained in this Article V unless the Bank shall otherwise consent in writing.

Section 5.01 Payment Obligations. The Authority shall promptly pay or cause to be paid all amounts payable by it hereunder and under the Related Documents according to the terms

hereof or thereof and shall duly perform each of its obligations under this Reimbursement Agreement, including, without limitation, under Section 2.07, and the other Related Documents to which it is a party. All payments of principal, interest and any other sums due hereunder shall be made in the amounts required hereunder without any reduction or setoff, notwithstanding the assertion of any right of recoupment or setoff or of any counterclaim by the Authority.

Section 5.02 Related Documents.

(a) The Authority agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in each Related Document to which it is a party, including, without limitation, the rate covenant set forth in Section 601 of the Master Indenture, and in each case such provisions, together with the related definitions of terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety.

(b) The Authority shall not amend, supplement or otherwise modify (or permit any of the foregoing), or request or agree to any consent or waiver under, or effect or permit the cancellation, acceleration or termination of, or (except as otherwise permitted under the Related Documents) release or permit the release of any collateral held under any of the Related Documents which is not otherwise contemplated by, or permitted pursuant to the terms of, any of the Related Documents, without the prior written consent of the Bank; provided, however, that the consent of the Bank shall not be required with respect to (i) amendments, supplements and modifications to the Related Documents which do not require consent of Bondholders pursuant to clauses (a), (b), (c), (f), (g) or (h) of Section 1001 of the Master Indenture, but the Authority shall provide prior written notice of any such amendments, supplements and modifications to the Bank, and (ii) supplements entered into solely for the purpose of providing for the issuance of a series of bonds pursuant to the Master Indenture.

Section 5.03 Access to Books and Records; Reporting Requirements. The Authority shall keep proper books of record and account in which full, true and correct entries will be made of all dealings and transactions of or in relation to affairs, operations, transactions and activities of the Authority in accordance with generally accepted accounting principles applicable to governmental entities, consistently applied, and, upon reasonable prior notice and during normal business hours the Authority will permit representatives of the Bank to visit and inspect the Authority's property, including its books and records, its accounts receivable and inventory, the Authority's facilities and its other business assets and to discuss such matters with the officers of the Authority. The Authority will furnish to the Bank a copy of each of the following:

(a) as soon as available and in any event within one hundred eighty (180) days after the end of each fiscal year of the Authority, a balance sheet of the Authority as of the end of such fiscal year and the related statements of revenues, expenses, changes in retained earnings and cash flows for such fiscal year and accompanying notes thereto, all prepared in accordance with GAAP and in reasonable detail showing in comparative form the figures for the previous fiscal year, accompanied by an opinion thereon of KPMG LLP, or another firm of independent public accountants of recognized national standing, selected by the Authority, to the effect that the financial statements described herein have been prepared

in accordance with GAAP and present fairly in accordance with GAAP the consolidated financial condition of the Authority as of the close of such fiscal year and the results of their operations and cash flows for the fiscal year then ended and that an examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards and, accordingly, such examination included such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances;

(b) simultaneously with the delivery of each set of financial statements referred to in clause (a) above, a certificate of the Authority stating that the Authority is in compliance with the rate covenant set forth in Section 601 of the Master Indenture (including calculations evidencing such compliance) and that, to the best knowledge of the chief financial officer (or his/her designee) of the Authority, there exists on the date of such certificate no Default or Event of Default or, if any Default or Event of Default then exists, setting forth the details thereof and the action which the Authority is taking or proposes to take with respect thereto;

(c) forthwith, and in any event within five (5) Business Days any officer of the Authority obtains knowledge thereof, written notice of the occurrence of any Default or Event of Default, together with a statement of the Authority setting forth the details thereof and the action which the Authority is taking or proposes to take with respect thereto;

(d) promptly after process has been served on the Authority, notice of any action, suit or proceeding before any court or arbitrator or any governmental body, agency or official in which there is a reasonable probability of an adverse decision which could (i) materially adversely affect the business, financial position or results of operations of the Authority or the ability of the Authority to perform its obligations hereunder, under the Fee Letter or under any other Related Document or (ii) draw into question the validity or enforceability of this Reimbursement Agreement, the Fee Letter or any other Related Document or (iii) challenge the validity or enforceability of the security interest in and the pledge of the Trust Estate, or the priority of such pledge and Lien in favor of the Notes and the Bank Note over any or all other liabilities and obligations of the Authority (except in respect of Senior Debt) as against all Persons having claims of any kind in tort, contract or otherwise, whether or not such Persons shall have notice thereof;

(e) promptly upon the availability thereof, a copy of any official statement, offering memorandum or other disclosure documents relating to the offering of any Indebtedness secured by and payable from Net Revenues;

(f) as soon as available and in any event within thirty (30) days after adoption, a copy of the Authority's budget (including, without limitation, annual expenses) for each fiscal year of the Authority, prepared pursuant to Section 602 of the Master Indenture and including the budget for the System for such fiscal year, and a copy of the capital budget, and any amendments thereto, prepared pursuant to Section 811 of the Master Indenture;

(g) as soon as the forms may be made available to or filed with the Trustee, any report, recommendation, finding, audit or other document required pursuant to Sections 601, 602, 808 and 810 of the Master Indenture;

(h) promptly upon the availability thereof, a copy of each Monthly Financial Report prepared by the Authority's Department of Finance, Accounting and Budget;

(i) as soon as available to the Authority, copies of all enacted legislation which, to the best knowledge of the Authority, relates to, in any material way, or impacts upon this Reimbursement Agreement, the Fee Letter or the other Related Documents or the ability of the Authority to perform its obligations in connection herewith or therewith; and

(j) from time to time such additional information regarding the financial position, operations, business or prospects of the Authority and regarding the System as the Bank may reasonably request.

As and to the extent the information required by this Section 5.03 has been properly and timely filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access System, the Authority will be deemed to have complied with the provisions of this Section; provided, however, that (y) the Authority shall have delivered written notice to the Bank of such filing and (z) the Bank has access to the information so filed.

Section 5.04 Compliance with Laws. The Authority shall comply with all laws, ordinances, orders, rules and regulations (including, without limitation, all Environmental Laws) that may be applicable to it and the System, if the failure to comply could have a material adverse effect on the security for any of the Notes or the Bank Note, or the Authority's ability to repay when due its obligations under this Reimbursement Agreement, any of the Notes, and the Related Documents unless the same is being contested in good faith and by appropriate proceedings and such contest shall operate to stay the material adverse effect of such failure to comply.

Section 5.05 Notices. In addition to and not in substitution of its obligation to furnish any other notice hereunder, the Authority will promptly furnish, or cause to be furnished, to the Bank (i) notice of the occurrence of any Event of Default, (ii) notice of the failure by any Dealer, the Paying Agent or the Trustee to perform any of its obligations under the Dealer Agreement or the Master Indenture, (iii) notice of any proposed substitution of this Reimbursement Agreement, and (iv) each notice required to be given to the Bank pursuant to the Master Indenture, the Resolution or the Issuing and Paying Agency Agreement.

Section 5.06 Certain Information. The Authority shall not include in an offering document for the Notes any information concerning the Bank that is not supplied in writing, or otherwise consented to, by the Bank expressly for inclusion therein. The Authority agrees to provide to the Bank, in writing, all information and notices it is required to provide to the Municipal Securities Rulemaking Board (the "MSRB") in accordance with Securities and Exchange Commission Rule 15(c)2-12, simultaneously with the providing thereof to the MSRB.

Section 5.07 Liquidity. The Authority agrees to use best efforts to obtain a Substitute Credit Facility within 180 days in the event (i) the Bank shall decide not to extend the Expiration Date pursuant to Section 8.02, (ii) the Authority terminates the Letter of Credit pursuant to Section

2.14, (iii) the Bank shall furnish a Notice of Termination Date to the Tender Agent and the Trustee, (iv) upon the request of the Bank after a reduction of the long-term unenhanced rating assigned to the long-term debt issued under the Master Indenture and secured by its Net Revenues to Baa1 or below with respect to Moody's or BBB+ or below with respect to S&P or Fitch or (iv) a No-Issuance Notice is delivered. The Authority agrees that, with respect to any Substitute Credit Facility, the Authority will require, as a condition to its effectiveness, that all unreimbursed Drawings and Loans shall be repaid in full. The Authority shall not permit a Substitute Credit Facility to become effective with respect to fewer than all of the Notes without the prior written consent of the Bank.

Section 5.08 Appointment of Successors and Replacements. The Bank hereby consents to the appointment to each of J.P. Morgan Securities LLC and Goldman, Sachs & Co. as a Dealer for the Notes. So long as this Reimbursement Agreement is in effect and the Bank has not wrongfully failed to honor a Drawing under the Letter of Credit, the Authority will not permit the appointment of a successor Trustee, Paying Agent or Dealer unless the Authority has obtained the prior written consent of the Bank, which consent shall not be unreasonably withheld. If any Dealer or successor Dealer fails to sell Notes for sixty (60) consecutive days, then the Authority agrees, at the written request of the Bank to cause such Dealer to be replaced with a Dealer reasonably satisfactory to the Bank. The Authority shall use all commercially reasonable efforts to have a Dealer and an Issuing and Paying Agent in place at all times while this Reimbursement Agreement is in effect or the Bank Note is outstanding.

Section 5.09 Maintenance of Franchises. The Authority will maintain, or cause to be maintained, all licenses and franchises, required by the District of Columbia or any other Governmental Authority for operation of the System and the sale of water to customers, the loss of which would have or, could reasonably be expected to result in, a material adverse effect regarding the financial position, operations, business or prospects of the Authority or the System.

Section 5.10 Accounting Methods and Fiscal Year. The Authority will not adopt, permit or consent to any change in its established fiscal year without giving the Bank written notice thereof.

Section 5.11 Employment Benefit Plans.

(a) Except as would not reasonably be expected to result, either singly or in the aggregate, in material liability to the Authority, the Authority shall do each of the following: (i) maintain each Employee Benefit Plan in compliance with the applicable provisions of the Code and all other applicable federal, state and local laws; (ii) cause each Qualified Plan to maintain its qualified status under Section 401(a) of the Code; (iii) timely make all required contributions to each Employee Benefit Plan; (iv) ensure that all liabilities under each Employee Benefit Plan are (A) funded to at least the minimum level required by law and, to the extent applicable, by the terms governing such Employee Benefit Plan, (B) insured with a reputable insurance company, or (C) provided for or recognized to the extent required by applicable accounting standards in the most recent annual audit report; and (vi) ensure that the contributions or premium payments to or in respect of each Employee Benefit Plan is and continues to be promptly paid at no less than the rates required under applicable law and in accordance with the most recent

actuarial advice received in relation to such Employee Benefit Plan and any order, rule or regulation of any court or other agency of government applicable to such Employee Benefit Plan.

(b) Except as would not reasonably be expected to result, either singly or in the aggregate, in material liability to the Authority, the Authority shall not terminate any Qualified Plan.

(c) The Authority shall provide to the Bank as soon as possible, and in any event within 10 days after the Authority knows or has reason to know of the occurrence of any Benefit Plan Event or similar event with respect to any Employee Benefit Plan that could result in a material liability to such Employee Benefit Plan or to the Authority, a statement of the chief financial officer of the Authority describing such event and the action, if any, that the Authority proposes to take with respect thereto.

(d) Other than an Employee Benefit Plan in existence on the date of this Reimbursement Agreement and other than as required by law, the Authority shall not adopt, establish, participate in, or incur any obligation to contribute to, any Employee Benefit Plan or incur any liability to provide post-retirement welfare benefits to the extent such obligations or unfunded liabilities could reasonably be expected to result in a material adverse effect on the financial condition of the Authority or on the ability of the Authority to perform its obligations hereunder.

Section 5.12 Additional Obligations. The Authority shall not issue any bonds, notes or similar obligations or evidence of indebtedness payable from the Net Revenues or any other amounts, accounts or other property held under the Master Indenture except as permitted by the Master Indenture.

Section 5.13 Permitted Liens. The Authority shall not sell or dispose of or create any Lien on the System or create or incur or permit to exist any Lien on the Trust Estate, the Net Revenues on deposit in the Subordinate Fund or any other funds, accounts or other property held under the Master Indenture.

Section 5.14 Provisions to Facilitate Payments. Subject to Section 602 of the Master Indenture, the Authority shall cause to be included in each annual budget of the Authority reasonable provisions for the payment of all amounts due and estimated to become due with respect to the Notes and all obligations payable to the Bank under this Reimbursement Agreement, the Fee Letter and the other Related Documents during the fiscal year of the Authority covered by such budget. To the extent estimates are used, such estimates shall be made by the Authority in good faith and shall be based upon reasonable estimates of the amount of Senior Debt and Subordinate Debt expected to be outstanding, the Revenues and Operating Expenses anticipated to be received and paid for such fiscal year, and the interest rates reasonably expected to be charged during the coming fiscal year for the remaining term of the Senior Debt and Subordinate Debt. To the extent that amounts actually due and payable to the Bank under this Reimbursement Agreement, the Fee Letter and the other Related Documents in any fiscal year exceed the amounts estimated and/or available therefrom in an annual budget of the Authority for such Fiscal Year, the Authority shall take, or cause to be taken, as promptly as possible, all such actions (including,

without limitation, amendments of such annual budget) as may be required to permit and facilitate the expenditure of additional moneys from all sources legally available for the payment of such amounts.

Section 5.15 Taxes and Liabilities. The Authority will pay, or cause to be paid, all Indebtedness of the Authority and the System promptly and in accordance with the terms thereof and to pay and discharge, or cause to be paid and discharged, promptly all taxes, assessments, and governmental charges or levies imposed upon it or the System, including income and profits, or upon any of its property, real, personal, or mixed, or upon any part thereof, before the same shall become in default, except for those matters which are reasonably being contested in good faith by appropriate action or proceedings or for which the Authority has established adequate reserves in accordance with GAAP.

Section 5.16 Payment of Fees. The Authority hereby agrees that fees and other amounts payable to the Bank (other than principal and interest on unreimbursed Drawings or the Bank Note) shall constitute Operating Expenses pursuant to the Master Indenture and, pursuant to Section 604(c) of the Master Indenture, will be paid from the Operating Reserve Fund when due. The Authority further agrees that to the extent sufficient funds are not available in the Operating Reserve Fund to pay such fees and other amounts when due for any reason, the Authority will immediately pay or cause to be paid such fees and other amounts from available funds of the Authority.

Section 5.17 Maintenance of Existence; No Merger. The Authority shall preserve and maintain its existence as an independent authority of the District of Columbia and to perform its obligations under this Reimbursement Agreement and the Related Documents. The Authority will at all times maintain the System, or within the limits of its authority cause the same to be maintained, in good condition and working order and will operate the same, or cause the same to be operated, in an efficient and economical manner at a reasonable cost and in accordance with sound business principles. In operating and maintaining the System, the Authority will comply with all contractual provisions and agreements entered into by it and with all valid rules, regulations, directions or orders of any governmental, administrative or judicial body or other Governmental Authority promulgating same, except for any noncompliance that, individually or in the aggregate, could not reasonably be expected to have a material adverse effect upon the Authority's business, operations, assets or financial condition. The Authority shall not consolidate with or merge into another Person or permit one or more other Persons to consolidate with or merge into it or acquire all or substantially all of the property and assets of any other Person if, at the time of such consolidation, merger, or acquisition the resulting or surviving entity fails to assume, by written document in form and substance satisfactory to the Bank, all the obligations of the Authority under this Reimbursement Agreement or the benefits of any Related Document fail to extend to the performance by such resulting or surviving entity of the Authority's obligations under this Reimbursement Agreement.

Section 5.18 Use of Proceeds. The Authority shall use the proceeds of the Notes for the purposes set forth in the Master Indenture.

Section 5.19 Further Assurances. The Authority shall execute, acknowledge where appropriate, and deliver, and cause to be executed, acknowledged where appropriate, and

delivered, from time to time promptly at the reasonable request of the Bank, all such instruments and documents as in the reasonable judgment of the Bank are necessary to effectuate the intention of this Reimbursement Agreement and the other Related Documents.

Section 5.20 Investment Guidelines. The Authority will:

(a) promptly notify the Bank in writing of any changes proposed to the Authority's written investment policies or guidelines (the "Investment Guidelines") if the proposed change would increase the types of investments permitted by such Investment Guidelines.

(b) promptly notify the Bank in writing, after the adoption thereof by the Authority, of any change in the Investment Guidelines, which change increases the types of investments permitted by the Investment Guidelines and of which change the Bank was not previously notified pursuant to clause (a) above.

(c) within ten (10) Business Days of the adoption of any resolution of the Authority's Board amending its financing policies or financial practices or any provision or portion thereof, send a copy of such resolution to the Bank.

Section 5.21 Exempt Status. To the extent that the interest on the Notes is intended to be excludable from the gross income of the holders thereof for purposes of federal income taxation, the Authority shall not take any action or omit to take any action that, if taken or omitted, would adversely affect the excludability of interest on the Notes from the gross income of the holders thereof for purposes of federal income taxation.

Section 5.22 Regulation. The Authority covenants and agrees that no proceeds of any Drawing shall be used, by or on behalf of the Authority, directly or indirectly to purchase or carry any margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System, as amended from time to time).

Section 5.23 Hedge Agreements. The Authority shall at all times require that any termination fees or settlement amounts payable in connection with any Hedge Agreement entered into by the Authority on or after the Closing Date shall be subordinate to the payment of the Authority's obligations hereunder; provided, however, that the foregoing shall not operate to prevent amendments and supplements to Hedge Agreements entered into prior to the date hereof as long as such amendments or supplements do not operate to modify the priority of payment of any related termination fees or settlement amounts. The Authority shall use its best efforts to obtain any Hedge Agreement to which it is a counterparty without providing any collateral to support its obligations thereunder other than a Lien on Net Revenues, which Lien on Net Revenues (other than termination fees and settlement amounts) shall be on a parity with the Lien securing the indebtedness to which such Hedge Agreement relates; provided, however, that if no Hedge Agreement on the foregoing terms is then available to the Authority in any instance, the Authority may post cash collateral to support its obligations under the Hedge Agreement; provided further, however, that the aggregate notional amount of all such Hedge Agreements to which the Authority is a counterparty does not exceed ten percent (10%) of the aggregate Subordinate Debt of the Authority or such other amount as is approved in advance by the Bank.

Section 5.24 Sovereign Immunity Defense. Unless otherwise specifically provided by District of Columbia law, the Authority shall not raise the defense of sovereign immunity in any proceeding by the Bank to enforce any of the contractual obligations of the Authority under this Reimbursement Agreement, the Fee Letter or any other Related Document. Any such proceeding shall be brought exclusively in either the District of Columbia Superior Court or the United States District Court for the District of Columbia.

Section 5.25 Compliance with Anti-Corruption Laws and Sanctions. The Authority will maintain in effect and enforce policies and procedures designed to ensure compliance by the Authority and its directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions in all material respects.

Section 5.26 Rating Confirmation Before Defeasance. Prior to effecting the defeasance of the Notes pursuant to the Issuing and Paying Agency Agreement, the Authority shall obtain written confirmation from each Rating Agency that such defeasance will not result in a withdrawal or reduction of such Rating Agency's rating of the Notes.

Section 5.27 Publicity. Subject to the Authority's reasonable approval with respect to the Bank's use of the Authority's name and logo, the Bank may publicize the Bank's involvement in the transactions contemplated by this Reimbursement Agreement in such print media and other means the Bank deems appropriate.

ARTICLE VI

EVENTS OF DEFAULT

Section 6.01 Events of Default. The occurrence of any of the following events (including the expiration of any specified time) shall constitute an "Event of Default," unless waived by the Bank in writing:

(a) failure of the Authority to pay when due any amount due under this Reimbursement Agreement or under any of the Related Documents;

(b) the Authority shall fail to observe or perform any covenant or agreement contained in Section 5.02(b), 5.12, 5.13 or 5.17;

(c) failure of the Authority to observe or perform any of the covenants, conditions or provisions of this Reimbursement Agreement (other than as specified in (a) and (b) above) and to remedy such failure within 30 days after receipt by the Authority of written notice of such failure;

(d) any representation or warranty made by the Authority herein, or in any certificate, financial or other statement furnished by the Authority pursuant to this Reimbursement Agreement, shall prove to have been untrue or incomplete in any material respect when made;

(e) (i) default by the Authority in the payment of the principal of or interest on any of its bonds or (ii) default by the Authority in the payment of any Debt owed to the

Bank or (iii) default by the Authority in the payment of the principal of or interest on any Debt in an aggregate amount in excess of \$10,000,000 as and when the same shall become due or (iv) default under any mortgage, agreement or other instrument under or pursuant to which such Debt is incurred or issued and continuance of such default beyond the period of grace, if any, allowed with respect thereto which, in any such case, would give rise to the right of acceleration of any such bond or Debt;

(f) a default or event of default under any of the Related Documents shall have occurred and be continuing;

(g) entry or filing of any judgment, writ or warrant of attachment or of any similar process in an amount in excess of \$10,000,000 against the Authority or against any of its property and failure of the Authority to vacate, bond, stay or contest in good faith such judgment, writ, warrant of attachment or other process or failure to pay or satisfy such judgment within 60 days;

(h) the Authority shall commence a voluntary case or other proceeding seeking liquidation, reorganization, dissolution, rehabilitation or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;

(i) appointment of a trustee in bankruptcy, custodian or receiver for the Authority or all or part of its property and failure to obtain discharge of such within 30 days after such appointment;

(j) an involuntary case or other proceeding shall be commenced against the Authority seeking liquidation, reorganization, dissolution, rehabilitation or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property and such involuntary case or other proceeding shall remain undismissed or unstayed for a period of 60 days; or the Authority or any Governmental Authority having jurisdiction over the Authority shall have declared a moratorium or taken similar action with respect to any of the Authority's debts;

(k) (i) this Reimbursement Agreement or any provision of Article II hereof or this Article VI or any other provision hereof or of any Related Document affecting the security for or the payment of the Notes or the Bank Note or (ii) any provision of any agreement, instrument or document evidencing any Debt of the Authority or pursuant to which any such Debt has been issued or incurred which relates to or affects any security provided to the holder thereof or the payment thereof or constitutes an event of default or similar provision thereunder shall at any time for any reason cease to be valid and binding

on the Authority or shall be declared to be null and void by any Governmental Authority having jurisdiction over the Authority in each case pursuant to a final judgment or order; or the Authority shall contest the validity or enforceability of any of the foregoing or repudiate its obligations hereunder or under the Bank Note; or

(l) the occurrence of any condition, event or series of events causing a change in the business, properties, condition (financial or otherwise) or operations, present or prospective, of the Authority that would materially adversely affect (i) the ability of the Authority to perform its obligations under this Reimbursement Agreement or (ii) the validity or enforceability of this Reimbursement Agreement or the rights and remedies of the Bank hereunder; or

(m) the ratings assigned to any of the long-term, unenhanced debt obligations of the Authority by any two of S&P, Moody's and Fitch shall be (i) withdrawn or suspended for credit-related reasons or (ii) reduced below "BBB+", "Baa1" and "BBB+", respectively, or revoked; or

(n) The Authority fails to have a rating on any of the long-term, unenhanced debt obligations of the Authority by any two of the Rating Agencies.

Section 6.02 Rights and Remedies. Upon the occurrence and continuation of an Event of Default, the Bank, in its sole discretion, (a) may deliver to the Paying Agent a notice in the form of [Annex H] to the Letter of Credit in which case on the maturity date for the last Note to mature which was issued prior to the delivery of such a notice and upon the Bank's honoring Drawings under the Letter of Credit with respect to such Notes and the Paying Agent's delivery of a termination certificate in the form of [Annex D] to the Letter of Credit, the Letter of Credit shall terminate and be returned to the Bank, (b) may deliver to the Paying Agent a final drawing direction in the form of [Annex I] to the Letter of Credit in which case the Letter of Credit will terminate 10 days after the Paying Agent's receipt of such notice (a document delivered by the Bank pursuant to the foregoing clause (a) or (b) constituting a "No-Issuance Notice" as such term is used in the Issuing and Paying Agency Agreement), (c) may cure any default, event of default or event of nonperformance under this Reimbursement Agreement or under any of the Related Documents (in which event the Authority shall reimburse the Bank therefor pursuant to Section 2.10), (d) may, if permitted by the Master Indenture, declare the Bank Note and all obligations of the Authority hereunder to be immediately due and payable, or (e) may exercise any other rights or remedies available under any Related Document, any other agreement or at law or in equity. The rights and remedies of the Bank specified herein are for the sole and exclusive benefit, use and protection of the Bank, and the Bank is entitled, but shall have no duty or obligation to the Authority, the Paying Agent, the holders of the Notes or otherwise, (i) to exercise or to refrain from exercising any right or remedy reserved to the Bank hereunder, or (ii) to cause the Paying Agent or any other party to exercise or to refrain from exercising any right or remedy available to it under any of the Related Documents.

Upon its receipt of a final drawing direction pursuant to clause (b) of the foregoing paragraph, the Paying Agent shall forthwith deliver a copy thereof to each Rating Agency.

ARTICLE VII

NATURE OF OBLIGATIONS; INDEMNIFICATION

Section 7.01 Obligations Absolute. The obligations of the Authority under this Reimbursement Agreement shall be absolute, unconditional and irrevocable, and shall not be subject to any right of setoff or counterclaim against the Bank or any Participant and shall be paid and performed strictly in accordance with the terms of this Reimbursement Agreement, under all circumstances whatsoever, including, without limitation, the following circumstances:

(a) any lack of validity or enforceability of the Letter of Credit or any of the Related Documents;

(b) any amendment or waiver of any provision of all or any of the Related Documents;

(c) the existence of any claim, setoff, defense or other rights which the Authority may have at any time against the Paying Agent, any beneficiary or any transferee of the Letter of Credit (or any persons or entities for whom the Paying Agent, any such beneficiary or any such transferee may be acting), the Bank (other than the defense of payment to the Bank in accordance with the terms of this Reimbursement Agreement), any Participant or any other Person, whether in connection with this Reimbursement Agreement, the Related Documents or any transaction contemplated thereby or any unrelated transaction;

(d) any statement or any other document presented under the Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;

(e) payment by the Bank under the Letter of Credit against presentation of a sight draft or certificate which does not comply with the terms of the Letter of Credit; and

(f) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

Section 7.02 Continuing Obligation. This Reimbursement Agreement is a continuing obligation, shall survive the expiration of the Letter of Credit and shall (a) be binding upon the Authority, its successors and assigns, and (b) inure to the benefit of and be enforceable by the Bank and its successors, transferees and assigns; provided that the Authority may not assign all or any part of this Reimbursement Agreement without the prior written consent of the Bank.

Section 7.03 Liability of the Bank. With respect to the Bank only, the Authority assumes all risks of the acts or omissions of the Paying Agent and any transferee of the Letter of Credit with respect to its use of the Letter of Credit. The Bank and any of its officers or directors shall not be liable or responsible for: (a) the use which may be made of the Letter of Credit or for any acts or omissions of the Paying Agent and any transferee in connection therewith; (b) the validity, sufficiency or genuineness of documents (other than the validity and enforceability of the Bank's obligations hereunder), or of any endorsement(s) thereon, even if such documents should

in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged; (c) payment by the Bank against presentation of documents which do not comply with the terms of the Letter of Credit, including failure of any documents to bear any reference or adequate reference to the Letter of Credit; or (d) any other circumstances whatsoever in making or failing to make payment under the Letter of Credit, except only that the Authority shall have a claim against the Bank, and the Bank shall be liable to the Authority, to the extent, but only to the extent, of any direct, as opposed to consequential or punitive, damages suffered by the Authority which the Authority proves were caused by (i) the Bank's willful misconduct or gross negligence or (ii) the Bank's willful failure to pay under the Letter of Credit after the presentation to it by the Paying Agent (or a successor trustee under the Master Indenture to whom the Letter of Credit has been transferred in accordance with its terms) of a certificate strictly complying with the terms and conditions of the Letter of Credit; provided, however, that the maximum amount of damages recoverable by the Authority as provided above is expressly limited to the Stated Amount of the Letter of Credit. In furtherance and not in limitation of the foregoing, the Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

Section 7.04 Indemnification. In addition to any and all rights of reimbursement, indemnification, subrogation or any other rights pursuant hereto or under law or equity, the Authority agrees, to the extent permitted by law, to indemnify and hold harmless the Bank and each Participant and their respective officers, directors, employees and agents (each an "Indemnified Party") from and against any and all claims, damages, losses, liabilities, reasonable costs or expenses whatsoever that any Indemnified Party may incur (or which may be claimed against any Indemnified Party, by any person or entity whatsoever) that arises out of the transactions contemplated by this Reimbursement Agreement, the Master Indenture, the Resolution or the Notes, including, without limitation, (a) the issuing, offering, sale, remarketing or resale of the Notes (including, without limitation, by reason of any untrue statement or alleged untrue statement of any material fact contained or incorporated by reference in any offering memorandum or any other offering circular or document used in connection therewith, or in any supplement or amendment thereof, or the omission or alleged omission to state therein a material fact necessary to make such statement, in light of the circumstances under which it is or was made, not misleading or the failure to deliver any offering memorandum or any other offering circular or document to any offeree or purchaser of Notes), (b) the execution and delivery of, or payment or failure to pay under, this Reimbursement Agreement and (c) the use of the proceeds of the sale of the Notes; provided, however, that the Authority shall not be required to indemnify an Indemnified Party for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by (i) the willful misconduct or gross negligence of the Indemnified Party, (ii) the material inaccuracy of any information included in any offering memorandum or any offering circular or document related to the Notes and concerning the Bank or any Participant that was furnished in writing by the Bank or any such Participant expressly for inclusion therein or (iii) any failure by the Bank to honor a drawing under the Letter of Credit made in strict compliance with the terms of the Letter of Credit. If any proceeding shall be brought or threatened against any Indemnified Party by reason of or in connection with the events described above (and except as otherwise provided above), such Indemnified Party shall promptly notify the Authority in writing and the Authority shall assume the defense thereof, including the employment of counsel and the payment of all reasonable costs of litigation. Notwithstanding the preceding sentence, an Indemnified Party shall have the right to employ its own counsel and to determine its own defense

of such action in any such case, but the fees and expenses of such counsel shall be at the sole expense of such Indemnified Party unless (A) the employment of such counsel shall have been authorized in writing by the Authority or (B) the Authority, after due notice of the action, shall have unreasonably failed to employ counsel to take charge of such defense, in either of which events the reasonable fees and expenses of counsel for such Indemnified Party shall be borne by the Authority. The Authority shall not be liable for any settlement of any such action effected without its express written consent. The parties hereto agree that the provisions of this Section shall survive the termination of this Reimbursement Agreement.

Section 7.05 Facsimile Documents. At the request of the Authority, the Letter of Credit provides that demands for payment thereunder may be presented to the Bank by, among other methods, facsimile transmission [including email]. The Authority acknowledges and assumes all risks relating to the use of such demands for payment sent by facsimile transmission and agrees that its obligations under this Reimbursement Agreement and the Related Documents shall remain absolute, unconditional and irrevocable as provided in Section 7.01 above if the Bank honors such telecopied or electronic demands for payment.

ARTICLE VIII

TRANSFER, REDUCTION OR EXTENSION OF LETTER OF CREDIT

Section 8.01 Transfer, Reduction and Reinstatement. The Letter of Credit may be transferred, reduced (subject to Section 2.14 of this Reimbursement Agreement) and reinstated in accordance with the provisions set forth therein.

Section 8.02 Extension.

(a) The Expiration Date of the Letter of Credit may be extended by the Bank upon the written request of the Authority given to the Bank no more than 180 days prior to the Termination Date. Within 60 days of receipt of a request for extension, the Bank shall endeavor either to notify the Authority and the Paying Agent that the Letter of Credit will be extended to the new expiration date set forth in such notice in accordance with the terms of the Letter of Credit or notify the Authority and the Paying Agent that the Letter of Credit will not be so extended. Failure of the Bank to so respond to any such request shall constitute the Bank's denial of such request.

(b) If the Bank grants an extension pursuant to subsection (a), the terms of such extension will be determined by mutual agreement provided that the length of such extension shall not be less than one year or greater than five years.

ARTICLE IX

MISCELLANEOUS

Section 9.01 Right of Setoff. Upon the occurrence of an Event of Default, the Bank may, at any time and from time to time, without notice to the Authority or any other person (any such notice being expressly waived), set off and appropriate and apply, against and on account of, any obligations and liabilities of the Authority to the Bank arising under or connected with this

Reimbursement Agreement and the Related Documents, without regard to whether or not the Bank shall have made any demand therefor, and although such obligations and liabilities may be contingent or unmatured, any and all deposits (general or special, including but not limited to indebtedness evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts or accounts subject to a prior Lien in favor of a creditor extending credit to the Authority) and any other indebtedness at any time held or owing by the Bank to or for the credit or the account of the Authority (excluding amounts payable under the Letter of Credit).

Section 9.02 Amendments and Waivers. No waiver of any provision of this Reimbursement Agreement nor consent to any departure by the Authority from any such provision shall in any event be effective unless the same shall be in writing and signed by the Bank. No amendment of this Reimbursement Agreement shall be effective unless the same is in writing and signed by all of the parties hereto. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. In the event any agreement contained in this Reimbursement Agreement should be breached by the Authority and thereafter waived by the Bank, such waiver shall be limited to the particular breach so waived for the specific period set out in such waiver and such waiver shall not constitute a waiver of such breach for any other period and shall not waive any other or similar breach hereunder.

Section 9.03 No Waiver; Remedies. No failure on the part of the Bank to exercise, and no delay in exercising, any right under this Reimbursement Agreement shall operate as a waiver of such right; nor shall any single or partial exercise of any right under this Reimbursement Agreement preclude any other further exercise of such right or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 9.04 Notices. Unless specifically indicated otherwise herein, all notices and other communications provided for hereunder shall be in writing and, if to the Authority, addressed to it at:

If to the Authority addressed to it at: District of Columbia Water and Sewer Authority
1385 Canal Street, SE
Washington, D.C. 20003
Attention: Chief Financial Officer
Telephone: (202) 787-2000
Facsimile: (202) 787-2333

or if to the Bank, addressed to it at: For Credit Matters and Notices:
TD Bank, N.A.
1919 Gallows Road, 2nd Floor
Vienna, VA 22182
Attention: [Camille Dawson]
Telephone: [202.440.3234]

For Draws:
TD Bank, N.A.
6000 Atrium Way
Mt. Laurel, NJ 08054
Attention:
Telephone:

or if to the Paying Agent, addressed to it at: U.S. Bank Trust National Association
100 Wall Street, 16th Floor
New York, NY 10005
Attention: Corporate Trust Administration
Telephone: (212) 951-8512
Facsimile: (212) 361-6153

or as to each party at such other address as shall be designated by such party in a written notice to the other parties.

Any notice or other communication shall be sufficiently given and shall be deemed given when delivered to the addressee in writing or when given by telephone immediately confirmed in writing by telecopier or other telecommunication device.

Section 9.05 Severability. Any provision of this Reimbursement Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 9.06 Governing Law. THIS REIMBURSEMENT AGREEMENT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK AND APPLICABLE FEDERAL LAW WITHOUT REGARD TO CHOICE OF LAW RULES OTHER THAN NEW YORK GENERAL OBLIGATIONS LAW SECTION 5-1401; PROVIDED, HOWEVER, THE OBLIGATIONS OF THE AUTHORITY HEREUNDER

SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE DISTRICT OF COLUMBIA AND APPLICABLE FEDERAL LAW.

Section 9.07 Headings. Section headings in this Reimbursement Agreement are included herein for convenience of reference only and shall not have any effect for purposes of interpretation or construction of the terms of this Reimbursement Agreement.

Section 9.08 Participations; Assignments by Bank to Federal Reserve Bank.

(a) The Authority acknowledges and agrees that the Bank may participate portions of its obligations under the Letter of Credit and the obligations of the Authority under the Bank Note, this Reimbursement Agreement and any other Related Documents (collectively, the “Participated Obligations”) to other financial institutions and waives any notice of such participations. The Authority further acknowledges and agrees that upon any such participation the Participants will become owners of a pro rata portion of the Participated Obligations and the Authority waives any right of setoff it may at any time have against the Bank or any Participant with regard to the Participated Obligations, subject to the limitations with respect thereto contained in Section 9.01. Any participation granted as described above in this Section shall not limit the obligations of the Bank under the Letter of Credit.

(b) The Bank may assign and pledge all or any portion of the obligations owing to it hereunder to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank. No such assignment shall release the Bank from its obligations hereunder.

Section 9.09 Counterparts. This Reimbursement Agreement may be signed in any number of counterpart copies, but all such copies shall constitute one and the same instrument.

Section 9.10 Complete and Controlling Agreement. This Reimbursement Agreement and the other Related Documents completely set forth the agreements between the Bank and the Authority and fully supersede all prior agreements, both written and oral, between the Bank and the Authority relating to the issuance of the Letter of Credit and all matters set forth herein and in the Related Documents.

Section 9.11 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY FOR ANY TRIAL RESULTING EITHER DIRECTLY OR INDIRECTLY OUT OF, UNDER OR IN CONNECTION WITH THIS REIMBURSEMENT AGREEMENT OR ANY OF THE RELATED DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY FURTHER AGREES THAT, IN THE EVENT OF LITIGATION, IT WILL NOT PERSONALLY OR THROUGH ITS AGENTS OR ATTORNEYS SEEK TO REPUDIATE THE VALIDITY OF THIS SECTION 9.11 AND ACKNOWLEDGES THAT IT AND THE OTHER PARTY HERETO HAVE BEEN INDUCED TO ENTER INTO THIS REIMBURSEMENT AGREEMENT AND THE OTHER RELATED DOCUMENTS AND, IN THE CASE OF THE

BANK, TO ISSUE THE LETTER OF CREDIT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 9.12 USA PATRIOT Act Notice. The Bank hereby notifies the Authority that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (as amended, restated, modified or otherwise supplemented from time to time, the “Patriot Act”), it is required to obtain, verify and record information that identifies the Authority, which information includes the name and address of the Authority and other information that will allow such the Bank to identify the Authority in accordance with the Patriot Act. The Authority shall, promptly following a request by the Bank, provide all documentation and other information that the Bank requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Letter of Credit and Reimbursement Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

DISTRICT OF COLUMBIA WATER AND
SEWER AUTHORITY

By _____
Name _____
Title _____

[Signatures continued on following page]

Signature Page to DC Water/TD Bank Reimbursement Agreement

TD BANK, N.A. as the Bank

By _____
Name:
Title:

Acknowledged and Agreed, as to
Second Paragraph of Section 6.02.

U.S. Bank Trust National Association,
as Paying Agent

By: _____
Name:
Title:

Signature Page to DC Water/TD Bank Reimbursement Agreement

EXHIBIT A

FORM OF BANK NOTE

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

BANK NOTE

\$250,000,000.00

July [], 2024

For value received, DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY (the “Authority”) promises to pay to the order of TD BANK, N.A. (the “Bank”), the lesser of (a) \$250,000,000.00 and (b) the unpaid principal amount due and owing to the Bank under that Letter of Credit and Reimbursement Agreement dated as of July [], 2024 (the “Reimbursement Agreement”) by and between the Authority and the Bank relating to the Authority’s Commercial Paper Notes. The Authority promises to pay interest on the unpaid principal amount of this Bank Note on the dates and at the rate or rates provided for in the Reimbursement Agreement. All such payments of principal and interest shall be made in lawful money of the United States in immediately available funds to the Bank as provided in the Reimbursement Agreement.

All Loans made by the Bank, the maturities thereof and all repayments of the principal thereof shall be recorded by the Bank and, prior to any transfer hereof, appropriate notations to evidence the foregoing information with respect to each such Loan then outstanding shall be endorsed by the Bank on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; provided, however, that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Authority hereunder or under the Reimbursement Agreement.

The Bank Note is not a general obligation of the Authority but is a limited obligation payable from and secured by a pledge of the Pledged Funds, as such term is defined in the Issuing and Paying Agency Agreement dated as of July [], 2024 (the “Issuing and Paying Agency Agreement”), by and between the Authority and U.S. Bank, National Association, as Issuing and Paying Agent, and by a subordinate lien on the Trust Estate, as such term is defined in the Issuing and Paying Agency Agreement.

Reference is made to the Issuing and Paying Agency Agreement and the Reimbursement Agreement, and to the Master Indenture and the Resolution (as defined in the Reimbursement Agreement), for provisions relating to the repayment, prepayment and the acceleration of the maturity hereof.

This Bank Note may be assigned to any Federal Reserve Bank as set forth in the Reimbursement Agreement.

Capitalized terms used in this Bank Note and not defined shall have the meaning assigned in the Reimbursement Agreement or the Issuing and Paying Agency Agreement.

IN WITNESS WHEREOF, the DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY has caused this Bank Note to be executed by the manual or facsimile signature of its Chief Financial Officer, its seal to be affixed hereto or a facsimile to be printed hereon and attested by the manual or facsimile signature of the Secretary to the Authority.

ATTEST:

Secretary to the Authority

Chief Financial Officer and Executive Vice
President, Finance and Procurement

[Seal]

LOANS AND PAYMENTS OF PRINCIPAL

Date	Amount of Loan	Amount of Principal Repaid	Maturity Date	Notation Made By
-------------	---------------------------	---	--------------------------	-----------------------------

EXHIBIT B
FORM OF LETTER OF CREDIT

AGREEMENT REGARDING FEES
(COMMERCIAL PAPER NOTES)

The DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY, an independent authority of the District of Columbia (the “Issuer”), and TD BANK, N.A. (the “Credit Provider”) have entered into a Letter of Credit and Reimbursement Agreement dated as of July [], 2024 (the “Reimbursement Agreement”) that relates to the Issuer’s Not Exceeding \$250,000,000 Commercial Paper Notes (the “Notes”). Pursuant to the Reimbursement Agreement, the Credit Provider has agreed to issue a letter of credit with respect to the Notes (the “Letter of Credit”) under the terms and conditions set forth in the Reimbursement Agreement.

Defined terms used and not defined herein shall have the meanings set forth in the Reimbursement Agreement.

The Issuer and the Credit Provider hereby agree to the following.

Section 9.13 This Agreement Regarding Fees is the “Fee Letter” referenced in the Reimbursement Agreement, and the terms hereof are incorporated by reference into the Reimbursement Agreement in its entirety and shall be treated as part of the Reimbursement Agreement.

Section 9.14 This Fee Letter may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 9.15 For purposes of this Fee Letter:

(a) “Available Commitment” means \$[250,000,000 plus interest component] with respect to the Reimbursement Agreement, as such Available Commitment amounts may be permanently reduced or terminated in accordance with Sections 2.14 of the Reimbursement Agreement.

(b) “Effective Date” means [July 29, 2024].

(c) “Facility Fee” means a non-refundable fee with respect to the Reimbursement Agreement for each day in an amount equal to the Facility Fee Rate for such day multiplied by the Available Commitment for such day, each such Facility Fee hereby agreed (i) to be due from the Issuer to the Credit Provider initially on the Effective Date and prorated for the first quarter and (ii) to be paid by the Issuer to the Credit Provider quarterly in advance thereafter on the first Business Day of each January, April, July and October commencing October 1, 2024. The Facility Fee shall be prorated for the last quarter. The Facility Fee shall be calculated on the basis of a year of 365- or 366- days and actual days elapsed.

(d) “Facility Fee Rate” for the term of the Reimbursement Agreement is 23 bps per annum (0.23%).

Such rate being subject to adjustment as set forth in clauses (i), (ii), (iii) and (iv) below:

(i) If a Rating (defined below) is reduced to a rating level (“rating level” for this purpose shall be deemed to include sign changes and numeric qualifiers) below Moody’s A1 or S&P A+ (each, a “Threshold Rating”), the Facility Fee Rate shall increase by 5 basis points (0.05%) for each such reduction. If a Rating is reduced to a rating level below Moody’s A2 or S&P A, the Facility Fee Rate shall increase by 7.5 basis points (0.075%) such that the Facility Fee Rate increases are cumulative. Any adjustment to the Facility Fee Rate pursuant to this Section 3(d)(i) shall be and become effective as of and on the date of the written announcement of the change in a Rating. The Issuer’s voluntary failure to maintain a Rating from one Rating Agency for other than credit-related reasons shall not, in and of itself, result in an increase of the Facility Fee Rate pursuant to this Section 3 (d)(i), provided that the long-term debt of the Issuer is and continues to be rated by at least two Rating Agencies.

(ii) If a Rating is withdrawn or suspended for any reason and such withdrawal or suspension is not cured by the applicable Rating Agency, or replaced by another Rating Agency with a Rating determined by the Credit Provider to be equivalent to the withdrawn or suspended Rating, within a reasonable period of time, the Facility Fee Rate shall automatically and without notice to the Issuer be increased from the rate in effect at the time of such withdrawal or suspension by 1.00% per annum commencing on the date such withdrawal or suspension occurs and continuing until the Rating is cured or replaced to the satisfaction of the Credit Provider.

(iii) Upon the occurrence and during the continuance of an Event of Default, the Facility Fee Rate shall automatically and without notice to the Issuer be increased from the rate in effect at the time of such occurrence by 1.00% per annum commencing on the date such Event of Default occurs and continuing until such Event of Default is cured to the satisfaction of the Credit Provider.

(iv) *[Placeholder for provision regarding one-time credit for facility fee owed on terminated credit facility agreement].*

(e) “Rating” means the long-term credit rating with respect to the Issuer’s long-term debt assigned by any Rating Agency; provided, however, that (i) references to any rating levels herein are references to rating levels in effect as of the date of this Fee Letter, (ii) in the event any Rating Agency adopts a new rating system or modifies its current rating system, each rating level referenced herein shall be deemed to be replaced by the new or modified rating level which the Credit Provider reasonably determines to most closely approximate the rating level prior to modification, (iii) in the event any Rating Agency is replaced by a different Rating Agency, each rating level referenced

herein shall be deemed to be replaced by the rating level of the new Rating Agency which the Credit Provider reasonably determines to most closely approximate the equivalent rating level of the previous Rating Agency; and (iv) in the event the Rating Agencies then rating the Issuer's long-term debt have conflicting or "split" rating levels, the lowest of such rating levels shall be used to determine the Rating.

Section 9.16 In addition to the foregoing Facility Fees, the Issuer hereby agrees to pay to the Credit Provider the following fees, as applicable: (a) a Drawing Fee for each Drawing under the Letter of Credit, which fee shall be \$350, payable monthly in arrears; (b) an Amendment Fee in connection with each amendment or extension of the Letter of Credit, which fee shall be \$2,500, payable at the time of each such amendment or extension; (c) a Transfer Fee in connection with any transfer of the Letter of Credit, which fee shall be \$2,500, payable at the time of such transfer; (d) a Termination Fee in connection with any permanent reduction or termination of an Available Commitment by the Issuer on or before July 31, 2025 pursuant to Section 2.14 of the Reimbursement Agreement, which fee shall be equal to the amount of the Facility Fee that would have been paid by the Issuer to the Credit Provider on the Available Commitment amount permanently reduced or terminated during the period from the Effective Date through and including July 31, 2025, less the amount of such Facility Fee paid by the Issuer to the Credit Provider prior to the permanent reduction or termination date and (e) a Late Fee, if any payment due to the Credit Provider is more than fifteen (15) days overdue a late charge payment of six percent (6.00%) of the amount of payment overdue shall be assessed.

Section 9.17 The Issuer agrees to pay to the Credit Provider all costs and expenses, including, but not limited to, reasonable attorneys' fees and disbursements, court costs, litigation and other expenses, incurred or paid by the Credit Provider in connection with the Reimbursement Agreement and the Letter of Credit.

Section 9.18 By accepting delivery of this Fee Letter, you agree that, from and after the date hereof, the terms hereof shall not be disclosed by you to any person other than your officers, directors, employees, managers, agents, consultants, investors, partners, members, accountants, attorneys and other advisors (collectively, the "Authorized Representatives"), and then only on a "need to know" basis in connection with the transactions contemplated by the Reimbursement Agreement and on a confidential basis (except that, notwithstanding the foregoing, you may make such public disclosures as you are required by law or by a court of competent jurisdiction, in the opinion of your counsel, to make). Nothing contained in this Fee Letter shall be considered confidential to the extent that it (i) becomes generally available to the public (through no action or omission of the Issuer or any of its Authorized Representatives in contravention of the confidentiality requirements set forth herein), or (ii) has been disclosed to other parties by the Credit Provider (other than agents, consultants, investors, partners, members, accountants, attorneys and other advisors of the Credit Provider), or (iii) is incorporated into reports or other work product generated by the Issuer or any of its Authorized Representatives. Your obligations hereunder with respect to confidentiality shall survive the expiration or termination of the Reimbursement Agreement.

{SIGNATURES ON PAGE FOLLOWING}

IN WITNESS WHEREOF, the parties hereto have caused this Agreement Regarding Fees (Commercial Paper Notes) to be duly executed and delivered as of July [], 2024, by their respective officers thereunto duly authorized.

TD BANK, N.A.

By: _____
Camille Dawson
Senior Relationship Manager and Vice
President

**AGREED TO AND ACCEPTED,
AS OF JULY [], 2024, BY:**

DISTRICT OF COLUMBIA WATER AND
SEWER AUTHORITY, an independent
authority of the District of Columbia

By: _____
Matthew T. Brown
Chief Financial Officer and Executive
Vice President, Finance Procurement and Compliance



**D.C. WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS
FINANCE & BUDGET
JUNE COMMITTEE MEETING**

**Thursday, June 27, 2024; 9:30 a.m.
DC Water Headquarters
1385 Canal Street, SE, DC
AGENDA**

Call to Order	Chairperson
May 2024 Financial Report	Chief Financial Officer
Insurance Renewal Update and Recommendation	Risk Manager
FY 2024 Mid-Year Projections	Chief Financial Officer
Responses to Public Comments and OPC Recommendations on Proposed Rates Update	Chief Financial Officer
Agenda for July 2024 Committee Meeting	Chairperson
Adjournment	Chairperson

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

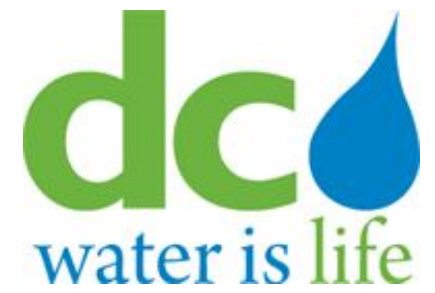


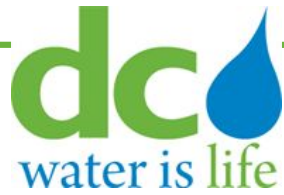
Appendix:



DC Water

Investment Performance Report – April 2024



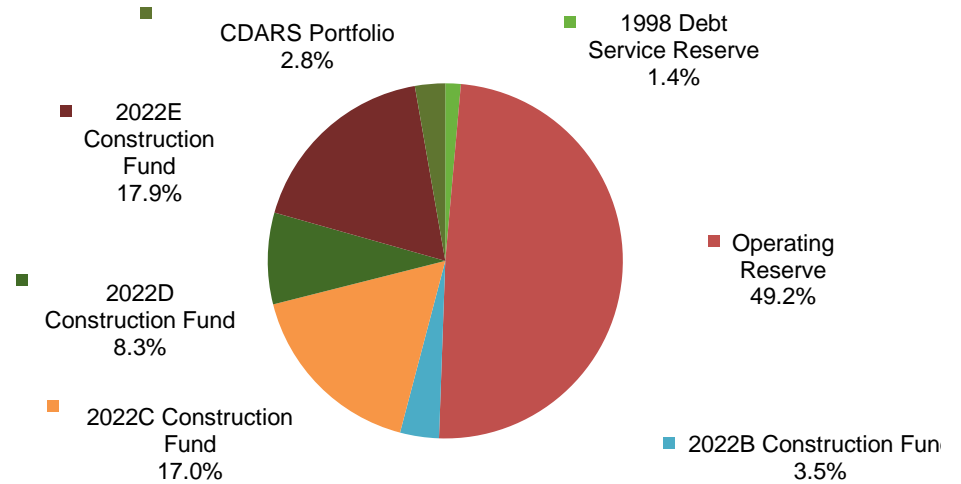


**DC Water
Finance Division
Economic Update & Portfolio Summary**

ECONOMIC COMMENTARY

- The market spent the majority April revising expectations for Fed cuts following stubbornly high inflation data and a slew of Fed speak confirming the need for greater confidence on inflation declines before the next rate action. At the May FOMC meeting, the Fed left the range for the overnight target rate unchanged, as expected, at 5.25% to 5.50%. The trend of hotter-than-expected inflation readings continued in April: the year-over-year change in CPI rose by 0.3% to 3.5% and PCE rose to 2.7% in March, an increase of 0.2% from February.
- Job growth in April came in at 175,000, firmly missing expectations of 240,000 and hitting a 6-month low. The unemployment rate ticked up to 3.9% from 3.8%, matching its highest level in over two years, while wage growth continued to outpace inflation. Yields declined on the jobs news only two days after the hawkish FOMC meeting, as markets pulled forward rate cut expectations.
- **Takeaway:** Chair Powell noted that it is likely going to take longer than previously expected for the Fed to gain greater confidence that inflation is moving sustainably lower toward the 2% target.

INVESTMENT PORTFOLIOS



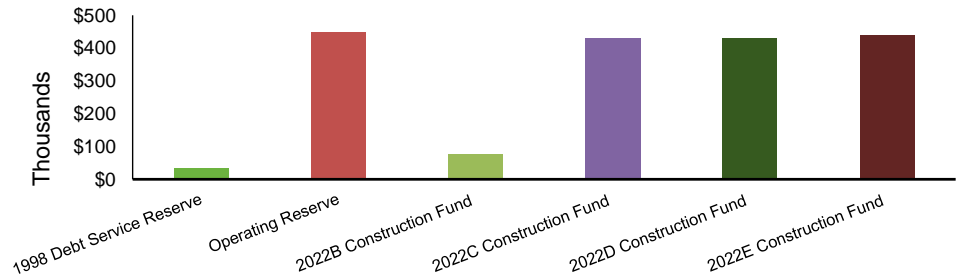
PORTFOLIO RECAP

- The portfolio is diversified among Bank Deposits, U.S. Treasuries, Federal Agencies, Mortgage-Backed Securities, Supranational Bonds, Negotiable CDs, Corporate Notes/Bonds, Municipal Bonds, FDIC Insured CDs and SEC registered money market funds.
- The overall yield-to-maturity on cost of the portfolio is 3.29%. The short term consolidated composite periodic 1 month return was 0.25% and the benchmark of ICE BofA 3- month Treasury Index periodic 1 month return was 0.44%. The Core Consolidated Composite periodic 1 month return was 0.36% and the benchmark of ICE BofA 1-3 Year Treasury Index periodic 1 month return was 0.42%.

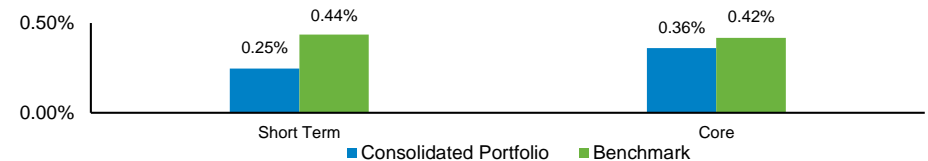
Operating Reserve and Bond Proceeds Portfolios

- During April, the investment advisor (PFMAM) purchased \$4.8 million in U.S. Treasuries with yields ranging from 4.51%-4.95% and \$1.9 million in corporate notes with yields ranging from 4.87-4.98%. DC Water reinvested \$5.4 million in CDARs with a yield of 4.25%.

MONTHLY EARNINGS¹ AND PERFORMANCE²



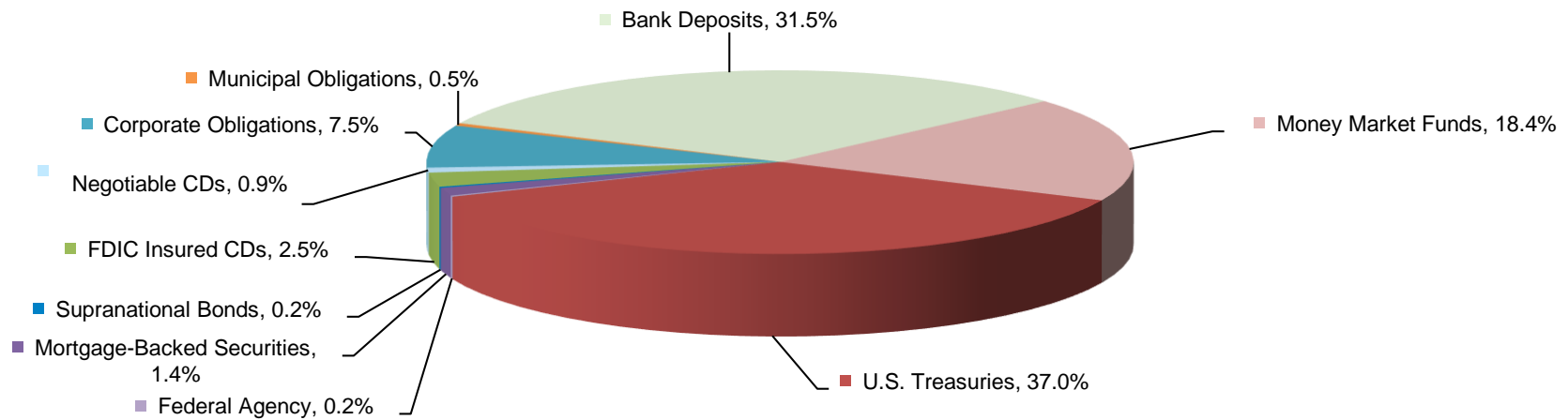
1. Monthly earnings shown are total accrual basis earnings based on amortized costs.



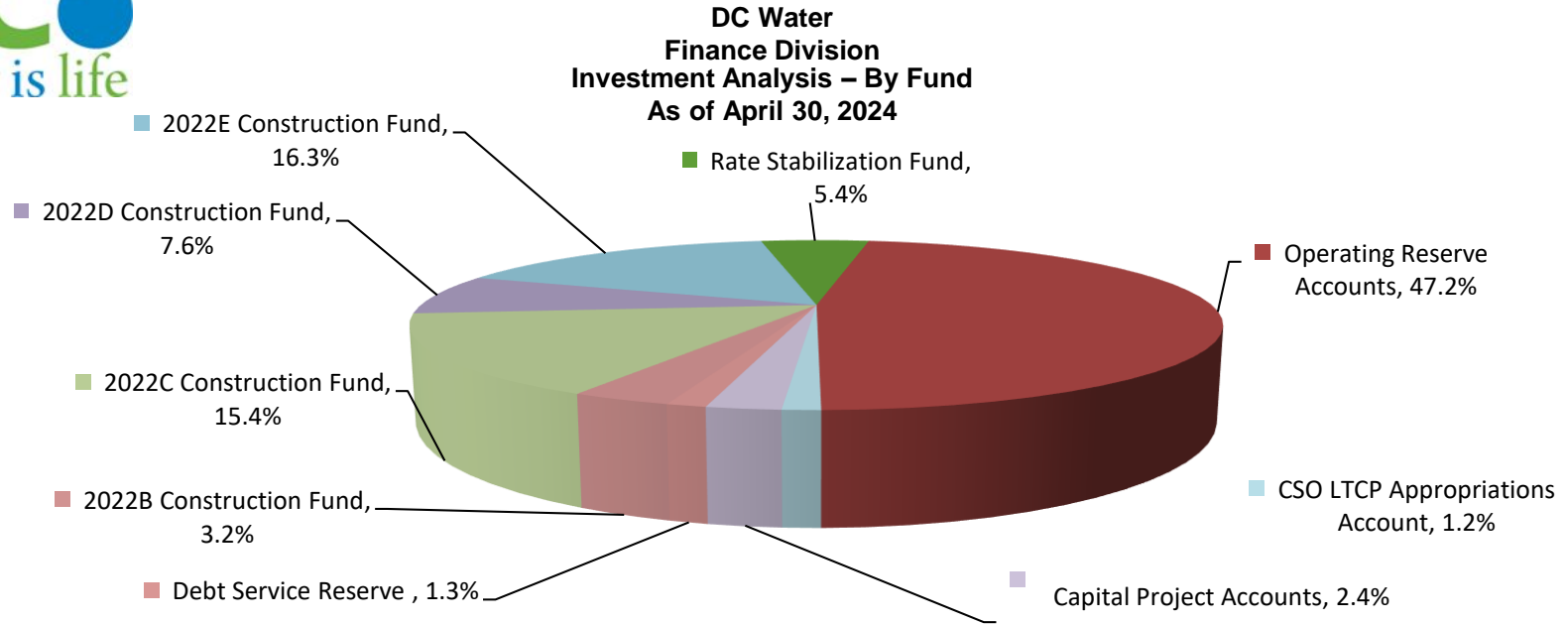
2. Please reference performance details under "portfolio recap" and on Page 10.



**DC Water
Finance Division
Investments - By Security Type
As of April 30, 2024**



Security Type	Book Value + Accrued Interest	Asset Allocation	Permitted By Policy
Bank Deposits	208,300,669	31.5%	100.0%
Money Market Funds	121,676,337	18.4%	100.0%
U.S. Treasuries	244,290,605	37.0%	100.0%
Federal Agency	1,439,588	0.2%	80.0%
Mortgage-Backed Securities	9,180,413	1.4%	30.0%
Supranational Bonds	1,389,006	0.2%	30.0%
Commercial Paper	-	0.0%	50.0%
FDIC Insured CDs	16,547,145	2.5%	30.0%
Negotiable CDs	5,784,389	0.9%	50.0%
Bank Notes	-	0.0%	40.0%
Corporate Obligations	49,351,141	7.5%	40.0%
Municipal Obligations	3,068,527	0.5%	30.0%
Total	\$ 661,027,820	100.0%	

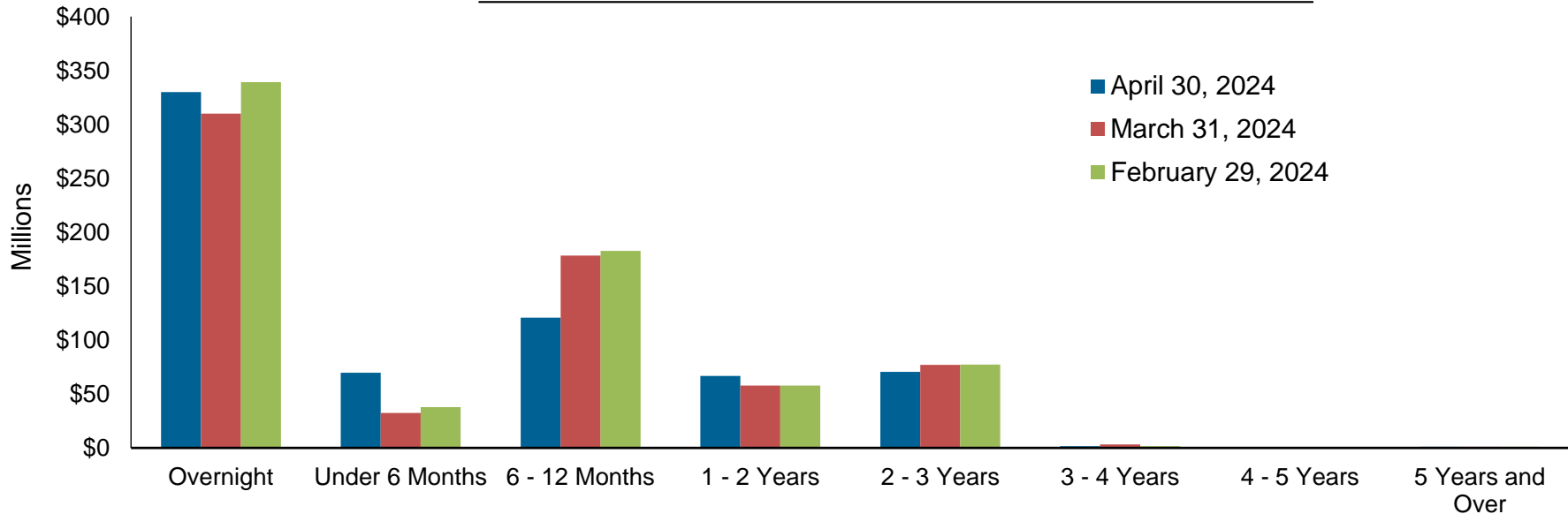


Fund Name	Book Value + Accrued Interest	Yield-to- Maturity at Cost	Effective Duration (years)	Weighted Average Maturity (days)
Rate Stabilization Fund	\$ 35,643,912	0.00%	0.00	1.0
Operating Reserve Accounts	\$ 312,277,479	2.25%	0.87	360.0
CSO LTCP Appropriations Account	\$ 8,095,298	0.00%	0.00	1.0
Capital Project Accounts	\$ 15,717,477	0.00%	0.00	1.0
Debt Service Reserve	\$ 8,459,123	4.86%	1.38	516.1
2022B Construction Fund	\$ 21,275,622	5.16%	0.00	1.0
2022C Construction Fund	\$ 101,997,207	5.13%	0.40	147.6
2022D Construction Fund	\$ 50,114,495	5.16%	0.00	1.0
2022E Construction Fund	\$ 107,447,206	5.04%	0.53	196.1
Total	\$ 661,027,820	3.29%	0.58	231.5



**DC Water
Finance Division
Investment Analysis – By Maturity**

Maturity Distribution	April 30, 2024	March 31, 2024	February 29, 2024
Overnight \$	329,977,006.25	\$310,075,304.05	\$339,171,974.35
Under 6 Months	69,655,825.34	32,340,482.60	37,792,225.95
6 - 12 Months	120,894,023.50	178,351,940.87	182,715,123.42
1 - 2 Years	66,721,977.64	57,965,478.16	57,878,546.70
2 - 3 Years	70,465,740.33	76,927,340.67	77,365,905.91
3 - 4 Years	1,667,625.83	3,124,043.53	1,586,775.40
4 - 5 Years	676,661.15	693,934.80	835,657.49
5 Years and Over	968,959.83	982,681.03	995,314.69
Totals \$	661,027,820 \$	660,461,206 \$	698,341,524





DC Water
Finance Division
Investments – Issuer Allocation

Credit Ratings				Investment Policy
S&P / Moody's	Book Value			Limit
Bank Deposits				
	TD Bank	208,300,669.46	31.5%	100.0%
Sub-Total Bank Deposits		208,300,669.46	31.5%	100.0%
Money Market Mutual Funds				
	Allspring Treasury Plus MMF	134,072.44	0.0%	50.0%
	Allspring Government MMF	894,329.56	0.1%	50.0%
	Federated Treasury Obligations Fund	120,647,934.79	18.3%	50.0%
Sub-Total Money Market Mutual Funds		121,676,336.79	18.4%	100.0%
U.S. Treasuries				
	Treasury Note	244,290,604.81	37.0%	100.0%
Sub-Total Treasuries		244,290,604.81	37.0%	100.0%
Federal Agencies				
	Federal Home Loan Bank	1,439,588.21	0.2%	40.0%
Sub-Total Federal Agencies		1,439,588.21	0.2%	80.0%
Mortgage-Backed Securities				
	Fannie Mae	2,176,312.21	0.3%	5.0%
	Freddie Mac	7,004,101.24	1.1%	5.0%
Sub-Total Mortgage-Backed Securities		9,180,413.45	1.4%	30.0%
Supranational Bonds				
	Inter-American Development Bank	1,389,005.52	0.2%	5.0%
Sub-Total Supranational Bonds		1,389,005.52	0.2%	30.0%
FDIC Insured Certificates of Deposit				
	CDARS - Placed by Industrial Bank	16,547,144.89	2.5%	5.0%
Sub-Total FDIC-Insured Certificates of Deposit		16,547,144.89	2.5%	30.0%

Effective October 11, 2021, Wells Fargo Funds rebranded as Allspring Funds.



**DC Water
Finance Division
Investments – Issuer Allocation**

Credit Ratings

Investment Policy

S&P / Moody's

Book Value

Limit

Negotiable Certificates of Deposit

Credit Agricole SA	A+ / Aa3	1,087,223.94	0.2%	5.0%
Nordea Bank AB NY	AA- / Aa3	719,139.94	0.1%	5.0%
Barclays Bank PLC NY	A-1 / P-1	2,891,372.92	0.4%	5.0%
Natixis NY Branch	A / A1	1,086,652.00	0.2%	5.0%

Sub-Total Negotiable Certificates of Deposit

5,784,388.80 0.9% 50.0%

Corporate Obligations

Adobe Inc	A+ / A1	441,385.54	0.1%	5.0%
American Express Co	BBB+ / A2	501,568.79	0.1%	5.0%
American Honda Finance	A- / A3	1,073,549.85	0.2%	5.0%
ANZ Banking Group LTD	AA- / Aa2	1,482,721.67	0.2%	5.0%
Astrazeneca	A / A2	548,858.62	0.1%	5.0%
Bank of America	A- / A1	686,806.64	0.1%	5.0%
Bank of Montreal	A- / A2	1,046,523.85	0.2%	5.0%
Bank of New York Mellon	A / A1	683,650.12	0.1%	5.0%
Bank of Nova Scotia Houston	A- / A2	768,532.96	0.1%	5.0%
Banque Federative Credit Mutuel	A+ / Aa3	539,374.64	0.1%	5.0%
BMW Financial Services NA LLC	A / A2	1,106,422.49	0.2%	5.0%
Bristol-Myers Squibb Co	A / A2	560,431.96	0.1%	5.0%
Brown-Forman Corp	A- / A1	329,184.38	0.0%	5.0%
Canadian Imperial Bank NY	A- / A2	1,057,630.42	0.2%	5.0%
Caterpillar Inc	A / A2	1,062,287.26	0.2%	5.0%
Cintas	A- / A3	508,407.29	0.1%	5.0%
Cisco Systems Inc	AA- / A1	891,583.45	0.1%	5.0%
Citigroup Inc	BBB+ / A3	1,102,951.92	0.2%	5.0%
Comcast Corp	A- / A3	498,951.49	0.1%	5.0%
Deere & Company	A / A1	1,006,388.30	0.2%	5.0%
Diageo Capital PLC	A- / A3	651,075.44	0.1%	5.0%
Eli Lilly & Co	A+ / A1	747,220.46	0.1%	5.0%

Effective October 11, 2021, Wells Fargo Funds rebranded as Allspring Funds.



**DC Water
Finance Division
Investments – Issuer Allocation**

Credit Ratings

S&P / Moody's

Book Value

Investment Policy

Limit

Corporate Obligations

Goldman Sachs Group Inc	BBB+ / A2	559,052.92	0.1%	5.0%
Home Depot Inc	A / A2	441,429.39	0.1%	5.0%
Hormel Foods Corp	A- / A1	306,872.77	0.0%	5.0%
HSBC Holdings PLC	A- / A3	1,079,114.39	0.2%	5.0%
IBM Corp	A- / A3	1,060,966.67	0.2%	5.0%
JP Morgan	A- / A1	1,155,375.46	0.2%	5.0%
Lockheed Martin	A- / A2	500,842.61	0.1%	5.0%
Macquarie Group LTD	A+ / Aa2	1,070,568.96	0.2%	5.0%
Mercedes Benz Fin	A / A2	1,061,289.54	0.2%	5.0%
Morgan Stanley	A- / A1	1,072,018.93	0.2%	5.0%
MUFG	A- / A1	1,026,844.24	0.2%	5.0%
National Australia Bank	AA- / Aa2	903,381.99	0.1%	5.0%
National Bank of Canada	BBB+ / A3	1,057,036.89	0.2%	5.0%
National Rural Utilities Co Finance Corp	A- / A2	932,135.30	0.1%	5.0%
Nestle Holdings Inc	AA- / Aa3	905,552.53	0.1%	5.0%
Nordea Bank AB	AA- / Aa3	471,728.86	0.1%	5.0%
Paccar Financial Corp	A+ / A1	353,844.19	0.1%	5.0%
PNC Financial Services	A- / A3	460,217.39	0.1%	5.0%
Praxair Inc	A / A2	712,940.64	0.1%	5.0%
Rabobank Nederland	A+ / Aa2	731,479.46	0.1%	5.0%
Roche Holding AG	AA / Aa2	701,830.45	0.1%	5.0%
Royal Bank of Canada	A / A1	1,065,261.97	0.2%	5.0%
Skandinaviska Enskilda	A+ / Aa3	731,180.51	0.1%	5.0%
State Street Corporation	A / A1	1,715,622.75	0.3%	5.0%
Sumitomo Mitsui	A / A1	1,968,908.80	0.3%	5.0%
Svenska Handelsbanken AB	AA- / Aa2	433,116.62	0.1%	5.0%
Swedbank AB	A+ / Aa3	714,470.40	0.1%	5.0%
Texas Instruments Corp	A+ / Aa3	651,457.21	0.1%	5.0%
Toronto Dominion Bank NY	A / A1	1,438,794.51	0.2%	5.0%

Effective October 11, 2021, Wells Fargo Funds rebranded as Allspring Funds.



**DC Water
Finance Division
Investments – Issuer Allocation**

Credit Ratings

Investment Policy

S&P / Moody's

Book Value

Limit

Corporate Obligations

Toyota	A+ / A1	855,120.46	0.1%	5.0%
Truist Fin Corp	A- / A3	994,322.26	0.2%	5.0%
UBS AG London	A+ / Aa3	1,460,190.50	0.2%	5.0%
Unitedhealth Group Inc	A+ / A2	160,359.15	0.0%	5.0%
Wells Fargo & Company	BBB+ / A1	2,087,904.68	0.3%	5.0%
Westpac Banking	AA- / Aa2	704,720.63	0.1%	5.0%
Westpac New Zealand LTD	AA- / A1	509,679.39	0.1%	5.0%

Sub-Total Corporate Obligations

49,351,140.96 7.5% 40.0%

Municipal Obligations

Florida State Board of Administration	AA / Aa3	983,840.96	0.1%	5.0%
Commonwealth of Massachusetts	NR / Aa1	965,291.72	0.1%	5.0%
New York State Urban Development	AA+ / NR	411,344.30	0.1%	5.0%
Washington State	AA- / Aa3	708,050.00	0.1%	5.0%

Sub-Total Municipal Obligations

3,068,526.98 0.5% 30.0%

Grand Total

\$ 661,027,819.87 100.0%

Effective October 11, 2021, Wells Fargo Funds rebranded as Allspring Funds.



**DC Water
Finance Division
Certificate of Compliance**

During the reporting period for the month ended March 31, 2024, the account(s) managed by PFM Asset Management (“PFMAM”) were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged: PFM Asset Management LLC

CDARS holdings are not managed by PFMAM, and we therefore cannot guarantee the accuracy of holdings information provided.



**DC Water
Finance Division
Book Value Performance
As of March 31, 2024**

	Trailing 1 Month		Trailing 3 Months		Trailing 6 Months		Trailing 12 Months	Trailing 24 Months
	Periodic	Annualized	Periodic	Annualized	Periodic	Annualized		
Rate Stabilization Fund	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Reserve Accounts	0.34%	4.22%	0.54%	2.19%	1.01%	2.04%	2.25%	1.56%
Debt Service Reserve	0.39%	4.89%	1.19%	4.91%	2.89%	5.87%	4.21%	2.57%
2022B Construction Fund	0.27%	3.28%	1.55%	6.42%	2.81%	5.71%	5.51%	4.47%
2022C Construction Fund	0.43%	5.30%	1.27%	5.26%	2.51%	5.10%	4.87%	4.16%
2022D Construction Fund	0.44%	5.47%	1.30%	5.36%	2.58%	5.24%	5.34%	3.98%
2022E Construction Fund	0.41%	5.10%	1.23%	5.10%	2.52%	5.12%	5.07%	3.79%
Short Term Consolidated Composite	0.25%	2.99%	0.76%	3.10%	1.49%	3.02%	3.01%	2.62%
ICE BofA 3-Month Treasury Index ¹	0.44%	5.32%	1.30%	5.37%	2.64%	5.36%	5.41%	4.68%
Core (1+Years) Consolidated Composite	0.36%	4.37%	1.07%	4.42%	2.18%	4.42%	4.30%	3.27%
ICE BofA 1-3 Year Treasury Index ²	0.42%	5.07%	1.19%	4.93%	2.34%	4.74%	4.92%	4.65%

- (1) The ICE Bank of America 3-Month Treasury Bill is an unmanaged index tracking the on-the-run Treasury Bill. The Index is produced and maintained by the Intercontinental Exchange.
- (2) The ICE Bank of America 1-3 Year Treasury is an unmanaged index tracking a basket of U.S. Treasuries with 1 to 3 year maturities. The Index is produced and maintained by the Intercontinental Exchange.



**DC Water
Finance Division
Portfolio Holdings by Fund**

DESCRIPTION	CUSIP	PAR AMOUNT	COUPON RATE	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	MARKET VALUE + ACCRUED INTEREST	AMORTIZED COST + ACCRUED INTEREST	TOTAL VALUE
Rate Stabilization Fund										
TD BANK BANK DEPOSIT		\$ 35,643,912		5/1/2024		0.00%	\$ 35,643,912	\$ 35,643,912	\$ 35,643,912	\$ 35,643,912.00
Operating Reserve Accounts										
TD BANK BANK DEPOSIT		\$ 147,843,982		5/1/2024		0.00%	\$ 147,843,982	\$ 147,843,982	\$ 147,843,982	
DC RESERVES TD BANK DEPOSIT		1,000,000		5/1/2024		0.00%	1,000,000	1,000,000	1,000,000	
ALLSPRING GOVERNMENT MMF		894,330		5/1/2024		5.17%	894,330	894,330	894,330	
CITIGROUP INC CORPORATE NOTES (CALLED,OM	172967MX6	350,000	0.981	5/1/2024	2/24/2022	2.33%	339,955	351,667	351,667	
WELLS FARGO CORP NOTES (CALLED, OMD 5/19	95000U2T9	500,000	0.805	5/20/2024	2/24/2022	2.28%	483,965	500,451	496,607	
HSBC HOLDINGS PLC CORP NOTES (CALLED,OMD	404280CS6	500,000	0.976	5/24/2024	2/24/2022	2.47%	483,715	500,652	501,671	
BARCLAYS BANK PLC NY CERT DEPOS	06742T5X0	2,750,000	5.970	6/21/2024	6/26/2023	5.97%	2,750,000	2,892,073	2,891,373	
NATIONAL BANK OF CANADA CORPORATE NOTES	63307A2P9	500,000	0.750	8/6/2024	2/24/2022	2.17%	483,135	494,195	499,056	
FEDERAL HOME LOAN BANK NOTES (CALLABLE)	3130APQ81	1,450,000	1.000	11/8/2024	8/9/2022	3.40%	1,375,203	1,423,769	1,439,588	
INDUSTRIAL BANK CDARS		2,818,512	3.750	1/9/2025	1/11/2024	3.75%	2,818,512	2,850,837	2,850,837	
INDUSTRIAL BANK CDARS		2,774,451	3.750	1/9/2025	1/11/2024	3.75%	2,774,451	2,806,271	2,806,271	
UBS AG LONDON (CALLABLE) CORPORATE NOTES	902674YU8	750,000	1.375	1/13/2025	1/13/2022	1.45%	748,245	730,603	752,682	
MASSACHUSETTS CMNWLTH MUNICIPAL BONDS	576004GY5	955,000	3.660	1/15/2025	8/30/2022	3.66%	955,000	955,064	965,292	
INDUSTRIAL BANK CDARS		5,441,359	3.750	1/30/2025	2/1/2024	3.75%	5,441,359	5,491,904	5,491,904	
AMERICAN EXPRESS CO CORP NOTES (CALLABLE	025816CQ0	175,000	2.250	3/4/2025	3/4/2022	2.29%	174,823	170,682	175,574	
AMERICAN EXPRESS CO CORP NOTES (CALLABLE	025816CQ0	325,000	2.250	3/4/2025	3/4/2022	2.31%	324,418	316,982	325,995	
SUMITOMO MITSUI TR BK LT CORPORATE NOTES	86563VAZ2	700,000	2.550	3/10/2025	3/10/2022	2.58%	699,398	684,596	702,357	
NEW YORK ST DORM AUTH MUNICIPAL BONDS	64990FY24	410,000	2.566	3/15/2025	3/25/2022	2.57%	410,000	401,484	411,344	
INDUSTRIAL BANK CDARS		5,381,190	4.250	4/3/2025	4/4/2024	4.25%	5,381,190	5,398,133	5,398,133	
BROWN-FORMAN CORP NOTES (CALLABLE)	115637AS9	325,000	3.500	4/15/2025	3/8/2022	2.10%	338,637	319,758	329,184	
CINTAS CORPORATION NO. 2 CORP NOTE (CALL	17252MAP5	300,000	3.450	5/1/2025	5/3/2022	3.46%	299,934	298,816	305,153	
CINTAS CORPORATION NO. 2 CORP NOTE (CALL	17252MAP5	200,000	3.450	5/1/2025	5/4/2022	3.55%	199,414	199,211	203,254	
CATERPILLAR FINL SERVICE CORPORATE NOTES	14913R2V8	135,000	3.400	5/13/2025	5/13/2022	3.40%	134,987	134,308	137,137	
CATERPILLAR FINL SERVICE CORPORATE NOTES	14913R2V8	415,000	3.400	5/13/2025	5/13/2022	3.44%	414,473	412,873	421,403	
JPMORGAN CHASE & CO (CALLABLE) CORP NOTE	46647PCH7	470,000	0.824	6/1/2025	6/1/2021	0.82%	470,000	469,187	471,614	
TRUIST FINANCIAL CORP NOTES (CALLABLE)	05531FBE2	475,000	3.700	6/5/2025	2/24/2022	2.31%	495,800	471,241	488,710	
NORDEA BANK ABP CORPORATE NOTES	65558RAA7	465,000	3.600	6/6/2025	6/8/2022	3.60%	464,963	461,126	471,729	
NATIONAL BANK OF CANADA CORP NOTES (CALL	63307A2S3	550,000	3.750	6/9/2025	6/9/2022	3.78%	549,582	556,728	557,981	
US TREASURY NOTES	91282CHL8	2,600,000	4.625	6/30/2025	7/26/2023	4.96%	2,584,258	2,622,429	2,630,814	
FHLMC SERIES K049 A2	3137BLMZ8	1,399,573	3.010	7/1/2025	5/3/2023	4.46%	1,357,968	1,364,693	1,380,649	
FL ST BOARD OF ADMIN TXBL REV BONDS	341271AD6	245,000	1.258	7/1/2025	9/16/2020	1.26%	245,000	234,334	246,027	
FL ST BOARD OF ADMIN TXBL REV BONDS	341271AD6	770,000	1.258	7/1/2025	11/10/2022	5.55%	689,858	736,477	737,814	
US TREASURY NOTES	91282CEY3	2,125,000	3.000	7/15/2025	8/8/2022	3.14%	2,116,948	2,089,287	2,140,435	
US TREASURY NOTES	91282CEY3	935,000	3.000	7/15/2025	8/9/2022	3.20%	929,741	919,286	941,085	
US TREASURY NOTES	91282CEY3	2,050,000	3.000	7/15/2025	9/2/2022	3.54%	2,019,891	2,015,547	2,055,425	
JP MORGAN CHASE CORP NOTES (CALLABLE)	46625HMT7	675,000	3.900	7/15/2025	5/4/2022	3.74%	678,119	670,098	683,762	
MORGAN STANLEY CORP NOTES	6174468C6	225,000	4.000	7/23/2025	7/11/2022	3.96%	225,221	222,861	227,539	
IBM CORP CORPORATE NOTES	459200KS9	1,050,000	4.000	7/27/2025	7/27/2022	4.00%	1,050,000	1,041,717	1,060,967	
CANADIAN IMPERIAL BANK CORPORATE NOTES	13607H6M9	550,000	3.945	8/4/2025	8/4/2022	3.95%	550,000	543,824	555,244	
UBS GROUP AG CORP NOTES (CALLABLE)	902613AR9	700,000	4.490	8/5/2025	8/5/2022	4.49%	700,000	704,192	707,508	
BMW US CAPITAL LLC CORPORATE NOTES	05565EC7	375,000	5.300	8/11/2025	8/11/2023	5.30%	374,978	378,441	379,402	
CATERPILLAR FINL SERVICE CORPORATE NOTES	14913R2Z9	500,000	3.650	8/12/2025	8/12/2022	3.69%	499,395	493,194	503,747	
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES	89236TKF1	180,000	3.650	8/18/2025	8/18/2022	3.64%	180,050	177,208	181,354	
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES	89236TKF1	145,000	3.650	8/18/2025	8/18/2022	3.68%	144,870	142,751	146,017	
WESTPAC BANKING CORP CORPORATE NOTES	961214FA6	700,000	3.735	8/26/2025	5/26/2022	3.74%	700,000	689,423	704,721	
NESTLE HOLDINGS INC CORP NOTE	641062BA1	375,000	4.000	9/12/2025	9/13/2022	4.01%	374,876	369,961	376,985	

CDARS holdings are not managed by PFMAM, and we therefore cannot guarantee the accuracy of holdings information provided. Effective October 11, 2021, Wells Fargo Funds rebranded as Allspring Funds.



DC Water
Finance Division
Portfolio Holdings by Fund

DESCRIPTION	CUSIP	PAR AMOUNT	COUPON RATE	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	MARKET VALUE + ACCRUED INTEREST	AMORTIZED COST + ACCRUED INTEREST	TOTAL VALUE
Operating Reserve Accounts										
US TREASURY NOTES	91282CFK2	2,250,000	3.500	9/15/2025	10/11/2022	4.23%	2,204,912	2,209,784	2,238,904	
HOME DEPOT INC NOTES (CALLABLE)	437076CR1	150,000	4.000	9/15/2025	9/19/2022	4.01%	149,946	147,997	150,742	
SUMITOMO MITSUI TR BK LT CORPORATE NOTES	86563VBC2	350,000	4.800	9/15/2025	9/15/2022	4.81%	349,885	347,807	352,094	
LOCKHEED MARTIN CORP NOTES (CALLABLE)	539830BU2	230,000	4.950	10/15/2025	10/24/2022	5.05%	229,345	229,340	230,185	
LOCKHEED MARTIN CORP NOTES (CALLABLE)	539830BU2	270,000	4.950	10/15/2025	11/3/2022	4.93%	270,132	269,225	270,657	
UNITEDHEALTH GROUP INC CORPORATE NOTES	91324PEN8	160,000	5.150	10/15/2025	10/28/2022	5.15%	159,986	159,935	160,359	
PNC FINANCIAL SERVICES CORP NOTE (CALLAB	693475BH7	460,000	5.671	10/28/2025	10/28/2022	5.67%	460,000	458,984	460,217	
STATE ST BANK & TR CORP NOTES (CALLABLE)	857477BE2	500,000	2.354	11/1/2025	12/7/2021	1.46%	516,915	495,273	508,821	
NORDEA BANK ABP NEW YORK CERT DEPOS	65558UYF3	700,000	5.530	11/3/2025	11/3/2022	5.53%	700,000	721,477	719,140	
BRISTOL-MYERS SQUIBB CO CORPORATE NOTES	110122DN5	350,000	0.750	11/13/2025	2/24/2022	2.23%	331,618	327,576	343,631	
US TREASURY NOTES	91282CFW6	3,845,000	4.500	11/15/2025	12/8/2022	4.13%	3,884,351	3,887,609	3,945,505	
US TREASURY NOTES	91282CFW6	1,375,000	4.500	11/15/2025	12/16/2022	3.99%	1,393,906	1,390,237	1,413,552	
FHMS K053 A2	3137BN6G4	700,000	2.995	12/1/2025	8/9/2022	3.36%	691,934	677,057	697,887	
LINDE INC/CT CORPORATE NOTES (CALLABLE)	53522KAB9	700,000	4.700	12/5/2025	12/5/2022	4.74%	699,244	707,015	712,941	
AUST & NZ BANKING GRP NY CORPORATE NOTES	05254JAA8	435,000	5.088	12/8/2025	12/8/2022	5.09%	435,000	441,551	443,792	
FHMS K054 A2	3137BNGT5	750,000	2.745	1/1/2026	4/14/2023	4.37%	718,945	720,798	732,639	
FHMS K054 A2	3137BNGT5	725,000	2.745	1/1/2026	5/16/2023	4.09%	700,814	696,771	711,307	
AMERICAN HONDA FINANCE CORPORATE NOTES	02665WEC1	180,000	4.750	1/12/2026	1/12/2023	4.77%	179,896	180,718	182,530	
NATIONAL AUSTRALIA BK/NY CORPORATE NOTES	63253QAA2	890,000	4.966	1/12/2026	1/12/2023	4.97%	890,000	895,970	903,382	
ROYAL BANK OF CANADA CORPORATE NOTES	78016FZT4	350,000	4.875	1/12/2026	1/12/2023	4.89%	349,895	351,771	355,107	
SUMITOMO MITSUI FINL GRP CORPORATE NOTES	86562MCT5	700,000	5.464	1/13/2026	1/13/2023	5.46%	700,000	710,337	711,474	
SUMITOMO MITSUI FINL GRP CORPORATE NOTES	86562MCT5	200,000	5.464	1/13/2026	3/7/2023	5.56%	199,506	202,953	202,984	
US TREASURY NOTES	91282CGE5	5,850,000	3.875	1/15/2026	2/1/2023	3.96%	5,836,518	5,798,722	5,908,839	
CITIGROUP INC CORP NOTES (CALLABLE)	17327CAN3	350,000	2.014	1/25/2026	2/24/2022	2.47%	344,043	340,846	349,241	
US TREASURY N/B NOTES	91282CJV4	800,000	4.250	1/31/2026	2/14/2024	4.47%	796,719	797,250	805,559	
US TREASURY N/B NOTES	91282CJV4	1,050,000	4.250	1/31/2026	2/20/2024	4.59%	1,043,520	1,046,391	1,055,300	
FNA 2016-M3 A2	3136ARTE8	369,458	2.702	2/1/2026	9/6/2022	3.76%	356,946	353,872	363,843	
BANK OF NOVA SCOTIA CORPORATE NOTES	06417XAN1	760,000	4.750	2/2/2026	2/2/2023	4.78%	759,331	758,843	768,533	
STATE STREET CORP (CALLABLE) CORPORATE N	857477BR3	315,000	1.746	2/6/2026	2/7/2022	1.75%	315,000	305,781	316,299	
US TREASURY NOTES	91282CGL9	2,950,000	4.000	2/15/2026	3/3/2023	4.64%	2,898,375	2,919,786	2,943,328	
MORGAN STANLEY CORP NOTES (CALLABLE)	61747YEM3	840,000	2.630	2/18/2026	2/18/2022	2.63%	840,000	822,603	844,480	
HSBC HOLDINGS PLC CORP NOTES (CALLABLE)	404280DA4	575,000	2.999	3/10/2026	3/10/2022	3.00%	575,000	561,698	577,443	
NATIONAL RURAL UTIL COOP CORP NOTES (CAL	63743HFH0	120,000	4.450	3/13/2026	2/9/2023	4.47%	119,915	118,648	120,661	
NATIONAL RURAL UTIL COOP CORP NOTES (CAL	63743HFH0	355,000	4.450	3/13/2026	2/9/2023	4.56%	353,896	351,000	356,440	
NESTLE HOLDINGS INC CORPORATE NOTES	641062BK9	525,000	5.250	3/13/2026	3/14/2023	5.26%	524,827	528,083	528,567	
STATE STREET CORP NOTES (CALLABLE)	857477BM4	475,000	2.901	3/30/2026	2/7/2022	2.15%	489,112	462,567	480,284	
US TREASURY N/B NOTES	91282CKH3	2,850,000	4.500	3/31/2026	4/16/2024	4.95%	2,826,176	2,832,363	2,837,515	
US TREASURY NOTES	91282CGV7	4,500,000	3.750	4/15/2026	5/3/2023	3.83%	4,489,629	4,399,096	4,500,508	
US TREASURY NOTES	91282CGV7	3,500,000	3.750	4/15/2026	5/23/2023	4.00%	3,476,348	3,421,519	3,489,776	
mitsubishi UFJ FIN GRP CORP NOTES (CALLA	606822DA9	475,000	5.541	4/17/2026	4/19/2023	5.54%	475,000	474,665	476,024	
mitsubishi UFJ FIN GRP CORP NOTES (CALLA	606822CF9	550,000	3.837	4/17/2026	4/19/2022	3.84%	550,000	540,398	550,821	
BANK OF AMERICA CORP NOTES	06051GFY2	700,000	3.500	4/19/2026	5/12/2023	4.60%	679,063	675,086	686,807	
WELLS FARGO & COMPANY CORP NOTES (CALLAB	95000U2X0	545,000	3.908	4/25/2026	4/25/2022	3.91%	545,000	535,202	545,355	
US TREASURY NOTES	91282CHB0	4,500,000	3.625	5/15/2026	6/5/2023	3.98%	4,455,879	4,453,648	4,544,753	
BANK OF MONTREAL CORPORATE NOTES	06368LNT9	1,025,000	5.300	6/5/2026	6/5/2023	5.33%	1,024,272	1,042,646	1,046,524	
MACQUARIE BANK LTD CORPORATE NOTES	55608PBM5	550,000	5.208	6/15/2026	6/16/2023	5.32%	548,240	556,788	559,575	
SVENSKA HANDELSBANKEN AB CORPORATE NOTES	86959LAM5	425,000	5.250	6/15/2026	6/15/2023	5.29%	424,558	431,154	433,117	
SWEDBANK AB CORPORATE NOTES	87020PAV9	700,000	5.472	6/15/2026	6/15/2023	5.47%	700,000	711,932	714,470	
FHMS K736 A2	3137FNWX4	765,000	2.282	7/1/2026	10/11/2023	5.13%	709,806	722,267	722,533	

CDARS holdings are not managed by PFMAM, and we therefore cannot guarantee the accuracy of holdings information provided.
Effective October 11, 2021, Wells Fargo Funds rebranded as Allspring Funds.



**DC Water
Finance Division
Portfolio Holdings by Fund (continued)**

DESCRIPTION	CUSIP	PAR AMOUNT	COUPON RATE	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	MARKET VALUE + ACCRUED INTEREST	AMORTIZED COST + ACCRUED INTEREST	TOTAL VALUE
Operating Reserve Accounts										
FHMS K057 A2	3137BRQJ7	775,000	2.570	7/1/2026	5/23/2023	4.26%	736,916	734,992	750,118	
AMERICAN HONDA FINANCE CORPORATE NOTES	02665WEK3	225,000	5.250	7/7/2026	7/7/2023	5.29%	224,723	228,004	228,539	
AMERICAN HONDA FINANCE CORPORATE NOTES	02665WEK3	175,000	5.250	7/7/2026	7/10/2023	5.49%	173,878	177,336	177,091	
AMERICAN HONDA FINANCE CORPORATE NOTES	02665WEK3	175,000	5.250	7/7/2026	7/25/2023	5.06%	175,877	177,336	178,558	
BANQUE FED CRED MUTUEL CORPORATE NOTES	06675FBA4	530,000	5.896	7/13/2026	7/13/2023	5.90%	530,000	541,349	539,375	
US TREASURY NOTES	91282CHM6	3,500,000	4.500	7/15/2026	8/3/2023	4.56%	3,494,395	3,509,111	3,542,108	
TORONTO-DOMINION BANK CORPORATE NOTES	89115A2S0	700,000	5.532	7/17/2026	7/17/2023	5.53%	700,000	711,333	711,187	
ROYAL BANK OF CANADA CORPORATE NOTES	78016FZZ0	700,000	5.200	7/20/2026	7/20/2023	5.20%	699,923	707,309	710,155	
BANK OF NEW YORK MELLON CORP NOTES (CALL	06406RBJ5	210,000	4.414	7/24/2026	7/26/2022	4.41%	210,000	209,359	212,498	
BANK OF NEW YORK MELLON CORP NOTES (CALL	06406RBJ5	465,000	4.414	7/24/2026	7/26/2022	4.32%	466,516	463,580	471,153	
TRUIST FIN CORP NOTES (CALLABLE)	89788MAH5	235,000	4.260	7/28/2026	7/28/2022	4.26%	235,000	232,928	237,586	
TRUIST FIN CORP NOTES (CALLABLE)	89788MAH5	265,000	4.260	7/28/2026	7/28/2022	4.23%	265,265	262,663	268,026	
FHMS K058 A2	3137BSP72	1,125,000	2.653	8/1/2026	4/12/2023	4.02%	1,077,627	1,063,567	1,095,225	
WASHINGTON ST -T-XBL MUNICIPAL BONDS	93974EM86	700,000	4.600	8/1/2026	8/9/2023	4.60%	700,000	701,197	708,050	
MERCEDES-BENZ FIN NA CORPORATE NOTES	58769JAK3	550,000	5.200	8/3/2026	8/23/2023	5.43%	546,640	554,081	554,418	
STATE STREET CORP NOTES (CALLABLE)	857477CD3	405,000	5.272	8/3/2026	8/3/2023	5.27%	405,000	408,263	410,219	
PACCAR FINANCIAL CORP CORPORATE NOTES	69371RS56	350,000	5.050	8/10/2026	8/10/2023	5.07%	349,825	352,428	353,844	
US TREASURY NOTES	91282CHU8	3,850,000	4.375	8/15/2026	9/11/2023	4.73%	3,813,305	3,834,036	3,856,471	
FNA 2016-M12 A2	3136AUKX8	753,594	2.526	9/1/2026	11/27/2023	5.05%	703,139	710,595	712,315	
US TREASURY NOTES	91282CHY0	4,250,000	4.625	9/15/2026	10/5/2023	4.89%	4,219,619	4,241,901	4,250,299	
NATIXIS NY BRANCH CERT DEPOS	63873QP65	1,050,000	5.610	9/18/2026	9/20/2023	5.61%	1,050,000	1,091,577	1,086,652	
CITIGROUP INC CORP NOTES (CALLABLE)	172967NX5	400,000	5.610	9/29/2026	9/29/2022	5.61%	400,000	401,083	401,995	
HOME DEPOT INC CORPORATE NOTES	437076CV2	290,000	4.950	9/30/2026	12/4/2023	5.03%	289,365	289,670	290,688	
CANADIAN IMPERIAL BANK CORPORATE NOTES	13607LW16	500,000	5.926	10/2/2026	10/3/2023	5.93%	500,000	506,442	502,387	
DIAGEO CAPITAL PLC CORPORATE NOTES (CALL	25243YBK4	650,000	5.375	10/5/2026	10/5/2023	5.47%	648,239	652,848	651,075	
US TREASURY NOTES	91282CJC6	4,625,000	4.625	10/15/2026	11/13/2023	4.72%	4,612,534	4,599,664	4,623,756	
ROCHE HOLDINGS INC CORP NOTE (CALLABLE)	771196CE0	685,000	5.265	11/13/2026	11/13/2023	5.27%	685,000	698,374	701,830	
US TREASURY N/B NOTES	91282CJK8	4,800,000	4.625	11/15/2026	12/11/2023	4.34%	4,837,688	4,866,462	4,935,398	
GOLDMAN SACHS GROUP INC CORP NOTES (CALL	38145GAH3	575,000	3.500	11/16/2026	8/9/2023	5.40%	542,622	554,196	559,053	
MACQUARIE BANK LTD CORPORATE NOTES	55608PB06	290,000	5.391	12/7/2026	12/7/2023	5.39%	290,000	294,795	296,254	
MACQUARIE BANK LTD CORPORATE NOTES	55608PB06	210,000	5.391	12/7/2026	12/7/2023	5.35%	210,242	213,472	214,740	
WELLS FARGO CORP NOTES (CALLABLE)	94988J6F9	1,025,000	5.254	12/11/2026	12/11/2023	5.25%	1,025,000	1,041,134	1,045,943	
US TREASURY N/B NOTES	91282CJP7	5,000,000	4.375	12/15/2026	1/5/2024	4.09%	5,038,672	5,015,292	5,117,170	
US TREASURY N/B NOTES	91282CJP7	1,500,000	4.375	12/15/2026	1/5/2024	4.15%	1,509,375	1,504,588	1,533,154	
MERCEDES-BENZ FIN NA CORPORATE NOTES	58769JAO0	500,000	4.800	1/11/2027	1/11/2024	4.84%	499,490	499,965	506,872	
US TREASURY N/B NOTES	91282CJT9	1,450,000	4.000	1/15/2027	2/6/2024	4.17%	1,443,260	1,433,971	1,460,815	
US TREASURY N/B NOTES	91282CJT9	2,100,000	4.000	1/15/2027	2/9/2024	4.24%	2,086,301	2,076,786	2,117,987	
AUST & NZ BANKING GRP NY BONDS	05253JAZ4	1,025,000	4.750	1/18/2027	1/18/2024	4.75%	1,025,000	1,025,814	1,038,930	
COMCAST CORP (CALLABLE) NOTES	20030NBY6	525,000	3.300	2/1/2027	11/3/2023	5.63%	489,185	504,139	498,951	
CREDIT AGRICOLE CIB NY CERT DEPOS	22536DWD6	1,075,000	4.760	2/1/2027	2/5/2024	4.76%	1,075,000	1,086,787	1,087,224	
INTER-AMERICAN DEVEL BK NOTES	4581X0EM6	1,375,000	4.375	2/1/2027	12/12/2023	4.40%	1,373,831	1,369,300	1,389,006	
NATIONAL RURAL UTIL COOP CORP NOTES (CAL	63743HFM9	450,000	4.800	2/5/2027	2/5/2024	4.81%	449,865	451,501	455,035	
TEXAS INSTRUMENTS CORP NOTES (CALLABLE)	882508CE2	645,000	4.600	2/8/2027	2/8/2024	4.62%	644,587	644,560	651,457	
ELI LILLY & CO CORPORATE NOTES	532457CJ5	740,000	4.500	2/9/2027	2/9/2024	4.52%	739,608	734,164	747,220	
US TREASURY N/B NOTES	91282CKA8	950,000	4.125	2/15/2027	3/15/2024	4.47%	941,131	939,182	949,681	
BRISTOL-MYERS SQUIBB CORP NOTES (CALLAB	110122EE4	215,000	4.900	2/22/2027	2/22/2024	4.94%	214,768	214,498	216,801	
ASTRAZENECA FINANCE LLC CORP NOTES (CALL	04636NAK9	545,000	4.800	2/26/2027	2/26/2024	4.86%	544,084	542,130	548,859	
CISCO SYSTEMS INC CORPORATE NOTES (CALLA	17275RBO4	885,000	4.800	2/26/2027	2/26/2024	4.85%	883,850	884,679	891,583	
WESTPAC NEW ZEALAND LTD CORPORATE NOTES	96122FAB3	505,000	5.132	2/26/2027	2/26/2024	5.13%	505,000	503,413	509,679	

CDARS holdings are not managed by PFMAM, and we therefore cannot guarantee the accuracy of holdings information provided. Effective October 11, 2021, Wells Fargo Funds rebranded as Allspring Funds.



**DC Water
Finance Division
Portfolio Holdings by Fund (continued)**

DESCRIPTION	CUSIP	PAR AMOUNT	COUPON RATE	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	MARKET VALUE + ACCRUED INTEREST	AMORTIZED COST + ACCRUED INTEREST	TOTAL VALUE
Operating Reserve Accounts										
COOPERAT RABOBANK UA/NY CORPORATE NOTES	21688ABD3	725,000	5.041	3/5/2027	3/6/2024	5.00%	725,834	722,803	731,479	
DEERE & COMPANY CAPITAL CORP NOTE	24422EXM6	1,000,000	4.850	3/5/2027	3/7/2024	4.88%	999,070	998,690	1,006,388	
SKANDINAVISKA ENSKILDA CORPORATE NOTES	830505AZ6	725,000	5.125	3/5/2027	3/6/2024	5.10%	725,421	722,700	731,181	
AMERICAN HONDA FINANCE CORPORATE NOTES	02665WFD8	305,000	4.900	3/12/2027	3/13/2024	4.92%	304,832	303,639	306,832	
US TREASURY N/B NOTES	91282CKE0	1,950,000	4.250	3/15/2027	4/4/2024	4.51%	1,935,908	1,927,678	1,946,822	
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES	89236TLY9	310,000	5.000	3/19/2027	3/21/2024	5.04%	309,625	309,067	311,360	
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES	89236TLY9	215,000	5.000	3/19/2027	3/21/2024	4.97%	215,202	214,353	216,390	
HORMEL FOODS CORP CORPORATE NOTES (CALLA	440452AK6	305,000	4.800	3/30/2027	3/8/2024	4.83%	304,704	303,427	306,873	
BMW US CAPITAL LLC CORPORATE NOTES	05565ECH6	725,000	4.900	4/2/2027	4/2/2024	4.94%	724,137	720,599	727,020	
ADOBE INC CORPORATE NOTES	00724PAE9	440,000	4.850	4/4/2027	4/4/2024	4.87%	439,780	439,527	441,386	
TORONTO-DOMINION BANK CORPORATE NOTES	89115A2W1	725,000	4.980	4/5/2027	4/5/2024	4.98%	725,000	718,594	727,608	
FG J20795	31306XC5	121,495	2.500	10/1/2027	3/24/2020	2.35%	122,710	117,180	122,300	
FANNIE MAE POOL	3138MRLV1	129,846	2.500	1/1/2028	2/18/2020	2.25%	132,159	124,960	131,195	
FR ZS6941	3132A7WA5	113,012	2.000	3/1/2028	5/18/2020	1.61%	116,225	108,374	114,782	
FG J23552	31307B5M8	117,165	2.500	5/1/2028	2/18/2020	2.25%	119,399	112,006	118,499	
FHLMC MULTIFAMILY STRUCTURED POOL	3137FETM2	569,562	3.350	9/1/2028	12/13/2022	3.94%	552,431	551,465	558,162	
FN BM4614	3140J9DU2	207,140	3.000	3/1/2033	8/17/2021	2.35%	220,734	194,604	218,065	
FN FM5616	3140X9G25	257,642	3.000	12/1/2034	9/21/2021	2.49%	272,497	239,739	270,204	
FN FM0047	3140X3BR8	255,981	3.000	12/1/2034	6/17/2021	2.45%	272,180	235,591	269,362	
FN FM3770	3140X7FL8	200,990	3.000	7/1/2035	8/19/2020	2.48%	214,086	184,895	211,329	
										\$ 312,277,478.55
Debt Service Reserve										
ALLSPRING TREASURY PLUS MMF		\$ 134,072		5/1/2024		5.16%	\$ 134,072	\$ 134,072	\$ 134,072	
US TREASURY NOTES	9128228Y5	4,020,000	2.125	9/30/2024	10/18/2023	5.46%	3,897,359	3,973,845	3,973,668	
US TREASURY NOTES	91282CBT7	3,240,000	0.750	3/31/2026	11/17/2022	4.06%	2,905,622	2,990,452	3,052,034	
US TREASURY NOTES	91282CFM8	1,325,000	4.125	9/30/2027	10/18/2023	4.87%	1,289,960	1,300,231	1,299,349	
										\$ 8,459,122.67
CSO LTCP Appropriations Account										
TD BANK BANK DEPOSIT		\$ 8,095,298		5/1/2024		0.00%	\$ 8,095,298	\$ 8,095,298	\$ 8,095,298	
										\$ 8,095,298.49
Capital Project Accounts										
TD BANK - DEPOSITS (DC WATER - COVID RESIDENTIAL RELIEF FUND)		\$ 849,347		5/1/2024		0.00%	\$ 849,347	\$ 849,347	\$ 849,347	
TD BANK - DEPOSITS (DC WATER - CAP MULTI-FAMILY BLDGS)		275,788		5/1/2024		0.00%	275,788	275,788	275,788	
TD BANK - DEPOSITS (DC WATER - CAP FY2022 TARGETED ASSIST.)		173,963		5/1/2024		0.00%	173,963	173,963	173,963	
TD BANK - REPLACEMENT OF WATER MAINS AT MASS AVE		10,731,487		5/1/2024		0.00%	10,731,487	10,731,487	10,731,487	
TD BANK - DEPOSITS (DISTRICT FUNDS)		674,864		5/1/2024		0.00%	674,864	674,864	674,864	
TD BANK - DEPOSITS (DOEE - CRIAC RES + EMERGENCY RES RELIEF)		-		5/1/2024		0.00%	-	-	-	
TD BANK - DEPOSITS (DOEE - CAP3 + NON-PROFIT RELIEF)		963,312		5/1/2024		0.00%	963,312	963,312	963,312	
TD BANK - DEPOSITS (DOEE - LEAD SERVICE LINE-LRPAP)		2,048,716		5/1/2024		0.00%	2,048,716	2,048,716	2,048,716	
TD BANK - DEPOSITS (DOEE - LEAD SERVICE LINE-ERW)		-		5/1/2024		0.00%	-	-	-	
										\$ 15,717,477.15
2022B Construction Fund										
FEDERATED TREASURY OBLIGATIONS FUND		\$ 21,275,622		5/1/2024		5.16%	\$ 21,275,622	\$ 21,275,622	\$ 21,275,622	
										\$ 21,275,622.15
2022C Construction Fund										
FEDERATED TREASURY OBLIGATIONS FUND		\$ 36,973,785		5/1/2024		5.16%	\$ 36,973,785	\$ 36,973,785	\$ 36,973,785	
US TREASURY NOTES	91282CDN8	62,250,000	1.000	12/15/2024	12/5/2023	5.12%	59,713,799	60,840,927	60,946,804	
US TREASURY NOTES	91282CDS7	4,175,000	1.125	1/15/2025	12/5/2023	5.08%	3,998,704	4,068,123	4,076,618	
										\$ 101,997,207.29

CDARS holdings are not managed by PFMAM, and we therefore cannot guarantee the accuracy of holdings information provided. Effective October 11, 2021, Wells Fargo Funds rebranded as Allspring Funds.



**DC Water
Finance Division
Portfolio Holdings by Fund (continued)**

DESCRIPTION	CUSIP	PAR AMOUNT	COUPON RATE	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	MARKET VALUE + ACCRUED INTEREST	AMORTIZED COST + ACCRUED INTEREST	TOTAL VALUE
2022D Construction Fund										
FEDERATED TREASURY OBLIGATIONS FUND		\$ 50,114,495		5/1/2024		5.16%	\$ 50,114,495	\$ 50,114,495	\$ 50,114,495	\$ 50,114,495.12
2022E Construction Fund										
FEDERATED TREASURY OBLIGATIONS FUND		\$ 12,284,033		5/1/2024		5.16%	\$ 12,284,033	\$ 12,284,033	\$ 12,284,033	
US TREASURY NOTES	91282CFN6	850,000	4.250	9/30/2024	11/18/2022	4.50%	846,148	849,075	852,201	
US TREASURY NOTES	91282CFQ9	60,250,000	4.375	10/31/2024	5/31/2023	4.96%	59,774,590	59,955,913	60,089,533	
US TREASURY NOTES	91282CGG0	22,240,000	4.125	1/31/2025	8/30/2023	5.19%	21,920,300	22,278,224	22,300,278	
US TREASURY NOTES	91282CGN5	9,850,000	4.625	2/28/2025	8/30/2023	5.13%	9,779,203	9,872,885	9,887,607	
US TREASURY NOTES	91282CEH0	2,075,000	2.625	4/15/2025	12/5/2023	4.94%	2,012,588	2,026,803	2,033,555	
							\$ 656,634,285.63	\$ 658,746,603.70	\$ 661,027,819.87	\$ 661,027,819.87

*CDARS holdings are not managed by PFMAM, and we therefore cannot guarantee the accuracy of holdings information provided.
Effective October 11, 2021, Wells Fargo Funds rebranded as Allspring Funds.*



DC Water
Finance Division
Security Purchases
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	TRADE DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
Operating Reserve Accounts								
13607LWT6	CANADIAN IMPERIAL BANK CORPORATE NOTES	500,000.00	5.93	10/2/2026	9/26/2023	10/3/2023	5.93	500,000.00
25243YBK4	DIAGEO CAPITAL PLC CORPORATE NOTES (CALL	650,000.00	5.38	10/5/2026	10/2/2023	10/5/2023	5.47	648,238.50
91282CHY0	US TREASURY NOTES	4,250,000.00	4.63	9/15/2026	10/3/2023	10/5/2023	4.89	4,230,419.28
RE1062695	INDUSTRIAL BANK CDARS	5,281,508.78	3.75	4/4/2024	10/5/2023	10/5/2023	3.75	5,281,508.78
3137FNWX4	FHMS K736 A2	765,000.00	2.28	7/1/2026	10/5/2023	10/11/2023	5.13	710,291.38
20030NBY6	COMCAST CORP (CALLABLE) NOTES	525,000.00	3.30	2/1/2027	11/1/2023	11/3/2023	5.63	493,612.00
771196CE0	ROCHE HOLDINGS INC CORP NOTE (CALLABLE)	685,000.00	5.27	11/13/2026	11/6/2023	11/13/2023	5.27	685,000.00
91282CJC6	US TREASURY NOTES	4,625,000.00	4.63	10/15/2026	11/9/2023	11/13/2023	4.72	4,629,483.04
3136AUKX8	FNA 2016-M12 A2	760,617.87	2.53	9/1/2026	11/20/2023	11/27/2023	2.62	711,080.15
437076CV2	HOME DEPOT INC CORPORATE NOTES	290,000.00	4.95	9/30/2026	11/27/2023	12/4/2023	5.03	289,364.90
55608PBQ6	MACQUARIE BANK LTD CORPORATE NOTES	290,000.00	5.39	12/7/2026	11/29/2023	12/7/2023	5.39	290,000.00
55608PBQ6	MACQUARIE BANK LTD CORPORATE NOTES	210,000.00	5.39	12/7/2026	11/30/2023	12/7/2023	5.35	210,241.50
94988J6F9	WELLS FARGO CORP NOTES (CALLABLE)	1,025,000.00	5.25	12/11/2026	12/4/2023	12/11/2023	5.25	1,025,000.00
4581X0EM6	INTER-AMERICAN DEVEL BK NOTES	1,375,000.00	4.38	2/1/2027	12/5/2023	12/12/2023	4.40	1,373,831.25
91282CJK8	US TREASURY N/B NOTES	4,800,000.00	4.63	11/15/2026	12/7/2023	12/11/2023	4.34	4,853,544.64
91282CJP7	US TREASURY N/B NOTES	5,000,000.00	4.38	12/15/2026	1/3/2024	1/5/2024	4.09	5,051,223.11
91282CJP7	US TREASURY N/B NOTES	1,600,000.00	4.38	12/15/2026	4/4/2024	1/5/2024	4.15	1,513,140.37
05253JAZ4	AUST & NZ BANKING GRP NY BONDS	1,025,000.00	4.75	1/18/2027	1/8/2024	1/18/2024	4.75	1,025,000.00
58769JAO0	MERCEDES-BENZ FIN NA CORPORATE NOTES	500,000.00	4.80	1/11/2027	1/8/2024	1/11/2024	4.84	499,490.00
RE1062208	INDUSTRIAL BANK CDARS	2,818,512.20	3.75	1/9/2025	1/11/2024	1/11/2024	3.75	2,818,512.20
RE1062208	INDUSTRIAL BANK CDARS	2,774,451.40	3.75	1/9/2025	1/11/2024	1/11/2024	3.75	2,774,451.40
63743HFM9	NATIONAL RURAL UTIL COOP CORP NOTES (CAL	450,000.00	4.80	2/5/2027	1/24/2024	2/5/2024	4.81	449,865.00
RE1361675	INDUSTRIAL BANK CDARS	5,441,359.19	3.75	1/30/2025	2/1/2024	2/1/2024	3.75	5,441,359.19
22536DWD6	CREDIT AGRICOLE CIB NY CERT DEPOS	1,075,000.00	4.76	2/1/2027	2/1/2024	2/5/2024	4.76	1,075,000.00
91282CJT9	US TREASURY N/B NOTES	1,450,000.00	4.00	1/15/2027	2/2/2024	2/6/2024	4.17	1,446,765.26
882508CE2	TEXAS INSTRUMENTS CORP NOTES (CALLABLE)	645,000.00	4.60	2/8/2027	2/5/2024	2/8/2024	4.62	644,587.20
532457CJ5	ELI LILLY & CO CORPORATE NOTES	740,000.00	4.50	2/9/2027	2/7/2024	2/9/2024	4.52	739,607.80
91282CJT9	US TREASURY N/B NOTES	2,100,000.00	4.00	1/15/2027	2/8/2024	2/9/2024	4.24	2,092,070.01
91282CJV4	US TREASURY N/B NOTES	800,000.00	4.25	1/31/2026	2/12/2024	2/14/2024	4.47	798,026.44
110122EE4	BRISTOL-MYERS SQUIBB CORP NOTES (CALLABL	215,000.00	4.90	2/22/2027	2/14/2024	2/22/2024	4.94	214,767.80
91282CJV4	US TREASURY N/B NOTES	1,050,000.00	4.25	1/31/2026	2/14/2024	2/20/2024	4.59	1,045,971.45
96122FAB3	WESTPAC NEW ZEALAND LTD CORPORATE NOTES	505,000.00	5.13	2/26/2027	2/20/2024	2/26/2024	5.13	505,000.00
04636NAK9	ASTRAZENECA FINANCE LLC CORP NOTES (CALL	545,000.00	4.80	2/26/2027	2/21/2024	2/26/2024	4.86	544,084.40
17275RBQ4	CISCO SYSTEMS INC CORPORATE NOTES (CALLA	885,000.00	4.80	2/26/2027	2/21/2024	2/26/2024	4.85	883,849.50
21688ABD3	COOPERAT RABOBANK UA/NY CORPORATE NOTES	725,000.00	5.04	3/5/2027	3/4/2024	3/6/2024	5.00	725,935.27
24422EXM6	DEERE & COMPANY CAPITAL CORP NOTE	1,000,000.00	4.85	3/5/2027	3/4/2024	3/7/2024	4.88	999,070.00
830505AZ6	SKANDINAVISKA ENSKILDA CORPORATE NOTES	725,000.00	5.13	3/5/2027	3/4/2024	3/6/2024	5.10	725,523.71
440452AK6	HORMEL FOODS CORP CORPORATE NOTES (CALLA	305,000.00	4.80	3/30/2027	3/5/2024	3/8/2024	4.83	304,704.15
02665WFD8	AMERICAN HONDA FINANCE CORPORATE NOTES	305,000.00	4.90	3/12/2027	3/11/2024	3/13/2024	4.92	304,832.25
91282CKA8	US TREASURY N/B NOTES	950,000.00	4.13	2/15/2027	3/14/2024	3/15/2024	4.47	944,252.94
89236TLY9	TOYOTA MOTOR CREDIT CORP CORPORATE NOTES	310,000.00	5.00	3/19/2027	3/18/2024	3/21/2024	5.04	309,624.90
89236TLY9	TOYOTA MOTOR CREDIT CORP CORPORATE NOTES	215,000.00	5.00	3/19/2027	3/19/2024	3/21/2024	4.97	215,202.10
05565ECH6	BMW US CAPITAL LLC CORPORATE NOTES	725,000.00	4.90	4/2/2027	3/25/2024	4/2/2024	4.94	724,137.25
89115A2W1	TORONTO-DOMINION BANK CORPORATE NOTES	725,000.00	4.98	4/5/2027	3/26/2024	4/5/2024	4.98	725,000.00
00724PAE9	ADOBE INC CORPORATE NOTES	440,000.00	4.85	4/4/2027	4/1/2024	4/4/2024	4.87	439,780.00
91282CKE0	US TREASURY N/B NOTES	1,950,000.00	4.25	3/15/2027	4/2/2024	4/4/2024	4.51	1,940,412.28
RE1062703	INDUSTRIAL BANK CDARS	5,381,189.92	4.25	4/3/2025	4/4/2024	4/4/2024	4.25	5,381,189.92
91282CKH3	US TREASURY N/B NOTES	2,850,000.00	4.50	3/31/2026	4/11/2024	4/16/2024	4.95	2,831,782.34
Total Debt Service Reserve								
9128282Y5	US TREASURY NOTES	4,020,000.00	2.13	9/30/2024	10/17/2023	10/18/2023	5.46	3,901,559.82
91282CFM8	US TREASURY NOTES	1,325,000.00	4.13	9/30/2027	10/17/2023	10/18/2023	4.87	1,292,647.97

Securities highlighted in blue font denote trades executed during the current month.



**DC Water
Finance Division
Security Purchases
Last 6 Months**

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	TRADE DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
2022B Construction Fund								
912796CX5	US TREASURY BILL	18,350,000.00	-	4/18/2024	12/4/2023	12/5/2023	5.28	17,993,723.28
912797JH1	US TREASURY BILL	10,150,000.00	-	3/12/2024	12/4/2023	12/5/2023	5.30	10,005,561.27
2022C Construction Fund								
91282CDN8	US TREASURY NOTES	62,250,000.00	1.00	12/15/2024	12/4/2023	12/5/2023	5.12	60,008,040.63
91282CDS7	US TREASURY NOTES	4,175,000.00	1.13	1/15/2025	12/4/2023	12/5/2023	5.08	4,016,955.54
2022E Construction Fund								
91282CEH0	US TREASURY NOTES	2,075,000.00	2.63	4/15/2025	12/4/2023	12/5/2023	4.94	2,020,177.80

Securities highlighted in **blue font** denote trades executed during the current month.



**DC Water
Finance Division
Security Sales
Last 6 Months**

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	TRADE DATE	SETTLE DATE	REALIZED GAIN/LOSS	TRANSACTION AMOUNT
Operating Reserve Accounts								
91282CCG4	US TREASURY NOTES	50,000.00	0.25	6/15/2024	9/27/2023	10/3/2023	(1,696.16)	48,264.13
12189LAV3	BURLINGTN NORTH SANTA FE CORP NOTES (CAL	350,000.00	3.00	4/1/2025	10/2/2023	10/4/2023	(10,474.70)	338,446.50
902674YK0	UBS AG LONDON CORPORATE NOTES	355,000.00	0.70	8/9/2024	10/3/2023	10/4/2023	(15,664.03)	339,674.45
91282CCG4	US TREASURY NOTES	2,800,000.00	0.25	6/15/2024	10/3/2023	10/5/2023	(95,237.31)	2,702,610.83
91282CCL3	US TREASURY NOTES	580,000.00	0.38	7/15/2024	10/3/2023	10/5/2023	(22,389.01)	558,077.62
91282CCL3	US TREASURY NOTES	1,025,000.00	0.38	7/15/2024	10/3/2023	10/5/2023	(39,311.70)	986,257.85
91282CFW6	US TREASURY NOTES	705,000.00	4.50	11/15/2025	10/5/2023	10/11/2023	(12,090.69)	710,905.34
771196BT8	ROCHE HOLDINGS INC (CALLABLE) CORPORATE	200,000.00	2.13	3/10/2025	11/1/2023	11/3/2023	(8,344.00)	192,283.76
771196BT8	ROCHE HOLDINGS INC (CALLABLE) CORPORATE	700,000.00	2.13	3/10/2025	11/6/2023	11/13/2023	(28,511.00)	674,100.70
045167FE8	ASIAN DEVELOPMENT BANK CORPORATE NOTES	1,915,000.00	0.38	6/11/2024	11/9/2023	11/13/2023	(55,237.60)	1,862,573.68
2027A0KH1	COMMONWEALTH BANK AUST CORPORATE NOTES	1,690,000.00	2.30	3/14/2025	11/9/2023	11/13/2023	(66,839.50)	1,629,519.78
437076CM2	HOME DEPOT INC (CALLABLE) CORPORATE NOTE	110,000.00	2.70	4/15/2025	11/9/2023	11/13/2023	(3,825.22)	106,316.10
771196BT8	ROCHE HOLDINGS INC (CALLABLE) CORPORATE	930,000.00	2.13	3/10/2025	11/9/2023	11/13/2023	(38,604.30)	894,865.53
713448FQ6	PEPSICO INC CORP NOTES (CALLABLE)	700,000.00	4.55	2/13/2026	11/20/2023	11/27/2023	(4,102.77)	704,798.11
713448FQ6	PEPSICO INC CORP NOTES (CALLABLE)	340,000.00	4.55	2/13/2026	11/27/2023	11/30/2023	(1,697.51)	342,755.23
55608PBJ2	MACQUARIE BANK LTD CORPORATE NOTES	500,000.00	3.23	3/21/2025	11/30/2023	12/5/2023	(14,440.00)	488,880.75
6325CODZ1	NATIONAL AUSTRALIA CO CORPORATE NOTES	1,075,000.00	1.39	1/12/2025	12/4/2023	12/7/2023	(43,505.25)	1,037,504.60
194162AM5	COLGATE-PALMOLIVE CO CORPORATE NOTES	150,000.00	3.10	8/15/2025	12/5/2023	12/11/2023	(3,734.74)	147,686.83
91282CCT6	US TREASURY NOTES	500,000.00	0.38	8/15/2024	12/5/2023	12/12/2023	(15,831.61)	484,649.29
546417DP8	LA ST TXBL GO BONDS	480,000.00	0.65	6/1/2024	12/6/2023	12/8/2023	(11,140.80)	468,919.87
679111ZR8	OK ST TURNPIKE AUTH TXBL REV BONDS	355,000.00	0.80	1/1/2024	12/6/2023	12/8/2023	(1,345.45)	354,899.30
21688AAS1	COOPERATIVE RABOBANK UA CORPORATE NOTES	750,000.00	1.38	1/10/2025	12/7/2023	12/11/2023	(29,491.77)	724,003.02
4581X0DZ8	INTER-AMERICAN DEVEL BK NOTES	1,490,000.00	0.50	9/23/2024	12/7/2023	12/11/2023	(53,842.97)	1,437,482.47
89236TJT3	TOYOTA MOTOR CREDIT CORP CORPORATE NOTES	500,000.00	1.45	1/13/2025	12/7/2023	12/11/2023	(16,350.87)	483,330.56
91282CCT6	US TREASURY NOTES	1,750,000.00	0.38	8/15/2024	12/7/2023	12/11/2023	(55,750.66)	1,695,912.87
912828YE4	US TREASURY NOTES	5,000,000.00	1.25	8/31/2024	1/3/2024	1/5/2024	(135,285.48)	4,899,931.32
912828YE4	US TREASURY NOTES	1,500,000.00	1.25	8/31/2024	1/4/2024	1/5/2024	(40,702.83)	1,469,862.21
00182EBP3	ANZ NEW ZEALAND INTL/LDN CORPORATE NOTES	410,000.00	2.17	2/18/2025	1/9/2024	1/11/2024	(12,972.40)	400,555.17
65559CAC5	NORDEA BANK AB CORPORATE NOTES	375,000.00	0.63	5/24/2024	1/9/2024	1/11/2024	(6,770.75)	368,529.74
912828YE4	US TREASURY NOTES	375,000.00	1.25	8/31/2024	1/9/2024	1/17/2024	(9,671.11)	368,074.19
22536AZR8	CREDIT AGRICOLE CIB NY CERT DEPOS	1,050,000.00	4.10	8/16/2024	2/1/2024	2/5/2024	(7,195.39)	1,063,492.53
06406RAN7	BANK OF NY MELLON (CALLABLE) CORP NOTES	475,000.00	1.60	4/24/2025	2/2/2024	2/6/2024	(22,380.65)	458,490.58
69371RR73	PACCAR FINANCIAL CORP CORPORATE NOTES	700,000.00	2.85	4/7/2025	2/2/2024	2/6/2024	(15,805.26)	690,718.58
24422EWB1	JOHN DEERE CAPITAL CORP CORPORATE NOTES	190,000.00	2.13	3/7/2025	2/5/2024	2/8/2024	(5,676.40)	185,987.81
24422EWB1	JOHN DEERE CAPITAL CORP CORPORATE NOTES	310,000.00	2.13	3/7/2025	2/5/2024	2/8/2024	(9,531.62)	303,453.79
05565EBZ7	BMW US CAPITAL LLC CORP NOTES	340,000.00	3.25	4/1/2025	2/6/2024	2/8/2024	(6,463.91)	337,312.39
06406RAX5	BANK OF NY MELLON CORP (CALLABLE) CORPOR	350,000.00	0.85	10/25/2024	2/7/2024	2/9/2024	(9,899.09)	340,159.94
78016EZU4	ROYAL BANK OF CANADA CORPORATE NOTES	275,000.00	0.65	7/29/2024	2/8/2024	2/9/2024	(6,189.90)	268,878.65
90331HMS9	US BANK NA CINCINNATI CORP NOTE (CALLABL	450,000.00	2.80	1/27/2025	2/8/2024	2/9/2024	(17,200.35)	440,547.00
90331HPL1	US BANK NA CINCINNATI (CALLABLE) CORPORA	475,000.00	2.05	1/21/2025	2/8/2024	2/9/2024	(18,986.16)	462,053.88
912828YE4	US TREASURY NOTES	625,000.00	1.25	8/31/2024	2/8/2024	2/9/2024	(14,931.81)	614,976.01
91282CCX7	US TREASURY NOTES	700,000.00	0.38	9/15/2024	2/8/2024	2/9/2024	(18,834.73)	681,646.04
02665WEA5	AMERICAN HONDA FINANCE CORPORATE NOTES	325,000.00	1.50	1/13/2025	2/12/2024	2/14/2024	(8,112.82)	315,224.54
20030NDZ1	COMCAST CORP CORPORATE NOTES	190,000.00	5.25	11/7/2025	2/12/2024	2/14/2024	1,625.58	194,283.71
20030NDZ1	COMCAST CORP CORPORATE NOTES	285,000.00	5.25	11/7/2025	2/12/2024	2/14/2024	2,826.22	291,425.56
438516CB0	HONEYWELL INTL CORP NOTES (CALLABLE)	500,000.00	1.35	6/1/2025	2/14/2024	2/20/2024	(17,343.74)	479,576.25

Securities highlighted in **blue font** denote trades executed during the current month.



DC Water
Finance Division
Security Sales
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	TRADE DATE	SETTLE DATE	REALIZED GAIN/LOSS	TRANSACTION AMOUNT
Operating Reserve Accounts								
63743HFC1	NATIONAL RURAL UTIL COOP CORPORATE NOTES	300,000.00	1.88	2/7/2025	2/21/2024	2/26/2024	(8,361.18)	291,026.88
74005PBN3	LINDE INC/CT (CALLABLE) CORPORATE NOTES	500,000.00	2.65	2/5/2025	2/21/2024	2/26/2024	(13,304.25)	489,362.92
83051GAS7	SKANDINAVISKA ENSKILDA CORPORATE NOTES	440,000.00	0.65	9/9/2024	2/21/2024	2/26/2024	(11,117.07)	430,097.92
91282CCX7	US TREASURY NOTES	100,000.00	0.38	9/15/2024	2/21/2024	2/26/2024	(2,525.22)	97,567.40
931142EW9	WALMART INC CORPORATE NOTES	650,000.00	3.90	9/9/2025	2/21/2024	2/26/2024	(9,049.10)	652,477.58
24422EWF2	JOHN DEERE CAPITAL CORP CORPORATE NOTES	295,000.00	3.40	6/6/2025	3/4/2024	3/6/2024	(5,901.21)	291,578.00
24422EWJ4	JOHN DEERE CAPITAL CORP CORPORATE NOTES	155,000.00	4.05	9/8/2025	3/4/2024	3/7/2024	(1,977.66)	156,104.76
427866BF4	HERSHEY CO CORP NOTES (CALLABLE)	375,000.00	0.90	6/1/2025	3/4/2024	3/6/2024	(13,250.14)	357,624.38
830505AX1	SKANDINAVISKA ENSKILDA CORPORATE NOTES	700,000.00	3.70	6/9/2025	3/4/2024	3/6/2024	(12,604.19)	693,267.17
86959LAJ2	SVENSKA HANDELSBANKEN AB CORPORATE NOTES	700,000.00	3.65	6/10/2025	3/4/2024	3/6/2024	(12,969.12)	692,810.61
91282CCX7	US TREASURY NOTES	250,000.00	0.38	9/15/2024	3/4/2024	3/7/2024	(6,039.30)	244,227.45
91282CCX7	US TREASURY NOTES	325,000.00	0.38	9/15/2024	3/5/2024	3/8/2024	(7,839.63)	317,511.72
91282CCX7	US TREASURY NOTES	150,000.00	0.38	9/15/2024	3/11/2024	3/13/2024	(3,515.65)	146,657.07
89236TKC8	TOYOTA MOTOR CREDIT CORP CORPORATE NOTES	225,000.00	3.95	6/30/2025	3/18/2024	3/21/2024	(3,401.12)	223,507.69
912828YM6	US TREASURY NOTES	300,000.00	1.50	10/31/2024	3/19/2024	3/21/2024	(8,676.51)	295,005.49
05565ECC7	BMW US CAPITAL LLC CORPORATE NOTES	325,000.00	5.30	8/11/2025	3/25/2024	4/1/2024	640.51	328,019.61
912828YM6	US TREASURY NOTES	350,000.00	1.50	10/31/2024	3/25/2024	4/2/2024	(9,510.00)	344,838.34
89115A2A9	TORONTO-DOMINION BANK CORPORATE NOTES	700,000.00	3.77	6/6/2025	3/27/2024	4/1/2024	(12,026.00)	696,395.19
91282CCX7	US TREASURY NOTES	475,000.00	0.38	9/15/2024	4/1/2024	4/4/2024	(9,762.25)	465,040.17
912828YM6	US TREASURY NOTES	1,975,000.00	1.50	10/31/2024	4/2/2024	4/4/2024	(53,087.46)	1,946,499.16
3130AV7L0	FEDERAL HOME LOAN BANKS NOTES	2,495,000.00	5.00	2/28/2025	4/11/2024	4/16/2024	(4,499.50)	2,505,695.23
2022B Construction Fund								
912828V23	US TREASURY NOTES	20,250,000.00	2.25	12/31/2023	12/20/2023	12/21/2023	27,518.34	20,475,714.59
2022D Construction Fund								
9128282N9	US TREASURY NOTES	10,275,000.00	2.13	7/31/2024	12/4/2023	12/11/2023	(11,602.05)	10,152,425.95
91282CEX5	US TREASURY NOTES	10,110,000.00	3.00	6/30/2024	12/4/2023	12/11/2023	(8,301.34)	10,117,606.53
91282CFN6	US TREASURY NOTES	5,415,000.00	4.25	9/30/2024	12/4/2023	12/11/2023	(8,330.90)	5,420,083.50

Securities highlighted in **blue font** denote trades executed during the current month.



**DC Water
Finance Division
Maturities
Last 6 Months**

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	TRADE DATE	SETTLE DATE	TRANSACTION AMOUNT
Operating Reserve Accounts							
RE1062174	INDUSTRIAL BANK CDARS	2,733,259.11	3.00	1/11/2024	1/11/2024	1/11/2024	2,774,145.67
RE1062174	INDUSTRIAL BANK CDARS	2,776,665.73	3.00	1/11/2024	1/11/2024	1/11/2024	2,818,201.61
38141GZH0	GOLDMAN SACHS GROUP CORP NOTES (CALLED,O	500,000.00	1.76	1/24/2024	1/24/2024	1/24/2024	504,392.50
RE1062166	INDUSTRIAL BANK CDARS	5,353,894.00	3.25	2/1/2024	2/1/2024	2/1/2024	5,440,656.42
46647PBY1	JPMORGAN CHASE & CO CORP NOTES (CALLED,O	305,000.00	0.56	2/16/2024	2/16/2024	2/16/2024	305,858.58
06051GHR3	BANK OF AMERICA CORP CORP NOTES(CALLED,O	700,000.00	3.46	3/15/2024	3/15/2024	3/15/2024	712,103.00
RE1062695	INDUSTRIAL BANK CDARS	5,281,508.78	3.75	4/4/2024	4/4/2024	4/4/2024	5,380,265.76
06051GKS7	BANK OF AMERICA CORP NOTES (CALLED, OMD	700,000.00	3.84	4/25/2024	4/25/2024	4/25/2024	713,443.50
2022B Construction Fund							
912828T91	US TREASURY NOTES	35,025,000.00	1.63	10/31/2023	10/31/2023	10/31/2023	35,309,578.13
912828V23	US TREASURY NOTES	25,050,000.00	2.25	12/31/2023	12/31/2023	12/31/2023	25,331,812.50
912828W48	US TREASURY NOTES	10,180,000.00	2.13	2/29/2024	2/29/2024	2/29/2024	10,288,162.50
912797JH1	US TREASURY BILL	10,150,000.00	-	3/12/2024	3/12/2024	3/12/2024	10,150,000.00
912796CX5	US TREASURY BILL	18,350,000.00	-	4/18/2024	4/18/2024	4/18/2024	18,350,000.00
2022C Construction Fund							
91282CDD0	US TREASURY NOTES	52,035,000.00	0.38	10/31/2023	10/31/2023	10/31/2023	52,132,565.63
91282CDR9	US TREASURY NOTES	25,200,000.00	0.75	12/31/2023	12/31/2023	12/31/2023	25,294,500.00
2022E Construction Fund							
9128284S6	US TREASURY NOTES	9,620,000.00	2.75	5/31/2023	5/31/2023	5/31/2023	9,752,275.00
91282CCK5	US TREASURY N/B NOTES	27,530,000.00	0.13	6/30/2023	6/30/2023	6/30/2023	27,547,206.25
91282CCK5	US TREASURY N/B NOTES	27,530,000.00	0.13	6/30/2023	6/30/2023	6/30/2023	27,547,206.25
91282CCK5	US TREASURY N/B NOTES	27,530,000.00	0.13	6/30/2023	6/30/2023	6/30/2023	27,547,206.25
91282CCK5	US TREASURY N/B NOTES	27,530,000.00	0.13	6/30/2023	6/30/2023	6/30/2023	27,547,206.25
91282CCK5	US TREASURY N/B NOTES	27,530,000.00	0.13	6/30/2023	6/30/2023	6/30/2023	27,547,206.25
91282CCK5	US TREASURY N/B NOTES	27,530,000.00	0.13	6/30/2023	6/30/2023	6/30/2023	27,547,206.25

Securities highlighted in **blue font** denote trades executed during the current month.



**DC Water
Finance Division
Upcoming Transaction Cash Flows
Next 30 Days**

DATE	TRANSACTION	CUSIP	DESCRIPTION	COUPON	MATURITY DATE	PAR VALUE/SHARES	PRINCIPAL	INTEREST	TOTAL
05/01/24	INTEREST	17252MAP5	CINTAS CORPORATION NO. 2 CORP NOTE (CALL	3.450	05/01/25	500,000	0.00	8,625.00	8,625.00
05/01/24	INTEREST	857477BE2	STATE ST BANK & TR CORP NOTES (CALLABLE)	2.354	11/01/25	500,000	0.00	5,885.00	5,885.00
05/01/24	MATURITY	172967MX6	CITIGROUP INC CORPORATE NOTES (CALLED,OM	0.981	05/01/24	350,000	350,000.00	1,716.75	351,716.75
05/03/24	INTEREST	65558UYF3	NORDEA BANK ABP NEW YORK CERT DEPOS	5.530	11/03/25	700,000	0.00	19,355.00	19,355.00
05/08/24	INTEREST	3130APQ81	FEDERAL HOME LOAN BANK NOTES (CALLABLE)	1.000	11/08/24	1,450,000	0.00	7,250.00	7,250.00
05/13/24	INTEREST	110122DN5	BRISTOL-MYERS SQUIBB CO CORPORATE NOTES	0.750	11/13/25	350,000	0.00	1,312.50	1,312.50
05/13/24	INTEREST	14913R2V8	CATERPILLAR FINL SERVICE CORPORATE NOTES	3.400	05/13/25	550,000	0.00	9,350.00	9,350.00
05/13/24	INTEREST	771196CE0	ROCHE HOLDINGS INC CORP NOTE (CALLABLE)	5.265	11/13/26	685,000	0.00	18,032.63	18,032.63
05/15/24	INTEREST	91282CFW6	US TREASURY NOTES	4.500	11/15/25	5,220,000	0.00	117,450.00	117,450.00
05/15/24	INTEREST	91282CHB0	US TREASURY NOTES	3.625	05/15/26	4,500,000	0.00	81,562.50	81,562.50
05/15/24	INTEREST	91282CJK8	US TREASURY N/B NOTES	4.625	11/15/26	4,800,000	0.00	111,000.00	111,000.00
05/15/24	INTEREST	31306X3C5	FG J20795	2.500	10/01/27	20,250	0.00	253.12	253.12
05/15/24	INTEREST	31307B5M8	FG J23552	2.500	05/01/28	19,527	0.00	244.09	244.09
05/16/24	INTEREST	38145GAH3	GOLDMAN SACHS GROUP INC CORP NOTES (CALL	3.500	11/16/26	575,000	0.00	10,062.50	10,062.50
05/19/24	INTEREST	95000U2T9	WELLS FARGO & COMPANY CORP NOTES (CALLAB	0.805	05/19/25	500,000	0.00	2,012.50	2,012.50
05/24/24	MATURITY	404280CS6	HSBC HOLDINGS PLC CORP NOTES (CALLED,OMD	0.976	05/24/24	500,000	500,000.00	2,440.00	502,440.00
05/25/24	INTEREST	3132A7WA5	FR ZS6941	2.000	03/01/28	18,835	0.00	188.35	188.35
05/25/24	INTEREST	3136ARTE8	FNA 2016-M3 A2	2.702	02/01/26	61,577	0.00	831.90	831.90
05/25/24	INTEREST	3137BLMZ8	FHLMC SERIES K049 A2	3.010	07/01/25	233,262	0.00	3,510.60	3,510.60
05/25/24	INTEREST	3137BN6G4	FHMS K053 A2	2.995	12/01/25	116,666	0.00	1,747.08	1,747.08
05/25/24	INTEREST	3137BNGT5	FHMS K054 A2	2.745	01/01/26	245,833	0.00	3,374.06	3,374.06
05/25/24	INTEREST	3137BRQJ7	FHMS K057 A2	2.570	07/01/26	129,167	0.00	1,659.79	1,659.79
05/25/24	INTEREST	3137BSP72	FHMS K058 A2	2.653	08/01/26	187,500	0.00	2,487.19	2,487.19
05/25/24	INTEREST	3137FETM2	FHLMC MULTIFAMILY STRUCTURED POOL	3.350	09/01/28	94,927	0.00	1,590.03	1,590.03
05/25/24	INTEREST	3137FNWX4	FHMS K736 A2	2.282	07/01/26	127,500	0.00	1,454.78	1,454.78

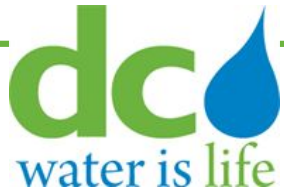


**DC Water
Finance Division
Upcoming Transaction Cash Flows
Next 30 Days**

DATE	TRANSACTION	CUSIP	DESCRIPTION	COUPON	MATURITY DATE	PAR VALUE/SHARES	PRINCIPAL	INTEREST	TOTAL
05/25/24	INTEREST	3138MRLV1	FANNIE MAE POOL	2.500	01/01/28	21,641	0.00	270.51	270.51
05/25/24	INTEREST	3140J9DU2	FN BM4614	3.000	03/01/33	34,523	0.00	517.85	517.85
05/25/24	INTEREST	3140X3BR8	FN FM0047	3.000	12/01/34	42,663	0.00	639.95	639.95
05/25/24	INTEREST	3140X7FL8	FN FM3770	3.000	07/01/35	33,498	0.00	502.47	502.47
05/25/24	INTEREST	3140X9G25	FN FM5616	3.000	12/01/34	42,941	0.00	644.11	644.11

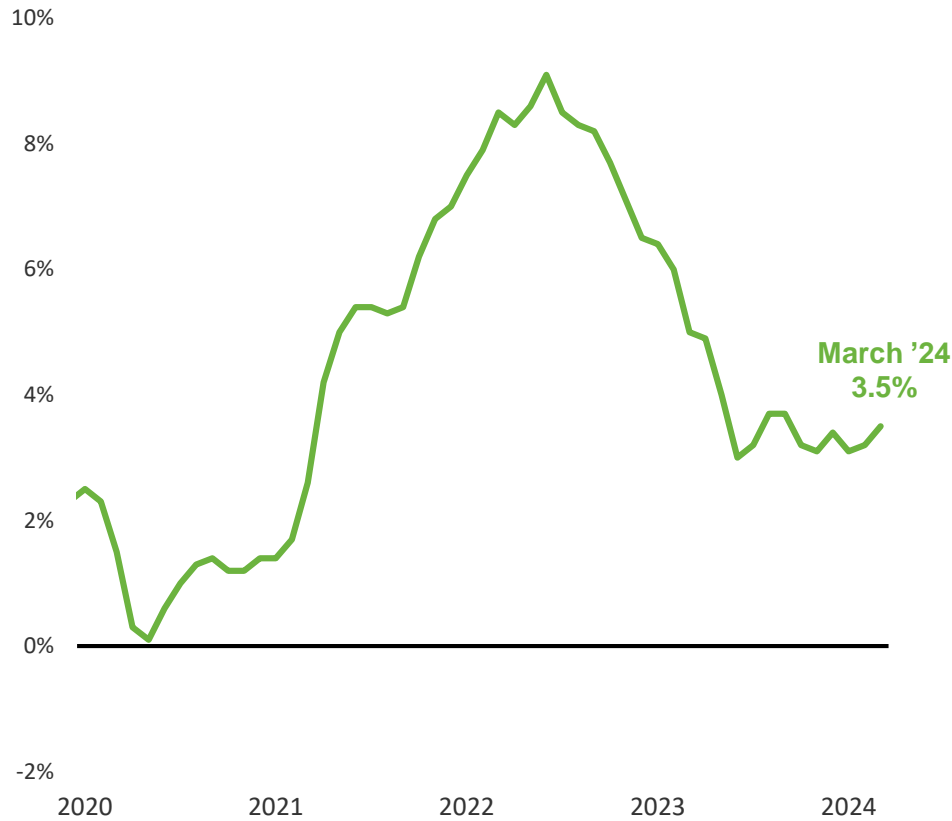


Appendix: Economic Update

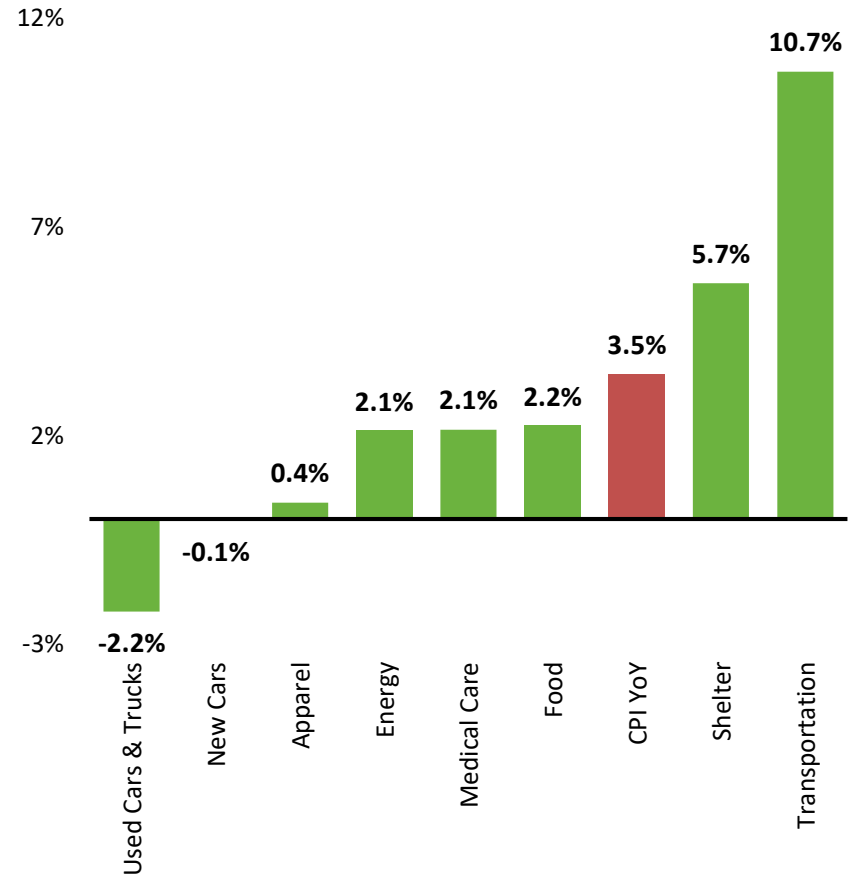


Consumer Inflation

Consumer Price Index
% Change YoY



Key Consumer Price Index Components
% Change YoY



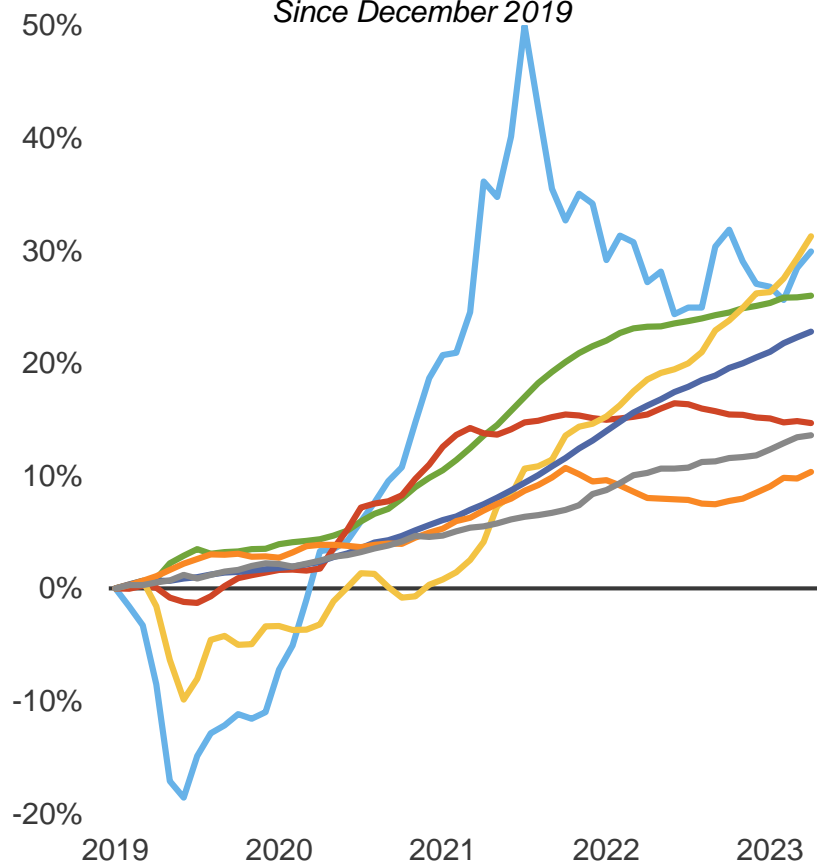
Source: Bloomberg, as of March 2024.



CPI Disinflation Signals Potential for Soft Landing

Price Change of Major CPI Components

Since December 2019



CPI Component	12-mo. Change	Weight ¹	Contribution to YoY CPI
Energy	2.1%	6.7%	0.1%
Food	2.2%	13.5%	0.3%
Transportation	10.7%	6.4%	0.7%
Shelter	5.6%	36.2%	2.0%
Goods	-0.7%	18.8%	-0.1%
Other Services ²	3.0%	11.9%	0.4%
Medical Services	2.1%	6.5%	0.1%
Overall	3.5%		

Source: Bloomberg, Bureau of Labor Statistics as of March 2024.

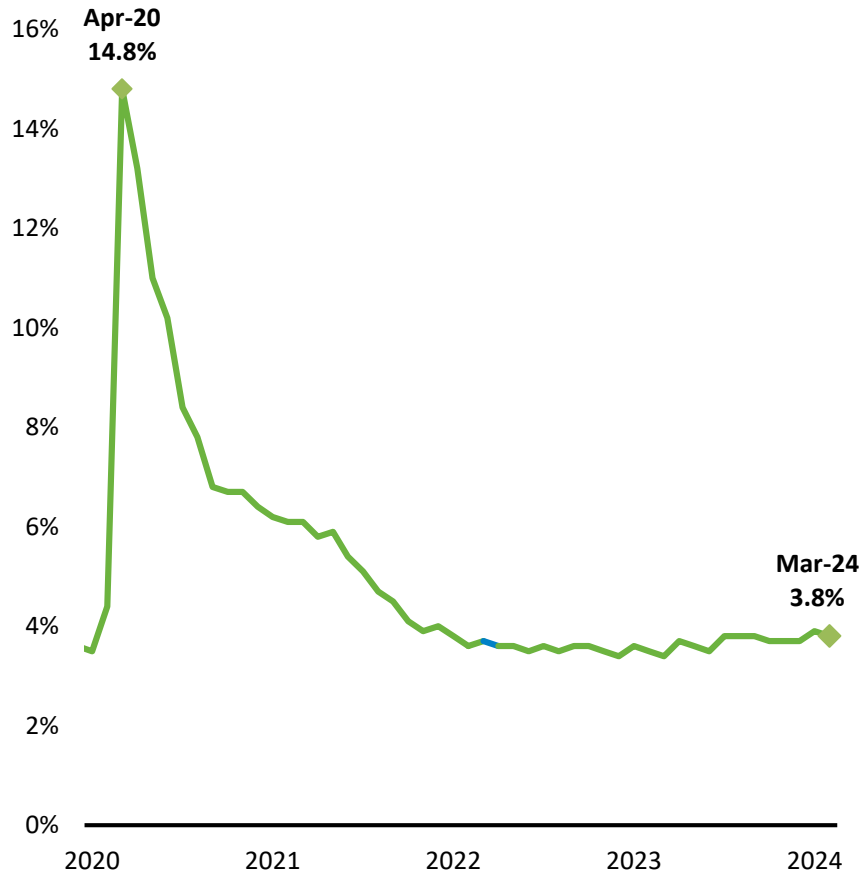
¹ Index weights are as of February 2024 as they are published on a one-month lag.

² Other services is a weighted blend of Water/Sewer/Trash, Household Operations, Recreation, and Education and Communication services.

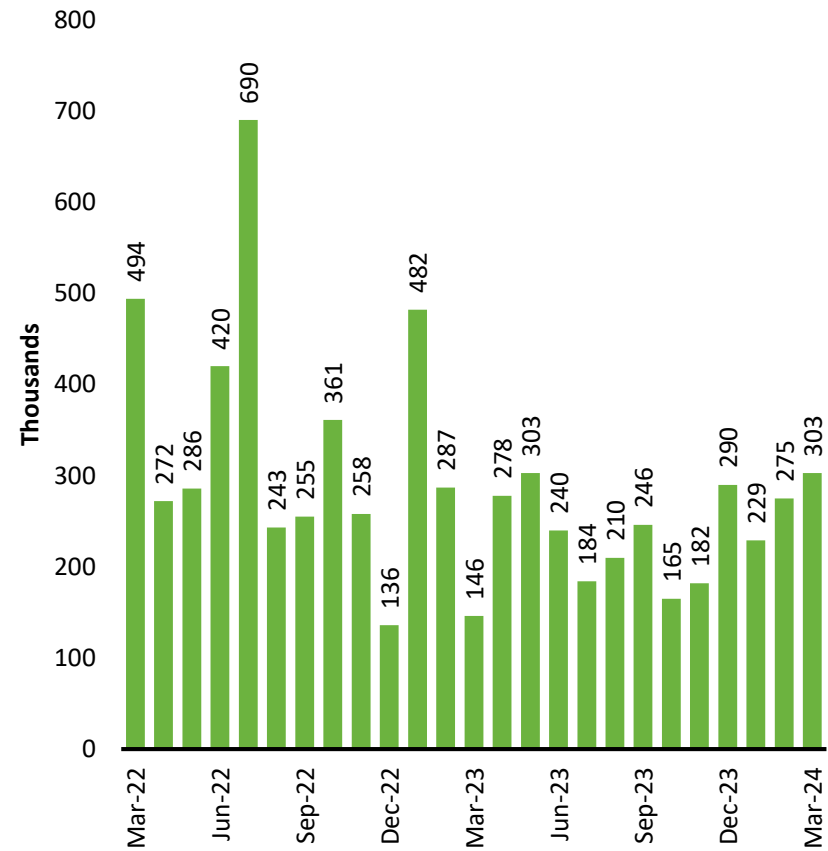


Unemployment Rate Increased to 3.9%

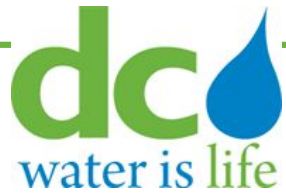
Unemployment Rate



Monthly Change In Nonfarm Payrolls

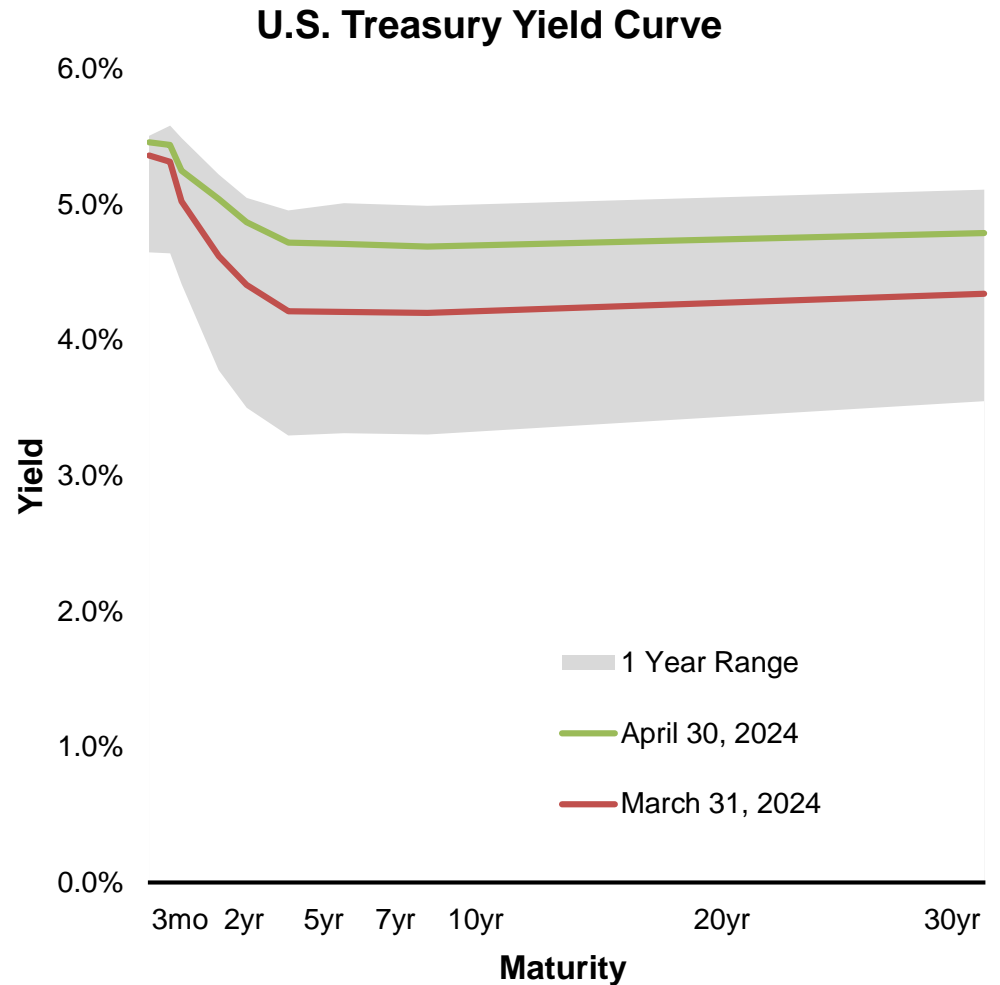


Source: Bloomberg, as of March 2024. Data is seasonally adjusted.



Treasury Yield Curve

	3/31/2024	4/30/2024	Change
3 month	5.36%	5.46%	0.10%
6 month	5.32%	5.44%	0.12%
1 year	5.02%	5.25%	0.23%
2 year	4.62%	5.04%	0.42%
3 year	4.41%	4.87%	0.46%
5 year	4.21%	4.72%	0.51%
10 year	4.20%	4.69%	0.49%
30 year	4.34%	4.79%	0.45%



Source: Bloomberg, as of 03/31/2024 and 04/30/2024, as indicated.



Investment advisory services are provided by PFM Asset Management LLC (“PFMAM”), an investment adviser registered with the U.S. Securities and Exchange Commission and a subsidiary of U.S. Bancorp Asset Management, Inc. (“USBAM”). USBAM is a subsidiary of U.S. Bank National Association (“U.S. Bank”). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of PFMAM. The information contained is not an offer to purchase or sell any securities. Additional applicable regulatory information is available upon request.

For more information regarding PFMAM’s services or entities, please visit www.pfmam.com.

This material is based on information obtained from sources generally believed to be reliable and available to the public, however PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or October happen under certain circumstances are based on assumptions, some but not all of which are noted in the presentation. Assumptions October or October not be proven correct as actual events occur, and results October depend on events outside of your or our control. Changes in assumptions October have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results.

CDARS holdings and Bank Deposits are not managed by PFMAM, and therefore we cannot guarantee the accuracy of holdings.